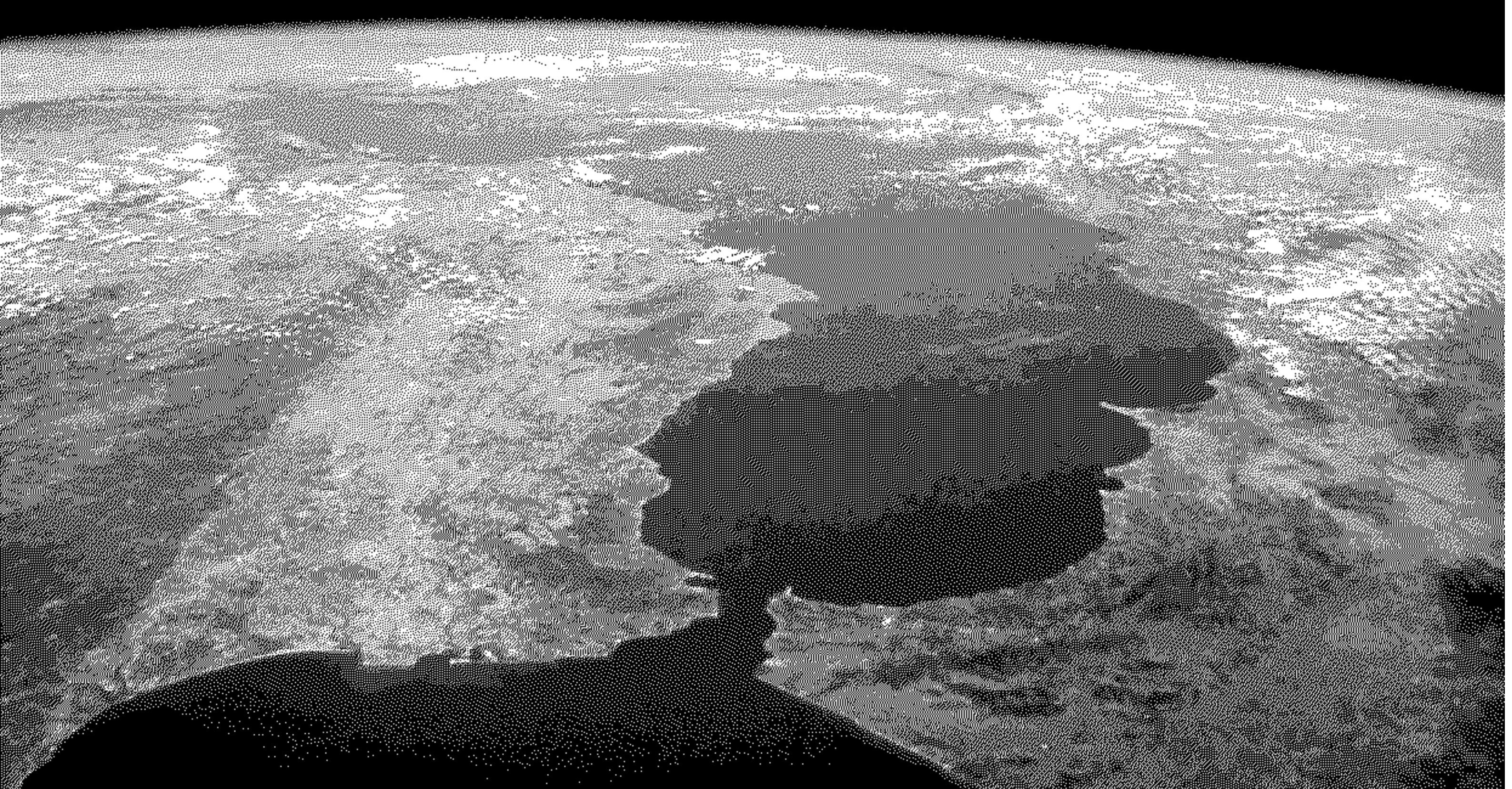
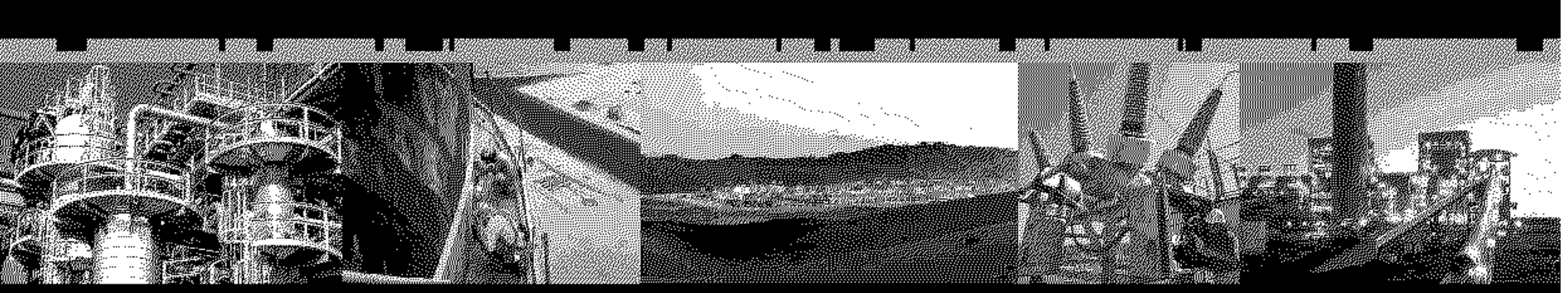
Worley



Prospectus

An Entitlement Offer of approximately 33.2 million New Shares at $4.10 per share to raise approximately $136.1 million



Financial Advisor and Lead Manager

UBS

IMPORTANT INFORMATION

This Prospectus

This document is important and requires your immediate attention. You should read this entire Prospectus carefully before deciding whether to invest in the New Shares. In particular, it is important that you consider the risk factors (see Section 7) that could affect the financial performance of Worley Group Limited ABN 17 096 090 158 ("Worley") before deciding what course you should follow.

If you are unclear as to the course you should follow, then you should consult your stockbroker, solicitor, accountant or financial adviser immediately.

This Prospectus is dated 11 October 2004 and a copy of this Prospectus was lodged with ASIC on that date. This Prospectus expires on 11 November 2005 ("Expiry Date"). No New Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date. ASIC and ASX take no responsibility for the contents of this Prospectus.

Within seven days after the date of this Prospectus, Worley will apply to ASX for the New Shares to be quoted on ASX.

Offering Restrictions

This Prospectus has been prepared to comply with the requirements of the laws of Australia.

The Entitlement Offer is not being extended to any Shareholder whose registered address is outside of Australia and New Zealand, other than a Qualifying Institutional Shareholder.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The New Shares have not been, and will not be registered under the US Securities Act and may not be offered or sold in the US except in transactions exempt from the registration requirements of the US Securities Act and applicable US State securities laws.

No Representations Other Than In This Prospectus

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Worley.

Prospectus Availability

A free paper copy of this Prospectus is available to Qualifying Shareholders during the Entitlement Offer period by calling the Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or + 61 3 9415 4000 (International). The electronic version of this Prospectus may be viewed and downloaded from Worley's website: www.worley.com.au. An electronic version of this Prospectus is only available online to persons resident in Australia. Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

Future Performance

Except as required by law, and only then to the extent so required, neither Worley nor any other person warrants the future performance of Worley or any return on any investment made pursuant to this Prospectus.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary of Terms. The financial amounts in this Prospectus are expressed in Australian currency unless otherwise stated.

Photographs and Diagrams

Photographs and schematic drawings appearing in this Prospectus do not depict assets or equipment owned or used by Worley or Parsons E&C or an activity conducted by Worley or Parsons E&C unless otherwise indicated. Diagrams used in the Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Enquiries

If you have any questions in relation to the Entitlement Offer, please contact your stockbroker, solicitor, accountant or financial adviser. If you have questions in relation to how to complete the Entitlement Form, please call the Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or +61 3 9415 4000 (International).

Privacy

Please read the privacy statement located at Section 8.15. By submitting the Application Form in or accompanying this Prospectus, you consent to the matters outlined in that statement.

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11 October 2004

Dear Shareholder

I am pleased to present you with an opportunity to participate in the next stage of Worley's growth through this Entitlement Offer of approximately 33.2 million New Shares at $4.10 per New Share.

On 7 October 2004, Worley announced it had agreed to acquire all the issued stock in Parsons E&C Corporation ("Parsons E&C"), a global engineering design and project services company, for US$245 million. Parsons E&C has a strong reputation as a provider of engineering, procurement, project management and construction management ("EPCM") services to the oil, gas, refining, chemicals, petrochemicals and power sectors.

The acquisition of Parsons E&C represents an attractive and exciting opportunity for Worley. The Parsons E&C and Worley businesses are complementary both in terms of their geographical presence and their technical capabilities, providing many new growth opportunities.

Following the Acquisition, it is proposed that Shareholder approval will be sought for the combined business to be renamed "WorleyParsons Limited", reflecting both the heritage and the contribution each business is expected to make.

The operations of Parsons E&C will continue predominantly under the stewardship of Mr William (Bill) Hall, Chairman and CEO, Parsons E&C. In addition, Worley is delighted that Bill has agreed to accept a position on the Board, subject to completion of the Acquisition.

The Acquisition is a significant step in the development of Worley internationally. WorleyParsons will employ in excess of 9,500 people across 59 offices in 29 countries. The expanded operational base will create opportunities by extending existing expertise to new regions.

The Acquisition is expected to be earnings per Share accretive (pre-amortisation) based on the expected nine month contribution for the year ending 30 June 2005. Further information on the effect of the Acquisition and the Capital Raising is set out in Section 4.

The Acquisition is to be funded through a combination of debt and the issue of New Shares, comprising an Institutional Placement and an Entitlement Offer. The Institutional Placement of approximately 22.4 million New Shares was completed on Friday 8 October 2004 and raised approximately $91.9 million. This Entitlement Offer, in which you are invited to participate, is expected to raise an additional approximately $136.1 million and has been fully underwritten by UBS AG, Australia Branch.

You are entitled to take up 2 New Shares for every 9 Existing Shares you owned at 7.00pm on Tuesday 12 October 2004. To apply for shares, you should use the Entitlement Form accompanying this Prospectus.

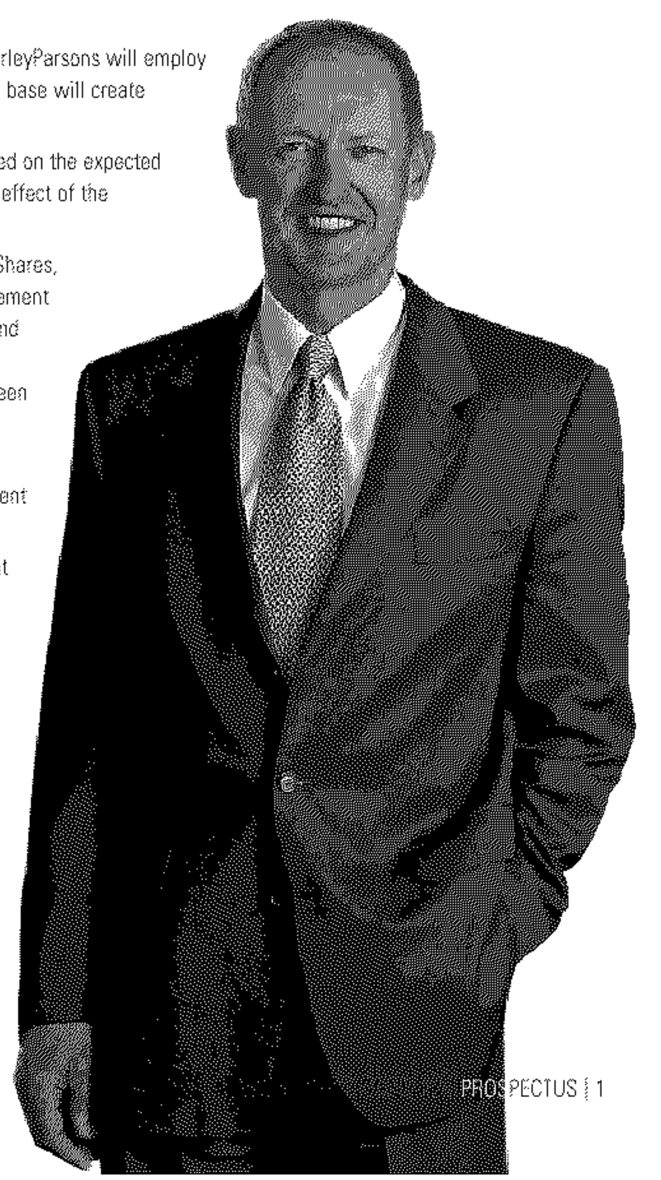
This Prospectus contains full details of the Acquisition, its funding and the Entitlement Offer. Please take the time to read it carefully before deciding whether to invest. If you are uncertain as to whether taking up the Entitlement Offer is a suitable investment for your purposes, you should consult your stockbroker, solicitor, accountant or financial adviser.

On behalf of the Board I commend this Entitlement Offer to you.

Yours faithfully

JM Schubert

JOHN SCHUBERT
CHAIRMAN



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The acquisition of Parsons E&C is a unique opportunity for Worley to significantly expand its geographic reach, enhance its technical capabilities and create a platform for the long-term growth.

Worley provides a broad range of professional services to the energy, resource and complex process industries globally and has enjoyed a long and sustained period of growth. This growth has been achieved through a combination of well executed acquisitions and the expansion of the services Worley offers its client base globally.

Worley's improving capability to execute projects from a range of global locations has helped it win and perform large-scale projects. Strategically located offices close to major resource centres have improved Worley's capability to offer its services efficiently to global clients.

In growing internationally, Worley has often formed strategic alliances or joint venture relationships with local service providers. This has been a successful strategy, enabling Worley to combine its major project and design expertise with local knowledge and developing relationships.

The Acquisition is the extension of a successful joint venture relationship between Parsons E&C and Worley. It represents a new opportunity for Worley to extend its technical capabilities and geographical reach, on attractive terms. Parsons E&C currently has in excess of 5,400 personnel operating in 15 countries. It has a reputation for the provision of innovative and leading solutions, and operates in many regions where Worley either does not yet have a presence or is seeking further growth.

WorleyParsons, will be a leading global player providing services to the hydrocarbon market with significantly increased capabilities, geographical coverage and capacity. The expanded product capabilities and offerings will provide opportunities to cross-sell services through a larger network of offices.

In addition, Parsons E&C has expertise and scale in sectors such as refining and petrochemicals, onshore gas plants, sulphur technology and power (where Worley has operations in Australia only), providing greater geographic diversification and revenue opportunities for the Worley business.

Over the past 12 months, Worley has been highlighting to Shareholders, employees and the market generally the six Worley strategic differentiators. These are:

- outstanding operational and corporate performance;
- focus on long-term contracts, integrated services and alliances;
- success in project delivery, large and small;
- comprehensive geographic presence and industry capability;
- identification, integration and growth of value-adding acquisitions; and
- a portfolio of development projects.

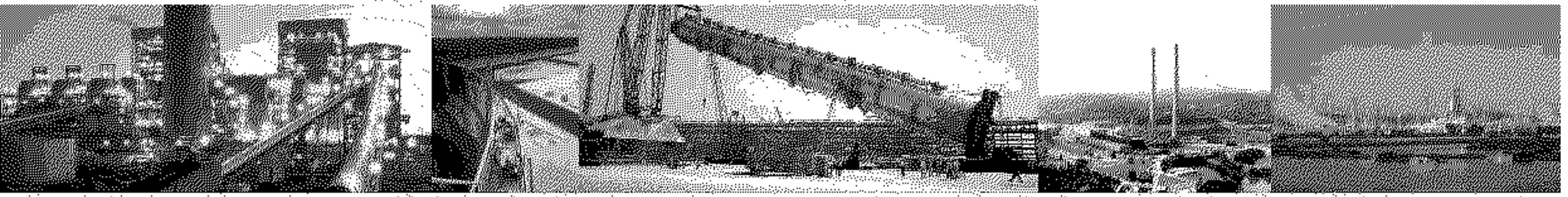
The acquisition of Parsons E&C will greatly assist Worley in achieving these differentiators. In addition, Parsons E&C's enviable safety record and sizeable exposure to long-term projects will significantly increase Worley's capability to deliver large EPCM projects and will greatly enhance Worley's technical capabilities and geographic coverage.

This is an exciting opportunity for Worley and we all look forward to the future growth opportunities that the Acquisition is expected to produce.

JOHN GRILL
CHIEF EXECUTIVE OFFICER

KEY INVESTMENT THEMES

WorleyParsons will be a leading global player in the energy and resource markets with significantly increased capabilities, geographical coverage and capacity...



LARGE PROJECT CAPABILITIES

Projects in the energy and resource markets continue to grow in size and complexity. WorleyParsons will be one of few global companies with the resources and technical capabilities to meet the demands of large-scale, long-term resource projects.

FULL SERVICE OFFERING

In the energy and resource industries, there is a growing trend toward outsourcing project and facility support services. WorleyParsons will have the capability and scale to offer clients the full range of services they increasingly seek.

GEOGRAPHIC AND INDUSTRY DIVERSIFICATION

The Acquisition will provide Worley with significantly increased presence in the international power market and broader geographic exposure in the hydrocarbon market. This provides new growth opportunities and an increasingly diversified business.

OPPORTUNITIES FOR SECTOR EXPANSION

WorleyParsons' expanded operational base will provide opportunities to extend existing expertise to new regions. Parsons E&C's global capability in large project management, onshore oil and gas, refining, petrochemicals and chemicals, and power can be utilised across Worley's operations throughout South-East Asia, Australasia and the Middle East. Worley's offshore oil and gas, and minerals and metals expertise can be applied across Parsons E&C's client base in Europe, the Former Soviet Union and the Americas.

STRONG STRATEGIC RELATIONSHIPS AND QUALITY CLIENT BASE

Parsons E&C has a long history of project delivery and has developed strong strategic relationships with a quality client base. Existing relationships will be further enhanced with the improved capability, capacity and coverage of WorleyParsons.

POSITIVE FINANCIAL IMPACT

The Acquisition is expected to be earnings per Share accretive (pre-amortisation) based on an expected nine month contribution for the year ending 30 June 2005.

- Worley has entered into an agreement to purchase Parsons E&C for US$245 million
- The Purchase Price represents an Adjusted EBITDA multiple of 6.9 times for the 12 months to 26 December 2003
- The Acquisition is to be funded by a mixture of equity and debt, as shown in the table below
- On a Composite basis, as described in Section 4.4, the Acquisition would have been approximately 34.8% earnings per share accretive (pre-amortisation and additional corporate and integration costs) for the 12 months to 30 June 2004
- The Acquisition would have been approximately 27.4% earnings per Share accretive (pre-amortisation and post-additional corporate and integration costs, see Section 4.7.1) for the 12 months to 30 June 2004
- The Acquisition is also expected to be earnings per Share accretive (pre-amortisation) based on an expected nine month contribution for the year ending 30 June 2005

an invitation

As part of the funding for the Acquisition, Worley is raising equity via an Entitlement Offer at a price of $4.10 per Share.

Worley is inviting you to participate in the Entitlement Offer. The exact number of New Shares you are entitled to is printed on the Entitlement Form sent with this Prospectus

ACQUISITION PRICING

Acquisition price	US$245m
Adjusted EBITDA (12 months to 26 Dec 2003)	US$35.7m
Adjusted EBITDA multiple	6.9x

NOTE:
1 See Section 3.8.1 for a description of adjustments to reported EBITDA

FINANCIAL PERFORMANCE INFORMATION

Adjusted 12 months to 26 Dec 2003	
Adjusted EBITDA	A$54.7m
Adjusted EBIT	A$47.3m

NOTE:
1 Parsons E&C financial statements are prepared in US dollars. For the purpose of this table, amounts in US dollars have been converted to Australian dollars at one Australian dollar equals the average exchange rate for the year ending 26 December 2003 (see Section 3.8.1)

FUNDING

Institutional Placement	A$91.9m
Entitlement Offer	A$136.1m
Debt funding	A$128.0m
Total funding	A$356.0m

SUMMARY OF THE ENTITLEMENT OFFER AND KEY DATES

SUMMARY OF KEY DATES

Offer to Qualifying Institutional Shareholders Opens	Thursday 7 October 2004
Offer to Qualifying Institutional Shareholders Closes	Friday 8 October 2004
Record Date for determining Entitlement to New Shares	Tuesday 12 October 2004
Offer opens to Qualifying Retail Shareholders and members of the public	Monday 18 October 2004
Latest day for receipt of Entitlement Forms and Application Monies for Initial Allotment	Friday 22 October 2004
Allotment of New Shares under Initial Allotment (Initial Allotment Date)	Friday 29 October 2004
Normal trading of New Shares under Initial Allotment	Monday 1 November 2004
Offer to Qualifying Retail Shareholders and members of the public closes (Closing Date)	Wednesday 3 November 2004
Allotment of New Shares under Final Allotment (Final Allotment Date)	Tuesday 16 November 2004
Normal trading of New Shares under Final Allotment	Wednesday 17 November 2004

These dates are subject to change and are indicative only. Worley reserves the right to amend this indicative timetable including, subject to the Corporations Act and Listing Rules, to extend the latest date for receipt of Applications, to accept late Applications either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.

1. READ

Read this Prospectus in full, paying particular attention to:

- the "Important Information" on the inside front cover;
- details of the Entitlement Offer in Section 1; and
- risk factors in Section 7.

2. CONSIDER AND CONSULT

Consider all risks and other information in light of your particular investment objectives and circumstances.

Consult with your stockbroker, solicitor, accountant or financial adviser if you are uncertain.

3. COMPLETE

Complete the appropriate application form accompanying this Prospectus. If you are a registered Shareholder with an Australian or New Zealand address at 7.00pm (EST) on the Record Date, you will receive a personalised Entitlement Form coloured blue.

Qualifying Retail Shareholders have the opportunity to apply for New Shares by one of two dates. Applicants who apply for New Shares on or by 5.00pm (EST) Friday 22 October 2004 will have their New Shares allotted on the Initial Allotment Date and will be able to trade those New Shares on ASX within three Business Days after that date ("Initial Allotment"). Applicants who apply for New Shares by 5.00pm (EST) on the Closing Date will have their New Shares allotted on the Final Allotment Date and will be able to trade those New Shares on ASX within three Business Days after that date ("Final Allotment"). Completed application forms must be accompanied by a cheque or bank draft in Australian currency for the amount of the Application Monies, payable to "Worley Group Limited – Entitlement Offer Applications Account" and crossed "Not Negotiable". Please do not send cash. Receipts for payments will not be issued.

For further details on how to apply for New Shares, see Section 1 and the guide to completing the Entitlement Form or Public Offer application forms on the back of the forms. For answers to any further questions you may have on how to apply for New Shares, please call the Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or + 61 3 9415 4000 (International).

4. MAIL OR DELIVER

Mail or deliver your completed application form together with your Application Monies as follows:

Mail to:

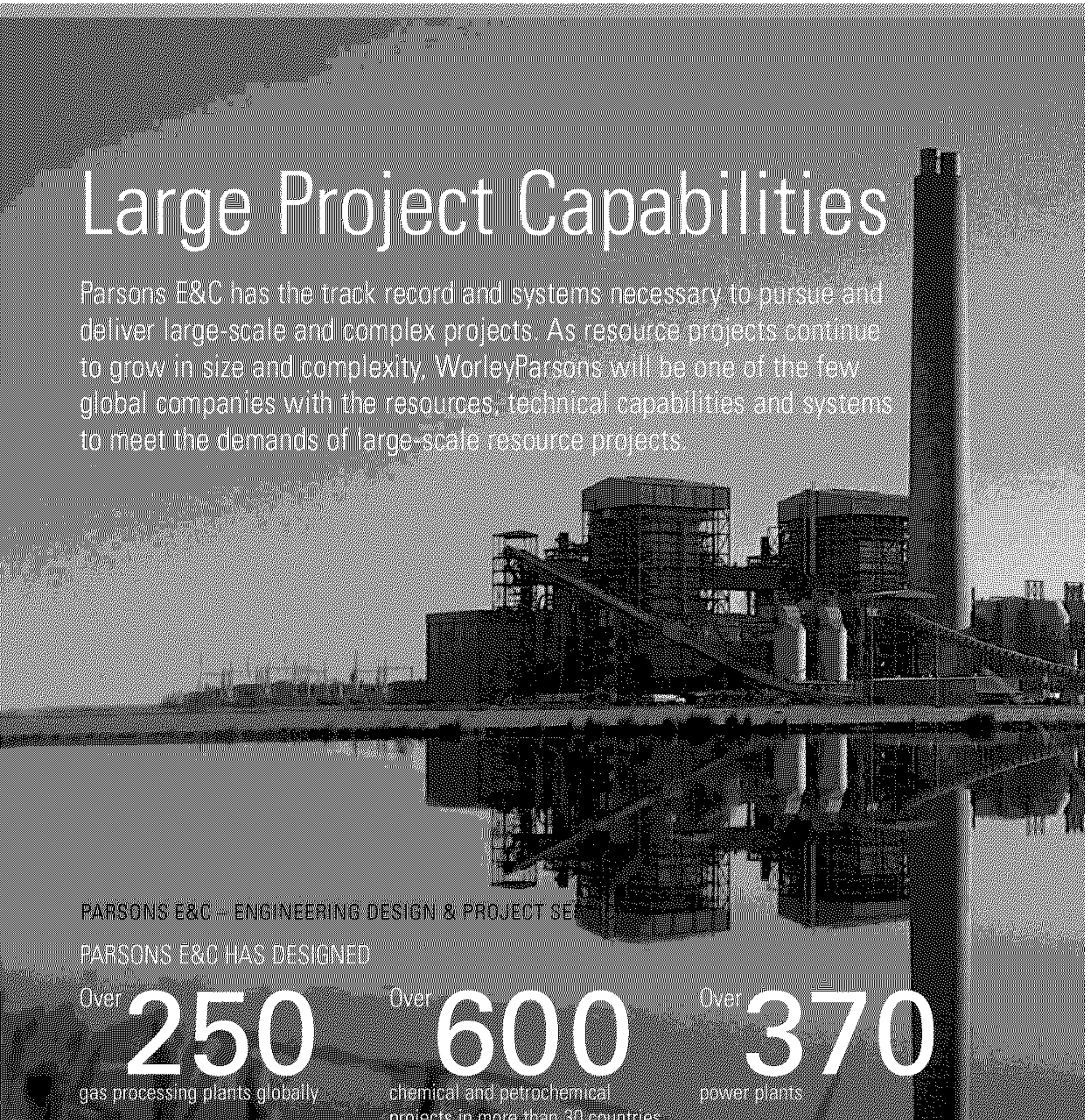
Computershare Investor Services Pty Limited
PO Box 7115
Sydney NSW 2000

OR

Hand deliver to:
Level 2
60 Carrington Street
Sydney NSW 2000

Completed application forms and Application Monies must be received by the Share Registry as follows:

- if you are a Qualifying Retail Shareholder and you wish to have New Shares issued on the Initial Allotment Date – by 5.00pm (EST) on Friday 22 October 2004; or
- if you are a Qualifying Retail Shareholder or a member of the general public, and you wish to have New Shares issued on the Final Allotment Date – by 5.00pm (EST) on the Closing Date (which is Wednesday 3 November 2004, subject to change).



Large Project Capabilities

Parsons E&C has the track record and systems necessary to pursue and deliver large-scale and complex projects. As resource projects continue to grow in size and complexity, WorleyParsons will be one of the few global companies with the resources, technical capabilities and systems to meet the demands of large-scale resource projects.

PARSONS E&C – ENGINEERING DESIGN & PROJECT SE

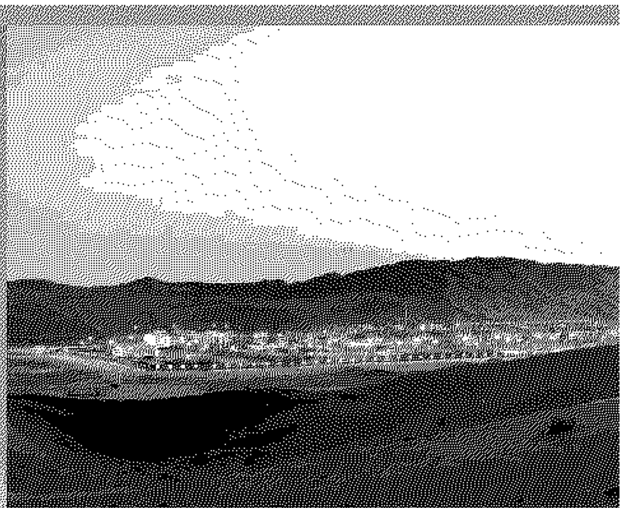
PARSONS E&C HAS DESIGNED

Over **250** gas processing plants globally

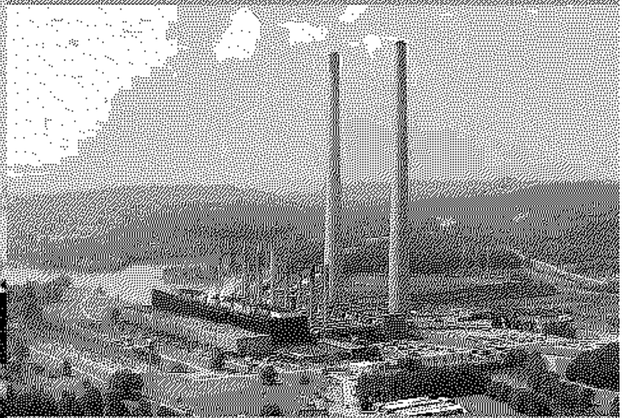
Over **600** chemical and petrochemical projects in more than 30 countries

Over **370** power plants

Parsons E&C has an international reputation for the successful delivery of many large-scale and complex projects. Parsons E&C's capabilities have enabled it to build long sustaining and mutually beneficial relationships with its client base. The strength of Parsons E&C's existing client relationships combined with those of Worley creates a strong platform for future growth.



SHAYBAH DEVELOPMENT – SAUDI ARABIA
Parsons E&C managed the development of Saudi Arabia's remote desert Shaybah oil production facility. The project included gas-oil separation and crude production facilities, roads, airstrip, camps, communications, power generation and a 650 km, 30 inch pipeline.



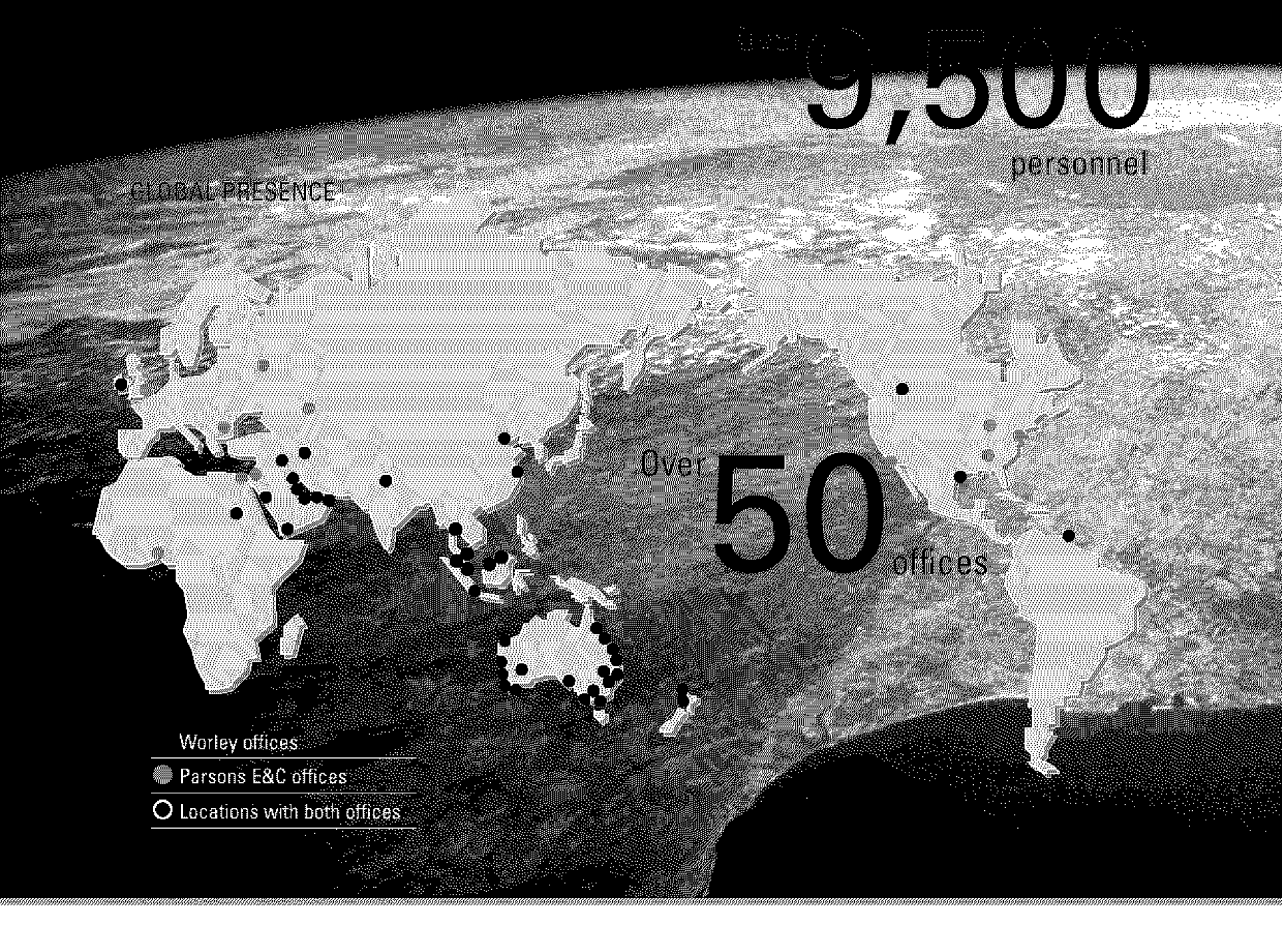
KINGSTON FOSSIL PLANT – TENNESSEE VALLEY
Parsons E&C provided engineering and design of above ground storage tanks at the Tennessee Valley Authority's Kingston fossil plant to eliminate contamination of boiler make-up water.

BOROUGE PETROCHEMICALS COMPLEX – ABU DHABI
The Borouge Petrochemicals Project, completed in 2002, produces 450,000 metric tons per year of high density and low density polyethylene and exports 150,000 metric tons per year of surplus ethylene. This joint venture was formed by the Abu Dhabi National Oil Company (ADNOC) and Borealis of Denmark. Parsons E&C provided PMC services.

Geographic and Industry Diver

Worley and Parsons E&C have largely operated in different regions. Worley's strength in South-East Asia, Australasia and the Middle East is complemented by Parsons E&C's presence across Europe, the Former Soviet Union and the Americas. The combination of the two businesses creates a global operational base.

The acquisition of Parsons E&C will provide Worley with significantly increased presence in the international power market and broader geographic exposure in the hydrocarbons market. Greater geographic and industry diversification will provide new growth opportunities.



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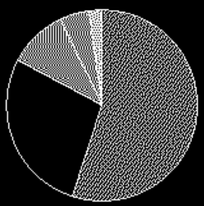
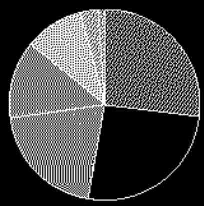
EBIT BY SECTOR COMPOSITE 12 MONTHS TO 30 JUNE 2004



Oil & Gas	55%
Power & Water	28%
Minerals, Metals & Chemicals	10%
Refining & Petrochemicals	5%
Industrial & Infrastructure	2%

EBIT BY GEOGRAPHY COMPOSITE 12 MONTHS TO 30 JUNE 2004

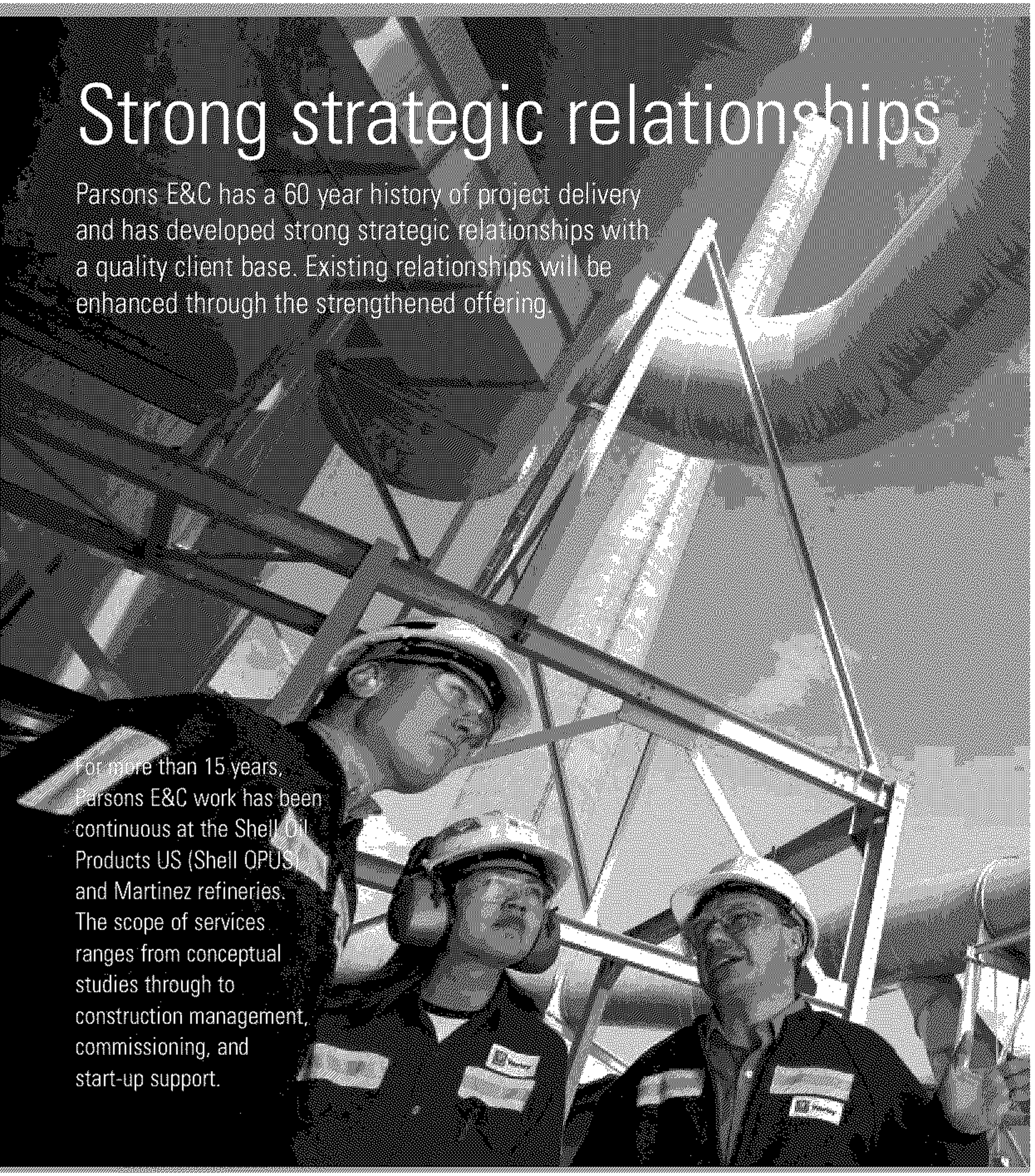


Australia & New Zealand	27%
Americas	26%
Former Soviet Union	20%
Asia	13%
Middle East	10%
Europe	3%
Other	1%

Across 29 countries

Opportunities for Sector Expansion

WorleyParsons' expanded operational base will provide opportunities to extend existing expertise to new regions. Parsons E&C's global capability in large project management, onshore oil and gas, refining, petrochemicals and chemicals and power can be utilised across Worley's operations throughout South-East Asia, Australasia and the Middle East. Worley's offshore oil and gas, and minerals and metals expertise can be applied across Parsons E&C's client base in Europe, the Former Soviet Union and the Americas.



Strong strategic relationships

Parsons E&C has a 60 year history of project delivery and has developed strong strategic relationships with a quality client base. Existing relationships will be enhanced through the strengthened offering.

For more than 15 years, Parsons E&C work has been continuous at the Shell Oil Products US (Shell OPUS) and Martinez refineries. The scope of services ranges from conceptual studies through to construction management, commissioning, and start-up support.

and Quality client base

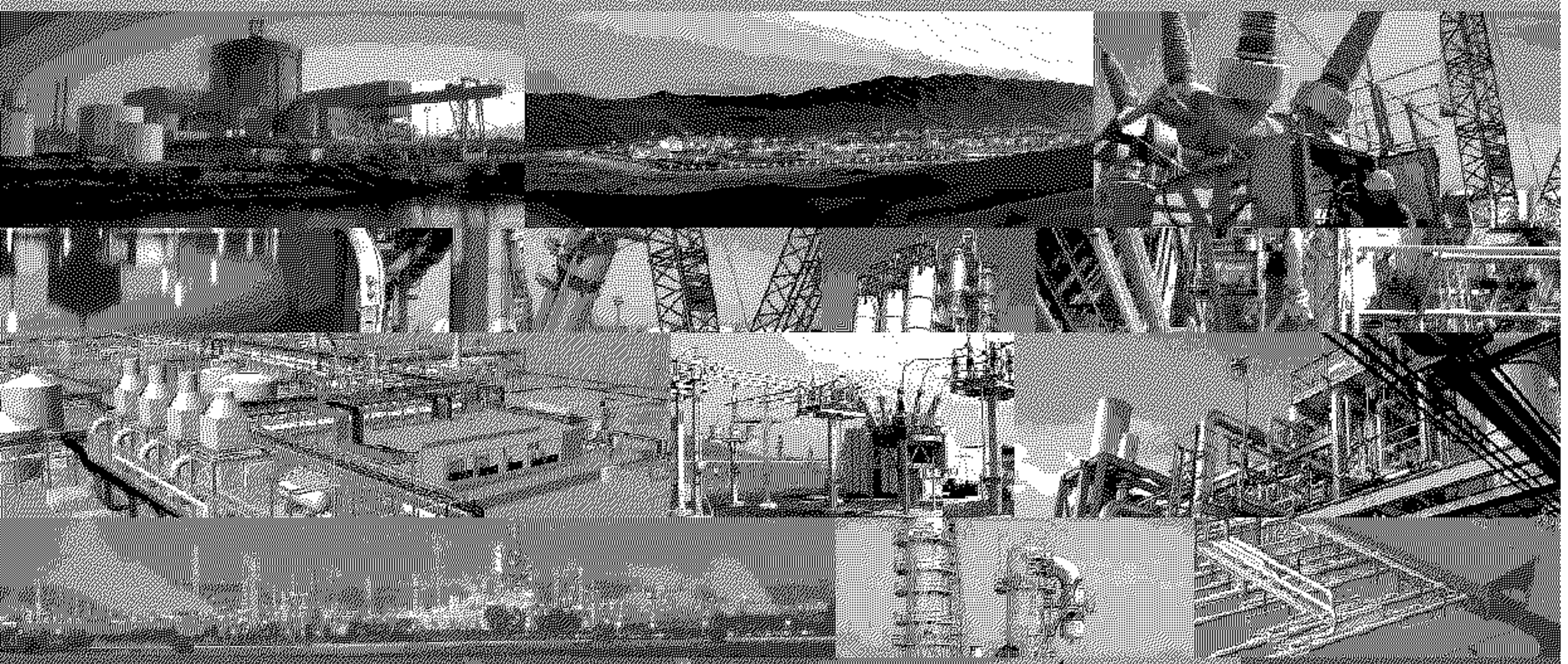
The Acquisition would have been approximately 27.4 % earnings per share accretive (pre-amortisation and post-additional corporate and integration costs) for the 12 months to 30 June 2004.

Positive financial impact

12 MONTHS	WORLEY 30 JUNE 2004	ADJUSTED PARSONS E&C 28 DEC 2003
EBITDA	49.0	54.7
EBIT	48.1	47.3
Countries	23	15
Employees	4,800	5,400

See Sections 4 and 5 for further detail.

1 Details of the Entitlement Offer



1. DETAILS OF THE ENTITLEMENT OFFER

Worley is making an Offer of New Shares to raise approximately $228 million comprising an Institutional Placement and Entitlement Offer. The proceeds of the Offer will be used to fund the acquisition of Parsons E&C

1.1 FUNDING

The Acquisition will be funded through a combination of debt and equity as set out in the following table.

SOURCES AND APPLICATION OF FUNDS

	A$m
Total Acquisition Cost	
Purchase Price[1]	341.0
Acquisition and funding costs	15.0
Total	**356.0**
Sources of Funding	
Institutional Placement	91.9
Entitlement Offer[2]	136.1
Debt funding[3]	128.0
Total	**356.0**

NOTES:

1 Purchase Price (US$245 million) converted into A$ at an assumed exchange rate of one Australian dollar equals 0.72 US dollars. For a description of the intended approach to hedging, see Section 8.4

2 The Entitlement Offer is fully underwritten. For a description of the Underwriting Agreement, see Section 8.2

3 For a description of the Facilities, see Section 8.3

The proceeds of the Institutional Placement, the Entitlement Offer and the debt funding will be received prior to Completion and payment of the Purchase Price.

This Prospectus relates to the Entitlement Offer only.

The Purchase Price will be distributed as follows:

- US$10 million held in escrow, as described in Section 8.1.1;
- US$166 million payable to Parsons Corporation to redeem a promissory note executed by the Parsons Employee Stock Ownership Plan ("ESOP") in favour of Parsons Corporation; and
- US$69 million distributed to ESOP members (of whom there are 4,000) for their pension plans, which are payable on retirement.

Details of each of the sources of funding are set out below.

1.1.1 INSTITUTIONAL PLACEMENT

On 8 October 2004, Worley completed an Institutional Placement of approximately 22.4 million New Shares at an issue price of $4.10 per New Share raising a total of approximately $91.9 million. As part of the Institutional Placement, certain Key Parsons E&C Executives subscribed for New Shares.

The New Shares issued under the Institutional Placement do not rank for the Entitlement Offer.

1.1.2 ENTITLEMENT OFFER

This Prospectus relates to the Entitlement Offer. Under the Entitlement Offer, Worley is making an offer of approximately 33.2 million New Shares at a price of $4.10 per New Share to raise approximately $136.1 million.

The Entitlement of Qualifying Institutional Shareholders (including a number of Major Shareholders and Directors) under the Entitlement Offer (in total, approximately 25.6 million Shares) have been offered at or about the time of the Institutional Placement. Further detail in relation to subscriptions by Major Shareholders and Directors is provided in Section 8.11 and 8.12.

1.1.3 ADDITIONAL DEBT FUNDING

Worley proposes to draw down approximately $128.0 million in new debt finance under the Facilities, as part of the funding of the Acquisition. These funds will be drawn down to coincide with Completion.

The Facilities also provide for ongoing working capital and funding requirements of the businesses. These funding requirements are not expected to exceed the total amount available under the Facilities of $220 million.

Further information in relation to the Facilities is provided in Section 8.3.

1.2 THE ENTITLEMENT OFFER

Under the Entitlement Offer, Worley propose to issue approximately 33.2 million New Shares at the Application Price to raise approximately $136.1 million.

Qualifying Shareholders have received or will receive an Entitlement Offer to acquire 2 New Shares for every 9 Existing Shares held at 7.00pm (EST) on the Record Date.

Shareholders registered at 7.00pm (EST) on the Record Date with registered addresses in Australia or New Zealand have a priority pro-rata Entitlement based on their holdings at that time, subject to Sections 8.10 and 8.17. In calculating Entitlements to New Shares, fractional entitlements have been rounded to the nearest whole number.

The Entitlement Offer is non-renounceable, which means the Entitlement itself is not transferable and cannot be sold. The New Shares are transferable. In order for Shareholders to ensure they receive their Entitlement, Applications must be made on the blue personalised loose leaf Entitlement Form accompanying this Prospectus.

The Entitlement Offer is structured as follows:

– Institutional Entitlement Offer - this has already occurred;
– Retail Entitlement Offer - being made under this Prospectus; and
– Public Offer - being made under this Prospectus.

All New Shares will be allotted pursuant to this Prospectus.

Worley reserve the right to withdraw the Entitlement Offer without prior notice, subject to the Corporations Act and Listing Rules.

1.2.1 APPLICATION PRICE AND BOOKBUILD PROCESS

The Application Price under the Entitlement Offer is $4.10 per New Share and was determined by Qualifying Institutional Shareholders and other Institutional Investors by a Bookbuild process.

1.2.2 INSTITUTIONAL ENTITLEMENT OFFER

Offers were made to Qualifying Institutional Shareholders allowing them to take up their pro-rata Entitlement at or about the time of the Institutional Placement. Under the Institutional Entitlement Offer, New Shares not taken up by Qualifying Institutional Shareholders were offered to:

– other Qualifying Institutional Shareholders wishing to subscribe for more than their Entitlement; and
– other Institutional Investors wishing to acquire New Shares.

New Shares taken up in the Institutional Entitlement Offer will be issued to the relevant Qualifying Institutional Shareholders and other Institutional Investors on the Initial Allotment Date.

1.2.3 RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is only available to Qualifying Retail Shareholders who have not already received (directly or through nominees) an offer, regardless of whether they accepted that offer, under the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, you will receive an offer to subscribe for up to your Entitlement as shown on your accompanying blue personalised loose leaf Entitlement Form.

Qualifying Retail Shareholders may also apply for New Shares in excess of their Entitlements. However, you are not obliged to apply for any New Shares.

If Qualifying Retail Shareholders do not apply for their Entitlements, the shortfall will be available to other Qualifying Retail Shareholders who apply for more than their Entitlements and members of the general public who apply for New Shares under the Public Offer.

New Shares applied for by Qualifying Retail Shareholders who make valid Applications on the blue personalised loose leaf Entitlement Form which are received by the Share Registry on or before Friday 22 October 2004 will be allotted the lesser of the number applied for and their Entitlement, on the Initial Allotment Date, at the same time as the allotment of New Shares to Qualifying Institutional Shareholders.

New Shares applied for by Qualifying Retail Shareholders who make Applications on the blue personalised loose leaf Entitlement Form which are received by the Share Registry after Friday 22 October 2004 but on or before the Closing Date will be allotted on the Final Allotment Date.

New Shares applied for in excess of an Entitlement will, if allotted, be allotted on the Final Allotment Date.

1.2.4 PUBLIC OFFER

This Prospectus also relates to a general offer to members of the public in Australia of New Shares which are not subscribed for by Qualifying Shareholders or Institutional Investors under the Entitlement Offer. Applications under the Public Offer can only be satisfied to the extent that there is a shortfall in subscription of the Entitlement Offer, as no additional New Shares will be made available for public Applications.

Members of the public may apply for New Shares by using the grey Application Form accompanying this document. Members of the public will not be entitled to a priority allocation.

The Public Offer is made only in Australia to residents of Australia.

The restrictions on issue and other relevant provisions of this Prospectus regarding the Entitlement Offer also apply to the Public Offer.

1.2.5 ALLOCATIONS

Worley has the right, in consultation with the Underwriter, to nominate the persons to whom the New Shares will be allocated.

Other than Qualifying Shareholders receiving up to their Entitlements:

- there is no assurance that Applicants will be allocated the number of New Shares they apply for or any New Shares at all;
- Applications may be scaled back at the discretion of Worley; and
- Worley and the Underwriter reserve the right to reject any Application or to allocate any Applicant a lesser number of New Shares than that applied for by the Applicant.

Entitlement Forms and Public Offer application forms must be completed in accordance with the instructions on the reverse side of the appropriate application form. To the extent that any Application is not satisfied in whole, Application Monies will be refunded without interest. Worley reserves the right to cancel the Entitlement Offer at any time, in which case all Application Monies, which have not been allotted, will be refunded without interest.

1.3 HOW TO PARTICIPATE

1.3.1 ENTITLEMENT OVERVIEW

Qualifying Shareholders as at 7.00pm (EST) on the Record Date will be offered New Shares in the ratio of 2 New Shares for every 9 Existing Shares then held at the Application Price (subject to rounding and subject to Sections 8.10 and 8.17).

Holders of Existing Shares only receive an Entitlement if they are on the Register on the Record Date and their address is in either Australia or New Zealand and they otherwise qualify in accordance with Sections 8.10 and 8.17.

The Entitlement is shown on the accompanying blue personalised loose leaf Entitlement Form. In calculating Entitlements, fractional Entitlements have been rounded to the nearest whole New Share.

The Entitlement Offer is non-renounceable which means the Entitlement itself is not transferable and cannot be sold. The Entitlement Offer and Public Offer have been fully underwritten by UBS AG, Australia Branch. A summary of the Underwriting Agreement appears in Section 8.2.

1.3.2 APPLYING FOR MORE THAN YOUR ENTITLEMENT

If you have an Entitlement, you are also permitted to apply for additional New Shares. All Qualifying Shareholders who apply will receive their Entitlement. Any amount by which an Application from a Qualifying Shareholder exceeds their Entitlement may be scaled back, at the absolute discretion of Worley.

1.3.3 ACCEPTANCE AND PAYMENT

Qualifying Institutional Shareholders

Qualifying Institutional Shareholders settling on the Initial Allotment Date must settle in the manner instructed by the Underwriter.

Qualifying Retail Shareholders

If you are a Qualifying Retail Shareholder and you want to accept part of, all of, or apply for more than your Entitlement:

- you must complete the blue personalised loose leaf Entitlement Form accompanying this Prospectus in accordance with the instructions set out on the form; and

– Applications must be accompanied by a cheque or bank draft (calculated by multiplying the number of New Shares you applied for by the Application Price). If you do not indicate the number of New Shares for which you wish to subscribe, or there is a discrepancy between the amount of the cheque and the number of New Shares indicated, Worley will treat you as applying for as many New Shares as your cheque or bank draft will pay for.

Qualifying Retail Shareholders have the opportunity to apply for their Entitlement no later than 5.00pm (EST) on Friday 22 October 2004, in order to participate in the Initial Allotment. New Shares allotted under the Initial Allotment are expected to commence trading on ASX by Monday 1 November 2004. Applications for more than your Entitlement may only be allocated under the Final Allotment. New Shares issued under the Final Allotment are expected to commence trading on ASX by Wednesday 17 November 2004.

The closing time and date for receiving Applications is 5.00pm (EST) on Wednesday 3 November 2004 (subject to change). The Share Registry must receive the Entitlement Forms by this time, even if lodged through a stockbroker or adviser. Entitlement Forms must be completed in accordance with the instructions outlined on the Entitlement Form.

Public Offer applicants

If you are a member of the general public and you want to apply for New Shares under the Public Offer:

– complete the grey loose leaf Public Offer application form accompanying this Prospectus in accordance with the instructions set out on the form; and
– Applications must be accompanied by a cheque or bank drafts (calculated by multiplying the number of New Shares you applied for by the Application Price). If you do not indicate the number of New Shares for which you wish to subscribe, or there is a discrepancy between the amount of the cheque or bank drafts and the number of New Shares indicated, Worley will treat you as applying for as many New Shares as your cheque or bank drafts will pay for.

The closing time and date for receiving Applications is 5.00pm (EST) on Wednesday 3 November 2004 (subject to change). The Share Registry must receive the grey application form by this time, even if lodged through a stockbroker or adviser. New Shares issued under the Public Offer (if any) are expected to commence trading on ASX by Wednesday 17 November 2004.

1.3.4 PAYMENT

Payment will only be accepted in Australian currency and cheques and bank drafts must be drawn on or payable at an Australian bank.

Cheques and bank drafts should be made payable to "Worley Group Limited – Entitlement Offer Applications Account" and crossed "Not Negotiable". Please do not send cash. Receipts for payment will not be issued.

1.3.5 APPLICATION MONIES AND INTEREST

Monies received from an Applicant for an Application will, until those New Shares are issued, be held by Worley in a trust account. If you are allotted less than the number of New Shares you applied for, you will receive a refund cheque for the relevant amount of Application Monies (without interest) not applied towards the issue of New Shares, as soon as practicable after the Closing Date.

Worley reserves the right to cancel the Entitlement Offer at any time (to the fullest extent permitted by the law), in which case all Application Monies will be refunded without interest.

To the fullest extent permitted by law, each Applicant agrees that such Application Monies shall not bear or earn interest for the Applicant, irrespective of whether or not all or any of the New Shares applied for by the Applicant are issued to the Applicant, and that any interest earned on Application Monies held by Worley shall be the property of Worley.

1.3.6 ALLOCATION POLICY

All Qualifying Shareholders are eligible to receive their Entitlement.

As set out above, Qualifying Shareholders may apply for more than their Entitlement and members of the public in Australia may apply under the Public Offer pursuant to this Prospectus.

The following allocation policy will apply to any Application for more than the Qualifying Shareholder's Entitlement:

– the Applicant will receive the amount of New Shares applied for up to the Qualifying Shareholder's Entitlement; and
– any amount by which an Application from a Qualifying Shareholder exceeds their Entitlement may be scaled back, at the absolute discretion of Worley.

Applications received from Public Offer Applicants may be scaled back at the absolute discretion of Worley.

No Qualifying Shareholder is assured of receiving any New Shares applied for in excess of their Entitlement and no general public Applicant is assured of receiving any New Shares for which they have applied.

1.3.7 ALLOTMENT

Allotment of New Shares pursuant to the application forms is expected on or around Friday 29 October 2004 or on or around Tuesday 16 November 2004 depending on whether the Application is dealt with under the Initial Allotment or the Final Allotment.

No certificates will be issued in respect of the New Shares. Following Allotment, Shareholders will receive a Holding Statement which sets out the number of New Shares allotted to them.

Applicants may call the Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or +61 3 9415 4000 (International) between 8.30am and 5.30pm (EST) Monday to Friday to seek confirmation of their allocation.

1.3.8 ASX QUOTATION

Application for quotation of the New Shares on ASX will be made no later than seven days after the date of this Prospectus. Subject to approval being granted, trading of the New Shares is expected to commence on a normal settlement basis within three business days of the relevant Allotment Date.

1.4 INCOME ENTITLEMENT OF NEW SHARES

New Shares will rank equally for all Distributions from the Allotment date.

1.5 RESTRICTIONS ON THE ENTITLEMENT OFFER IN JURISDICTIONS OUTSIDE AUSTRALIA

This Prospectus does not constitute an offer or invitation to subscribe for New Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue this Prospectus. It is the responsibility of any Applicant outside Australia to ensure compliance with the laws of any country relevant to their Application.

No action has been taken to register or qualify the Entitlement Offer of New Shares in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

This Prospectus has not been registered in New Zealand under or in accordance with the Securities Act 1978 (New Zealand). Existing Shareholders with an address in New Zealand are permitted to take up their Entitlement, but the Public Offer is not being extended to New Zealand residents.

Other jurisdictions

New Shares may not be offered or sold in any other jurisdiction by means of this Prospectus or otherwise, except to persons to whom such offer, sale or distribution is permitted under applicable law.

By lodging an Application, an Applicant is taken to give the warranties as to its ability to do so without breach of law, and related matters, set out in Section 8.10.

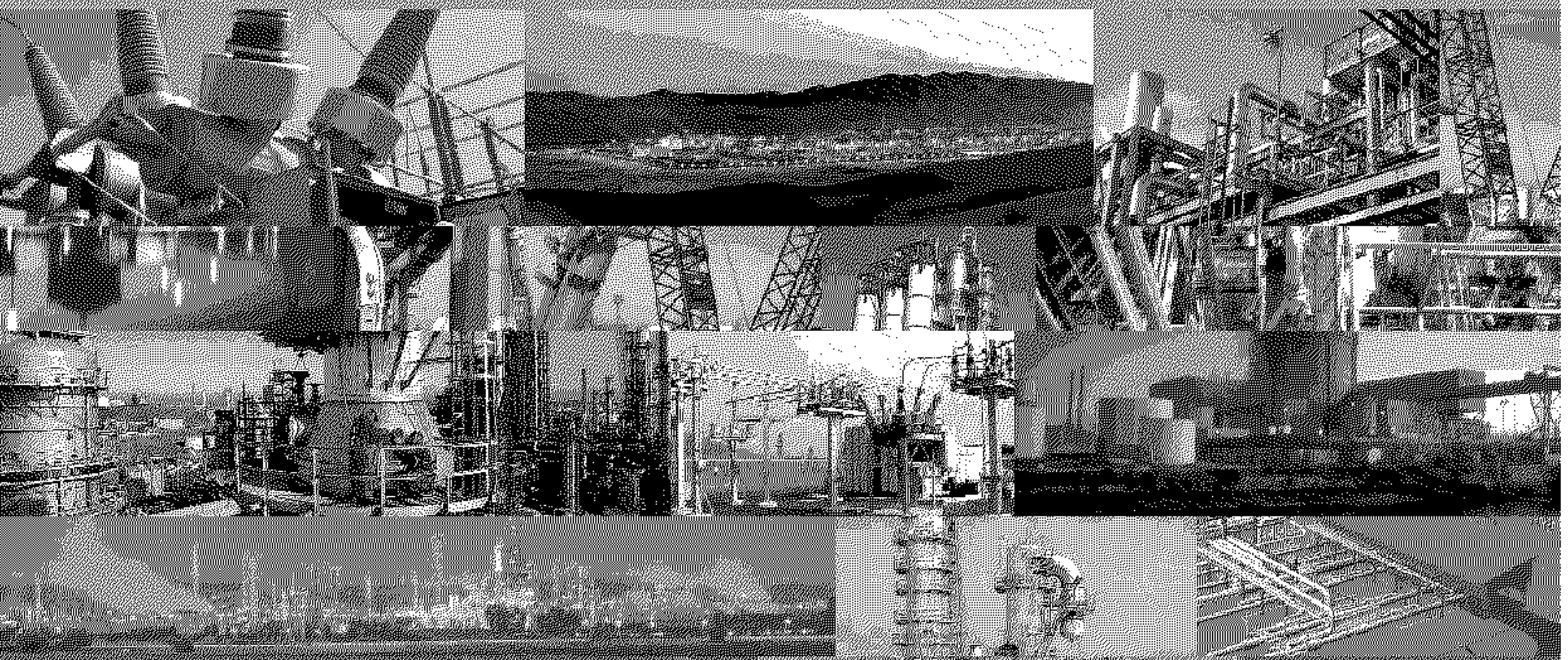
1.6 SHAREHOLDER ENQUIRIES

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant or financial adviser.

Questions relating to the Entitlement Offer can be directed to Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or + 61 3 9415 4000 (International), your stockbroker, solicitor, accountant or financial adviser.

2

Worley's existing business



2. WORLEY'S EXISTING BUSINESS

2.1 OVERVIEW

Worley is a leading provider of professional services to the energy, resource and complex process industries. It offers a broad scope of services across the full spectrum of an asset's lifecycle, providing design and project services for evaluating the feasibility of new developments, establishment of the asset and support to maximise the returns from the asset over its operating life.

Worley's focus is on relationship-based contracting. Worley is currently performing a number of alliance contracts to support the ongoing operations of established assets on a cost reimbursable basis. Strategic relationships with other complementary service providers such as Transfield Services, Parsons E&C, Maunsell and Burns and Roe have enabled Worley to expand both the range of services it provides to clients and the industries in which it provides them. In addition, Worley has joint venture relationships with other service providers in Australia, Malaysia, Saudi Arabia, Indonesia, China, Brunei the US and Canada.

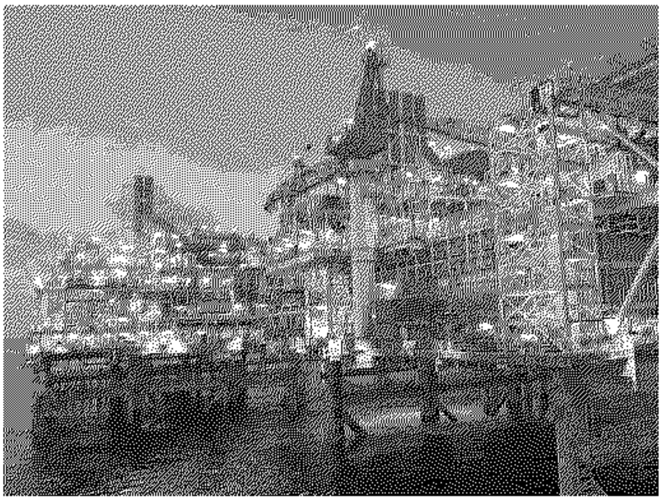
In December 2003, Worley and Parsons E&C formed the Worley-Parsons Energy Services joint venture ("WPES"). The joint venture provides services to the upstream hydrocarbons industry in the US. This relationship has been successful to date and provided the opportunity to explore the merits of combining both businesses globally.

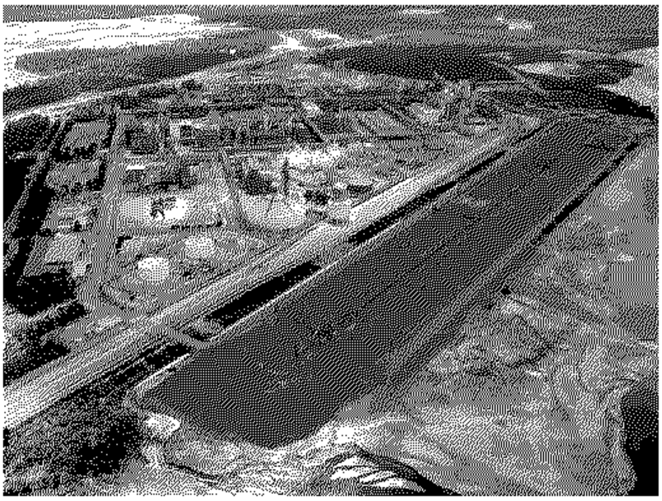
Worley has a track record of identifying, integrating and growing value-adding acquisitions and uses this as a key platform in its strategy for geographic and industry sector diversification. Local knowledge and relationships built through acquisitions and other strategic partnerships have helped accelerate the development of Worley's global business.

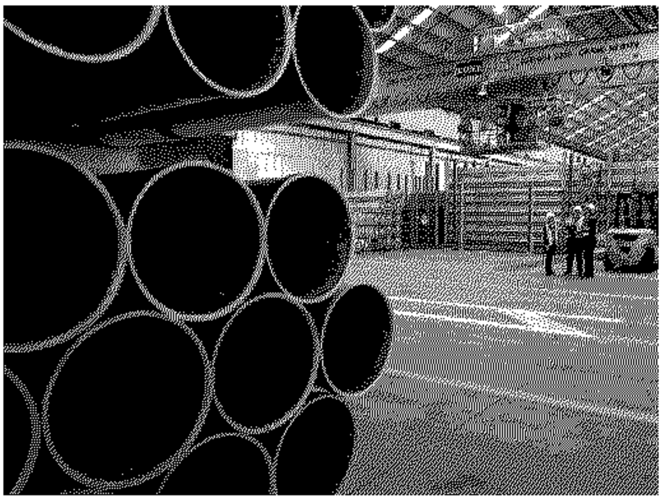
SECTOR COVERAGE

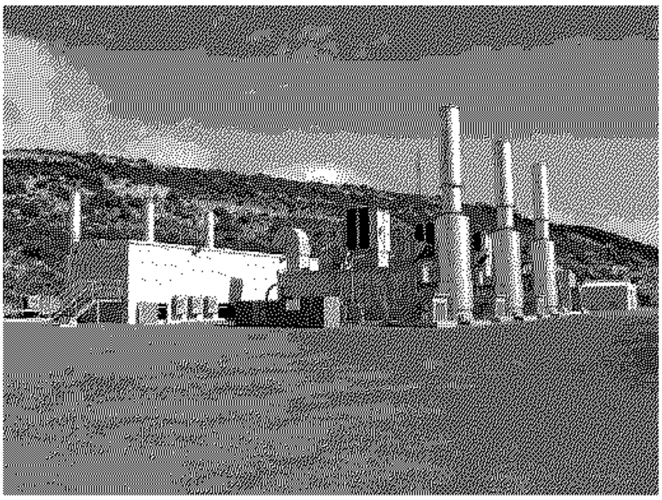
Worley's business is organised into four customer sector groups:

- Hydrocarbons (combining Oil & Gas and Refining & Petrochemicals);
- Minerals, Metals & Chemicals;
- Industrial & Infrastructure; and
- Power, Water & Developments.



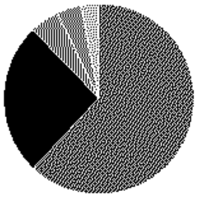






EBIT BY SECTOR

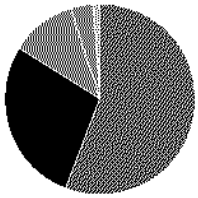
12 MONTHS TO 30 JUNE 2004



Oil & Gas	62%
Minerals, Metals & Chemicals	26%
Power & Water	5%
Industrial & Infrastructure	4%
Refining & Petrochemicals	3%

EBIT BY GEOGRAPHY

12 MONTHS TO 30 JUNE 2004

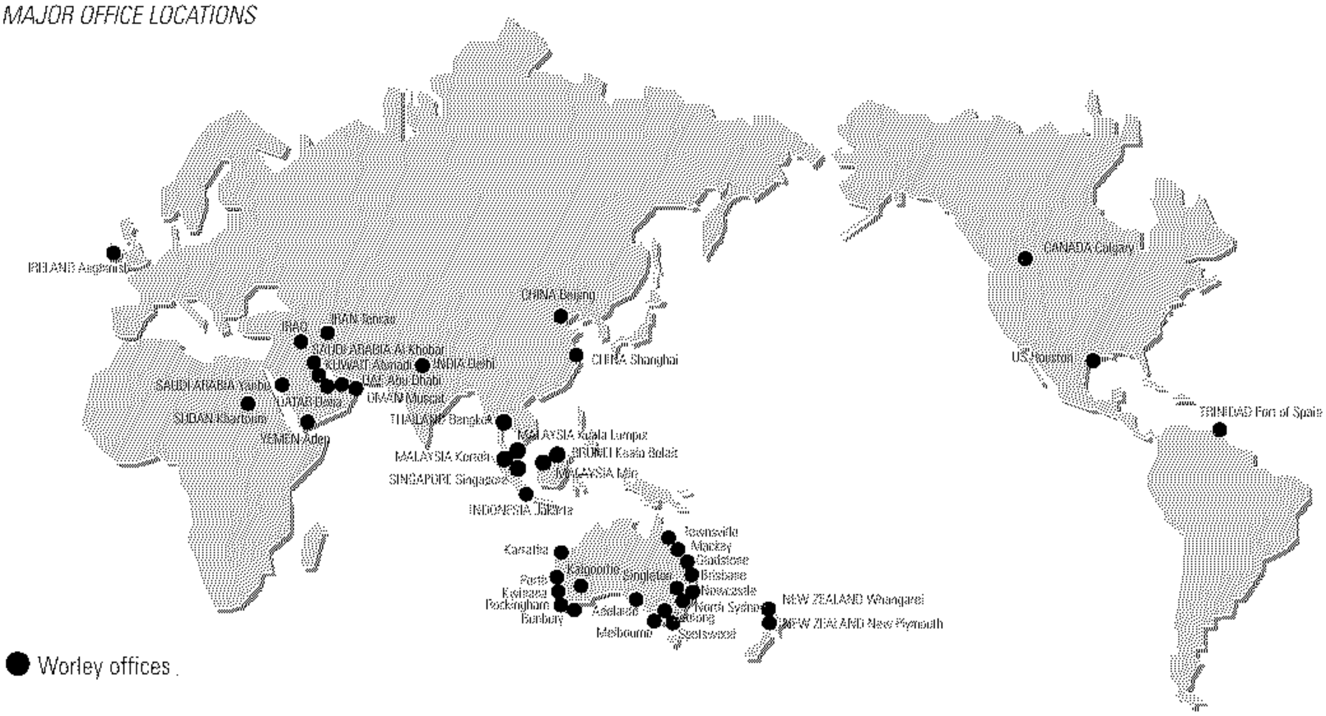


Australia & New Zealand	56%
Asia	28%
Middle East	11%
Europe	4%
Other	1%

2.2 GEOGRAPHIC PRESENCE

Through wholly owned operations and joint venture partners, Worley currently operates in 23 countries and has 47 offices worldwide.

MAJOR OFFICE LOCATIONS



● Worley offices

2. WORLEY'S EXISTING BUSINESS

2.3 HYDROCARBONS

For the 12 months ended 30 June 2004, the Hydrocarbon group (Oil and Gas and Refining and Petrochemicals) accounted for approximately 69% of Aggregated Revenue and approximately 65% of EBIT.

Worley's Hydrocarbon group services the oil and gas industry (upstream hydrocarbons) and the refining and petrochemical industry (downstream hydrocarbons).

Worley has worked with most of the major companies in the oil and gas industry. The company has been involved in the development of many large and technically complex fixed offshore facilities. Worley has provided project services to many onshore developments including gas plants, production facilities and terminals. The Hydrocarbons group also has leading capabilities in both offshore and onshore pipeline design.

Worley has positioned itself to be a leader in design and project services to deepwater offshore developments, a fast growing market sector. WPES has had success in securing contracts to assist BP with a deepwater development in the Gulf of Mexico.

The refining and petrochemical industry encompasses the downstream processing of oil and gas. Worley has, and continues to hold, long-term relationships with major refineries and petrochemical producers. The company also has experience with many processes associated with the refining and the production of petrochemicals and their associated derivatives.

Worley's Hydrocarbon group is recognised as a leader in alliance-based contracting in the Australasian and South-East Asian region. Worley holds a number of long-term contracts for the provision of services under alliance arrangements to support the operation of assets.

Through its joint venture with Transfield Services, Worley is able to provide integrated services contracts that include operations and maintenance services as well as Worley's existing range of project services. The Transfield Worley joint venture currently holds integrated service contracts with Woodside, Mobil, Shell Todd Oil Services and New Zealand Refining Company.

2.4 MINERALS, METALS & CHEMICALS

For the 12 months ended 30 June 2004, the Minerals, Metals & Chemicals group accounted for approximately 18% of Aggregated Revenue and approximately 26% of EBIT.

The group provides design and project services to the light metals (alumina, aluminium, magnesium), base metals (copper, nickel, lead, gold), coal, ferrous (iron ore, steel) and chemicals (titanium dioxide, fertilisers, nitric acid) sectors. The group has extensive experience with major greenfields projects as well as complex brownfields capital projects.

Worley is recognised as a leader in alumina process design and project delivery. Worley's Minerals, Metals & Chemicals business has adopted Worley's alliance-based contracting strategy, establishing alliances with Worsley Alumina, Tomago Aluminium, Hydro Aluminium, WMC Resources and Boyne Smelters.

Worley's geographic coverage within the Minerals, Metals & Chemicals sector has increased recently with the group performing contracts for clients in India, Saudi Arabia, Ireland and China.

2.5 INDUSTRIAL & INFRASTRUCTURE

For the 12 months ended 30 June 2004, the Industrial & Infrastructure group accounted for approximately 7% of Aggregated Revenue and approximately 4% of EBIT.

The Industrial & Infrastructure group provides specialist design and project services in the civil, structural, environmental, geotechnical and coastal marine fields. Its client base covers some of the leading organisations in government, transport infrastructure, commercial and residential developments and the energy and resource sectors in Australia and a number of Worley's international markets.

The Industrial & Infrastructure group complements other sector groups, enabling Worley to provide a broader range of services to development projects and asset operation support in the energy, resource and complex process industries.

2.6 POWER, WATER & DEVELOPMENTS

For the 12 months ended 30 June 2004, the Power, Water & Developments group accounted for approximately 5% of Aggregated Revenue and approximately 5% of EBIT.

Worley's power and water expertise in Australasia is provided through Burns and Roe Worley, a joint venture with international power group Burns and Roe Inc. Burns and Roe Worley is highly experienced in delivering a range of project services to the power generation, transmission and distribution, water and wastewater treatment industries.

Clients in these industries include power and water authorities, independent power producers, independent water businesses, government, the financial community and industrial organisations. To date, Worley has not extended its Power, Water & Developments business outside the Australasian region.

Worley has also developed and invested in the Esperance Energy Project as part of its strategy to develop select niche infrastructure projects. The Esperance Energy Project has successfully reached commercial operation and supplies power to the Esperance region in Western Australia under a long-term Power Purchase Agreement with Western Power. Burns and Roe Worley also signed a Power Purchase Agreement with Western Power to supply power to the town of Exmouth in Western Australia with financial close of this project expected in the current financial year.

2.7 HISTORICAL FINANCIAL PERFORMANCE

SUMMARY OF RESULTS

Set out below is a summary of Worley's financial results for the three years ended 30 June 2004.

A$m	Consolidated (Pro-Forma) 12 months to 30 June 2002	12 months to 30 June 2003	12 months to 30 June 2004
Aggregated Revenue[1]	**437.9**	**474.4**	**514.8**
Revenue from ordinary activities	377.2	377.7	375.5
Less: procurement services revenue[2]	(27.1)	(8.3)	–
Revenue from ordinary activities excluding procurement services revenue	**350.1**	**369.4**	**375.5**
Add: share of revenue from associates	87.8	109.9	152.2
Less: procurement services revenue[2]	–	(5.0)	(12.9)
Net revenue from associates	**87.8**	**104.9**	**139.3**
EBITDA	**33.4**	**41.5**	**49.0**
Depreciation	(4.1)	(4.4)	(4.1)
Amortisation	(3.4)	(5.0)	(4.5)
EBIT	**25.9**	**32.1**	**40.4**
Net interest income		0.3	0.3
Profit before tax		**32.4**	**40.7**
Income tax expense		(6.8)	(10.1)
Net profit		**25.6**	**30.6**
Net loss attributable to outside equity interests		0.3	0.1
Net profit attributable to members of Worley		**25.9**	**30.7**
Net margin		5.5%	6.0%
Net profit (pre-amortisation of intangibles)		**29.3**	**34.2**
Basic EPS (pre-amortisation of intangibles)(cents)		20.4	22.9

NOTES:

1 Aggregated Revenue is defined as statutory revenue plus share of revenue from associates excluding pass through procurement services revenue. The Directors believe the disclosure of revenue attributable to associates provides additional information to form a true and fair view of the financial performance of Worley

2 Procurement services revenue, being passed through revenue for nil margin, is accounted for within an associate. In the 12 months to 30 June 2003, procurement revenue was accounted for through a joint venture partnership for part of the year and formed part of revenue from ordinary activities. In the 12 months to 30 June 2002 procurement revenue was accounted for through a joint venture partnership

2. WORLEY'S EXISTING BUSINESS

RESULTS HIGHLIGHTS FOR THE 12 MONTHS ENDED 30 JUNE 2004:

Worley's net profit for the year ended 30 June 2004 was A$30.7 million, up 18.8% from 2003. Key results include:

– Aggregated Revenue was $514.8 million, an increase of 8.5% from the prior year and a record result for the group;
– EBIT was $40.4 million, an increase of 25.7% from $32.1 million in 2003; and
– net margin increased from 5.5% to 6.0%.

Aggregated Revenue for the Hydrocarbons group was $356.0 million (69% of Worley Group total), up 2.4% from 2003. EBIT (before corporate costs) for Hydrocarbons was $36.1 million with an EBIT margin of 10.1%.

Worley's Minerals, Metals & Chemicals business continues to grow with Aggregated Revenue of $94.8 million, an increase of 41.7% over 2003 which itself was 130% higher than in 2002. Contribution to EBIT (before corporate costs) was $14.9 million with a margin of 15.8%.

Worley's Industrial & Infrastructure revenue grew 23% to $33.7 million with a contribution to EBIT (before corporate costs) of $2.4 million (2003: $2.6 million). A number of initiatives were funded in 2004 that have yet to make a contribution to earnings.

Aggregated revenue in the Power, Water & Developments group was in line with 2003 with a contribution to EBIT (before corporate costs) of $3.1 million. This includes the recognition of development fees associated with the Esperance Energy Project.

2.8 OUTLOOK

The outlook for the Worley Group remains strong. The company starts the new financial year with all of its key markets and sectors experiencing positive conditions, in particular Hydrocarbons and Minerals and Metals. Worley is well positioned throughout the business to respond to these opportunities. Subject to conditions remaining reasonable in these markets, Worley expects to deliver a further increase in earnings in 2005.

Hydrocarbons

The outlook for the hydrocarbon sector remains positive. Historically high oil prices, increasing demand for gas, the expected continued development of major FEED and EPCM projects and the ongoing capital expenditure associated with maintaining and upgrading major hydrocarbons facilities provide a strong basis for growth in the hydrocarbons sector for future years.

Minerals, Metals & Chemicals

The outlook for the Minerals, Metals & Chemicals sector remains positive. Demand for light metals remains high, which is driving capacity expansions on existing facilities as well as greenfield and associated infrastructure development, both in the Australian and international markets.

The acceptance of alliance-based contracting in the sector also presents Worley with additional opportunities to continue to strengthen its revenue profile in the 2005 financial year.

Industrial & Infrastructure

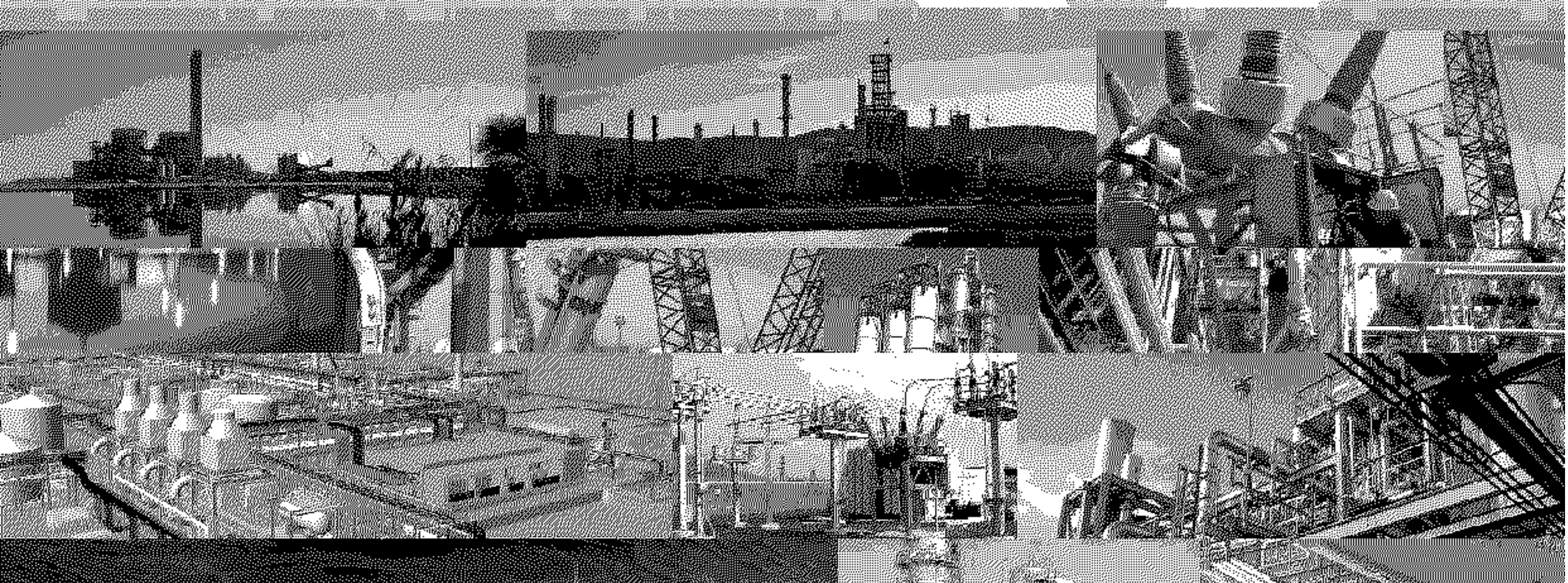
Growth is expected to continue in non-residential construction management in Australia. Growth in key infrastructure sectors of rail and ports, together with expanding international markets also provides a positive outlook for the Industrial & Infrastructure group for 2005.

Power, Water & Developments

The Esperance Energy Project has strong prospects for improving sales over the medium term which would add significantly to the return that Worley receives on its investment in the project. Worley expects this and other factors point to the potential for substantial upward revaluation of that investment. Development of the Exmouth Energy Project in 2005 will increase Burns and Roe Worley's level of project activity. Evaluation of other niche development activities in 2005 will continue.

3

Parsons E&C



3. PARSONS E&C

3.1 BACKGROUND

On 7 October 2004, Worley announced it had signed a Stock Purchase Agreement for the acquisition of all of the shares in Parsons E&C Corporation ("Parsons E&C") for US$245 million. A summary of the key terms of the Stock Purchase Agreement (together with the other Acquisition Agreements) is set out in Section 8.1.

In January 2002, Parsons E&C was sold by Parsons Corporation to the ESOP. The ESOP is administered by LaSalle N.A. as trustee on behalf of certain employees of Parsons Corporation and Parsons E&C.

Since separation from Parsons Corporation, Parsons E&C has received some arms length corporate support in relation to insurance, systems and administration and treasury.

Parsons Corporation, founded in 1944, is a full service project management and design services company that operates across a range of market sectors including water and infrastructure, commercial technology, infrastructure and technology and transportation. For the year ended 26 December 2003, Parsons Corporation recorded revenue of over US$1.6 billion and EBIT of over US$63 million.

The sale of Parsons E&C to the ESOP in 2002 signified Parsons Corporation's intention to focus on the business sectors noted above. The sale followed a period in which losses from several Lump Sum Turn Key ("LSTK") projects impacted the performance of Parsons Corporation.

3.2 OVERVIEW OF PARSONS E&C

Parsons E&C and its joint venture companies have in excess of 5,400 employees operating across 15 countries with major execution centres located California, Pennsylvania and Texas in the USA, and in London in the UK. In addition, project teams are deployed on-site to support the completion and commissioning of projects.

Parsons E&C's global reputation is built upon its recognised project management capabilities, high quality client relationships, application of technology and a strong track record of successful project delivery.

Parsons E&C has full EPCM ("Engineering, Procurement and Construction Management") capability. The range of services offered includes:

- conceptual feasibility and detailed design;
- procurement services;
- program and project management;
- construction management;
- commissioning; and
- operations and maintenance.

Parsons E&C has developed and applies state-of-the-art EPCM project management and control systems for the delivery of large, complex and long-term projects. In the past 60 years, Parsons E&C has designed, constructed or managed the construction of more than 250 gas processing plants, 600 chemical and petrochemical facilities and 370 power plants worldwide. Parsons E&C has developed and maintains significant relationships across a broad client base which includes the leading companies in the industries in which it operates.

Parsons E&C's revenue is principally derived from major projects. By virtue of the size, complexity and scope of these projects, Parsons E&C commits significant resources over a number of years for the feasibility, design and commissioning of the project. For example, large-scale projects in the oil and gas industry, in which Parsons E&C is typically involved, often have a six year duration and a capital value in excess of $2.0 billion.

Parsons E&C predominantly concentrates on cost reimbursable projects or fixed price service contracts and uses a range of contracting approaches from conventional project execution to alliance and partnering, employing integrated teams.

Parsons E&C is recognised internationally for its strengths in:

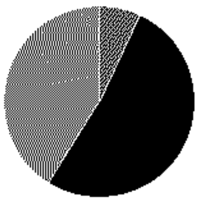
- EPCM project management for large-scale, long-term projects;
- projects in remote locations with severe weather conditions (desert to arctic);
- modular construction management techniques;
- sulphur removal and handling technologies; and
- standardised plants for multiple power plant programs.

SECTOR COVERAGE

Parsons E&C's business provides project services to three customer sectors. These consist of the Oil & Gas and Refining, Chemicals & Petrochemicals groups and the Power group.

EBIT BY SECTOR

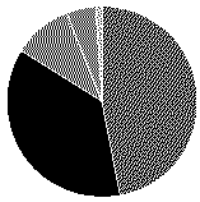
ADJUSTED 12 MONTHS TO 30 JUNE 2004



Refining, Chemicals & Petrochemicals	7%
Oil & Gas	52%
Power	41%

EBIT BY GEOGRAPHY

ADJUSTED 12 MONTHS TO 30 JUNE 2004



Americas	47%
Former Soviet Union	37%
Middle East	10%
Europe	5%
Other	1%

3.3 GEOGRAPHIC PRESENCE

Parsons E&C's corporate head office is in Houston (Texas). The major project execution centres for Oil & Gas and Refining, Chemicals & Petrochemicals are located in Houston, Arcadia (California) and London (UK). The major project execution centre for Power is located in Reading (Pennsylvania). Parsons E&C also has execution capability in Saudi Arabia, Oman, Kazakhstan, Russia, Nigeria, Canada and China. In total, Parsons E&C operates in 20 offices across 15 countries, as indicated below,:

MAJOR OFFICE LOCATIONS

3. PARSONS E&C

3.4 OIL & GAS

For the 12 months ended 30 June 2004, the Oil & Gas group contributed approximately 52% of adjusted EBIT.

Parsons E&C has significant experience providing EPCM project services in:

- onshore oil and gas production facilities;
- onshore oil and gas plants and terminals; and
- onshore pipelines.

The Oil & Gas group's expertise is well recognised within the industry for the group's ability to execute major onshore EPCM projects, some in excess of two million man-hours and US$2 billion in capital costs. The company has extensive experience and recognised capabilities in providing EPCM project services in remote energy-rich regions such as Alaska, Kazakhstan, the Sakhalin region of Russia and the Middle East.

Parsons E&C has predominantly focused on the upstream onshore oil and gas market. The formation of WPES in December 2003 (see Section 2.3) has provided Parsons E&C with the capability to increase its presence in the offshore oil and gas industry.

Parsons E&C's expertise covers all types of onshore terrain and conditions including remote and hostile environments. Parsons E&C has been involved in more than 150 pipeline projects and 28 marine terminals, including recently completing the FEED for the world's largest marine terminal in Kuwait. Projects have ranged in size from economically small to mega-field developments. Parsons E&C has helped develop the majority of the major gas plants in the UK.

Over the last 10 years, there has been significant consolidation in the oil and gas industry. This consolidation has resulted in a small number of very large companies, and an increase in the size and capacity of mid size and national oil and gas companies. As a result, large-scale projects have been undertaken as major corporations, either on their own or in a consortium, invested significant capital. During this period, Parsons E&C has been involved in projects for most of the world's oil and gas companies.

SIGNIFICANT CURRENT PROJECTS

Parsons E&C is currently involved with a number of significant contracts in the Oil & Gas group as set out below:

Client	Location	Description
SECOND GENERATION AND SOUR GAS INJECTION		
Tengizchevroil	Kazakhstan	Parsons E&C, in joint venture with Fluor, is providing the development, design and construction management of an extension to existing oil and gas handling facilities. This phase of the project commenced in 1997 and is expected to complete in 2007.
ALPINE KUPARUK		
ConocoPhillips Alaska	US	A series of projects aimed at increasing oil production and handling capacity. The project commenced in 1998.
SAKHALIN II		
Shell	Russia	Parsons E&C is providing engineering design and procurement services for an onshore gas and condensate processing facility. The project commenced in 2002 and is expected to complete in 2006.
PCO OIL NORTH		
Project and Contracting Office, US Department of State	Iraq	The Parsons Worley team, comprising Parsons E&C, an affiliate of Parsons Corporation and Worley, is performing the contract for repair and restoration of oil and gas infrastructure in Northern Iraq to facilitate the return to pre-war production rates.
KASHAGAN FIELD		
AGIP	Kazakhstan	Parsons E&C, in joint venture with Fluor, is providing detailed design and support services for the onshore and offshore facilities in the Caspian Sea. The project commenced in 2001 and is expected to complete in 2007.
CERRO NEGRO CENTRAL		
ExxonMobil	Venezuela	Parsons E&C, teamed with Inelectra, is providing EPCM services for the expansion of gas handling and oil production facilities at the Cerro Negro Central production facility located in Eastern Venezuela. From 1998 to 2000, the team delivered the upstream production facilities under a lump sum contract. In September 2004, WPES and Inelectra were awarded a cost reimbursable contract for the further expansion of this plant.

3.5 REFINING, CHEMICALS & PETROCHEMICALS

For the 12 months ended 30 June 2004, the Refining, Chemicals & Petrochemicals group accounted for approximately 7% of adjusted EBIT.

Parsons E&C provides a comprehensive range of services for oil refinery and chemical plants, including project management, process design and engineering, procurement and construction management.

REFINING

Parsons E&C's expertise in the refining industry is highly regarded, having provided a comprehensive range of refinery services for over 60 years in new or greenfield facilities, and capacity expansion on existing facilities.

Parsons E&C has completed 23 greenfield refineries and has worked on more than 60 major upgrades, modernisations and expansion projects.

CHEMICALS & PETROCHEMICALS

Parsons E&C provides a comprehensive range of chemical and petrochemical plant services in greenfield, upgrade and expansion projects on existing facilities and has significant experience across a broad range of chemical and petrochemical products.

Over the past 60 years, Parsons E&C has completed more than 600 chemical and petrochemical plants involving more than 65 chemicals in over 30 countries. Parsons E&C works closely with a number of licensors of chemical and petrochemical technology.

The company's clients include the world's largest petrochemical companies such as ExxonMobil and Chevron Phillips. Although the group primarily operates from Houston, London and Arcadia, Parsons E&C has successfully managed projects in the Middle East, Europe and other locations throughout the Americas.

SULPHUR TECHNOLOGY

Parsons E&C is a global leader in sulphur recovery technology and has been developing sulphur recovery process units since 1951, including some of the world's largest single-train units. Parsons E&C's sulphur recovery technology has provided it with a strong platform on which to build client relationships and enabled it to develop its broader Oil & Gas and Refining, Chemicals & Petrochemicals businesses. More than 60% of the world's sulphur recovery plants use Parsons E&C technology. Parsons E&C's clients in refinery and sulphur technology include the major oil players, such as ExxonMobil, Chevron Texaco, Shell, ConocoPhillips, BP and several national oil companies.

SIGNIFICANT CURRENT PROJECTS

Parsons E&C is currently involved with a number of significant contracts in its Refining, Chemicals & Petrochemcials group, as set out below:

Client	Location	Description
BAYTOWN		
ExxonMobil	Houston, US	Parsons E&C provides EPCM services through a three year alliance contract for ExxonMobil Chemical's facilities in the Baytown, Texas area. These include Baytown Chemical Plant, Baytown Olefins Plant, Mont Belvieu Plastics Plant and Baytown Polymers Centre.
MARTINEZ AND WILMINGTON REFINERY		
Shell Oil Products US	California, US	Since 1987, Parsons E&C has been providing engineering, procurement and construction management services to both refineries completing over 300 projects.
JUBAIL CHEVRON PHILLIPS		
Chevron Phillips	Al-Jubail, Saudi Arabia	Front end engineering, program management and construction management role for a major petrochemical expansion for Chevron Phillips in Al-Jubail, Saudi Arabia including processing, utilities and interim storage facilities, pipelines, port and docking facilities and de-bottlenecking of the existing benzene facilities.
UNLEADED GASOLINE ("ULG") AND LOW SULPHUR GAS OIL ("LSGO")		
Abu Dhabi Oil Refining Company	Ruwais and Umm Al Nar, Abu Dhabi, UAE	Project Management Consultancy ("PMC") contract for the engineering, procurement and construction management ("EPC") phase of the modernisation of two existing refineries and the addition of new units to meet the future quality requirements for ULG and LSGO.

3.6 POWER

For the 12 months ended 30 June 2004 the Power group contributed approximately 41% of Adjusted EBIT.

Parsons E&C has over 31,000 mega watts ("MW") of gas-fired turbine experience, over 35,000 MW of coal-fired experience, and 11,100 MW of nuclear experience

Parsons E&C provides a cross-section of services to the coal, nuclear and gas-fired power generation market. This includes feasibility studies, design and management services along with facility start-up, and operations and maintenance contracts for established facilities.

Parsons E&C's major centre for international power work is the Reading (Pennsylvania) office in the US.

Offices in Chattanooga (Tennessee) and Chicago (Illinois) provide power services to a number of regional projects. Clients are predominantly US based utilities or public authorities. This includes the Tennessee Valley Authority. The Parsons E&C joint venture company GUBMK has performed a major support and operations contract for the authority since 1989. Parsons E&C has also performed power contracts in over 75 countries and is currently involved in approximately 36 power projects, of which 11 are based outside the US.

GAS-FIRED TURBINES

Parsons E&C's growth in the gas power market has matched the growth of gas turbine technology. Over the past 40 years, Parsons E&C has developed its capability to include the design and installation of gas turbines, ranging from simple cycle units to state-of-the-art gas fired turbines.

Parsons E&C has designed simple and combined cycle configurations for more than 120 gas turbine plants throughout the world.

COAL-FIRED POWER

Over the last 60 years Parsons E&C has been instrumental in the design and delivery of over 35,000 MW of coal-fired generating capacity worldwide. Parsons E&C's projects have included 16 supercritical coal-fired units and three oil-fired supercritical units.

Parsons E&C has a recognised capability in the application, integration and retrofit of environmental systems for air quality control in coal-fired power stations (reduced sulphur dioxide emissions). A typical 600 MW coal-fired power station in the US would require capital expenditure of approximately US$200 million to ensure compliance with air quality regulations.

NUCLEAR POWER

Parsons E&C has been directly involved in the provision of 'balance of plant' services to the commercial nuclear power industry over the past 40 years. In addition, it has been involved in a total of 16 nuclear power generation units worldwide. In performing services for the commercial nuclear power industry, Parsons E&C has worked with organisations such as General Electric, which provide the reactor process technology, while Parsons E&C provides a range of complementary project services including nuclear power plant design, modification, construction management and licence renewal.

TRANSMISSION AND DISTRIBUTION

Parsons E&C's has recognised power transmission and distribution experience, in particular with the design of substations. The company provides conceptual design, feasibility and planning studies, design and transmission construction management.

OPERATIONS AND MAINTENANCE

Parsons E&C has the capability to provide operations and maintenance services to power stations. Despite being a relatively small part of Parsons E&C's business, there are potential growth opportunities within this segment of the power market.

SIGNIFICANT CURRENT PROJECTS

Parsons E&C is currently involved with a number of significant contracts in its Power group, as set out below:

Client	Location	Description
CROSS-GENERATING STATION – UNITS 3 AND 4		
Santee Cooper	US	Parsons E&C is providing EPCM and start-up services, over a period of five years, for a 600MW coal-fired plant under development in South Carolina. Parsons E&C will perform the same services for the replica unit on-site scheduled for completion in 2009.
TENNESSEE VALLEY AUTHORITY		
Tennessee Valley Authority ("TVA")	US	Since 1992, Parsons E&C has provided fossil/hydro power facilities support services for the 11 fossil fuels plants and 32 hydro plants throughout Tennessee, Kentucky, Mississippi, Alabama, Georgia and North Carolina.
FLUE GAS DESULPHURISATION		
CP&L/Progress Energy	US	Starting in 2002, this 11 year contract is associated with Progress Energy's flue gas desulphurisation program in North Carolina, following the US state legislation mandating reduced sulphur dioxide emissions amounts from coal-fired power plants.

3.7 JOINT VENTURE RELATIONSHIPS

Parsons E&C has developed a number of joint venture relationships, which have helped it expand both the scope and scale of services it provides and the locations in which it operates. These joint ventures are market, geographic and project based. Details of key alliances and joint ventures are detailed below:

Partner(s)	Name	Sector	Coverage
Worley	WorleyParsons Energy Services	Oil and gas	Lower 48 states of the USA plus global projects executed in Houston for Houston-based clients
Parsons E&C (and Worley)	Parsons Iraq Joint Venture/Parsons Worley team	Oil and gas	Iraq
Risk Engineering	GCR	Power	Bulgaria
Fluor Daniel	PFD	Oil and gas	Project
Fluor International	Kashagan East Field Development Project ("KFDP")	Oil and gas	Projects in the Kashagan field in Kazakhstan
Amer Al Suleimani	Parsons Group Oman	Oil and gas, refining, chemicals and petrochemicals, power	Oman
Delta Tek Energy	Delta Afrik	Oil and gas	Nigeria
Maison Engineers and Constructors ("MEC")	Maison Parsons E&C	Oil and gas/power, refining, chemicals and petrochemicals, power	Global
The Industrial Company ("TIC")	Trac 10	Power	Project
Parsons Brinkerhoff	Iraq Power Alliance	Power	Iraq
Williams Union Boiler Company, Washington Group	GUBMK	Power	Project
Daar al-Riyadh Holding Company	Parsons E&C United Limited, Saudi Arabia	Oil and gas, refining, chemicals and petrochemicals	Saudi Arabia
Daar al-Riyadh Holding Company	DAR/PEL	Oil and gas, refining, chemicals and petrochemicals	Saudi Arabia

Description
This joint venture was established in December 2003 and combines the existing US upstream oil and gas, and pipeline services business of both Worley and Parsons E&C. The combined resources, technology and project management skills allow the joint venture to provide US clients with a comprehensive range of project delivery services for onshore and offshore energy-related developments
The Parsons Worley team was awarded the contract for the reconstruction management of the Iraq Oil Industry North in January 2004 by the US Army Corp of Engineers. The team is formed around a joint venture between Parsons E&C and an affiliate of Parsons Corporation with Worley as the third team member
Parsons E&C has a long-standing joint venture with Risk Engineering for the pursuit of power projects in Bulgaria. Risk Engineering is a local privately owned engineering company that operates solely in the power sector in Bulgaria
Parsons E&C and Fluor established a joint venture, PFD, to pursue and subsequently execute work for Tengizchevroil in Kazakhstan. PFD is the contractor for the EPCM services for the Second Generation and Sour Gas Injection projects
Parsons E&C and Fluor established a joint venture, KFDP, to pursue and subsequently execute work for a consortium of major oil companies led by AGIP of Italy for onshore and offshore work in the Kashagan field in the Caspian Sea. KFDP has carried out the FEED work for the project and is now providing support services
Joint venture established with Amer Al Suleimani, an Omani, for the pursuit of engineering services contracts in Oman. Parsons Group Oman offers full service engineering and procurement services in the Oman market. The joint venture has a term contract with Petroleum Development Oman ("PDO") (a Shell-managed company) for providing facilities support services for PDO's assets in Oman
Joint venture established with Delta Tek Energy for the pursuit of oil and gas projects in Nigeria. Delta Tek Energy is a leading local engineering services provider in Nigeria. Delta Afrik is pursuing and executing work for international oil and gas majors in Nigeria such as ExxonMobil and ConocoPhillips
High value engineering company in Beijing serving both Parsons E&C and MEC. In July 2004, Worley became a joint venture partner
The Trac 10 joint venture between TIC and Parsons E&C was formed to participate in an alliance with Tractabel Power (the client) and Siemens Westinghouse (the equipment supplier) for the delivery of five power projects in the USA
Parsons E&C and Parsons Brinkerhoff (a separate company) formed an alliance through a joint venture to pursue and subsequently execute the program management of the reconstruction of the power industry in Iraq. Work is ongoing and is expected to continue for another two years. Parsons Brinkerhoff is one of the world's leading planning, engineering, and program and construction management organisations
Parsons E&C, in joint venture with Williams Union Boiler and The Washington Group (formerly Morrison Knudson) is providing construction management services to TVA for ongoing repair and upgrades at 11 coal-fired plants and 29 hydro-electric plants that form part of TVA's generating infrastructure. This is a contract that has been in place for more than 15 years and is renewable every five years, with the last renewal occurring in 2003
A joint venture company established to carry out major projects in Saudi Arabia
A joint venture for engineering services in Saudi Arabia

3.8 HISTORICAL FINANCIAL PERFORMANCE

A summary of the adjusted consolidated operating performance of the Parsons E&C Group is set out below:

SUMMARY OF RESULTS

ADJUSTED[1] FINANCIAL PERFORMANCE (US$)

US$m	12 months to 27 December 2002	12 months to 26 December 2003	6 months to 30 June 2004
Adjusted EBITDA	**31.3**	**35.7**	**22.3**
Depreciation	(3.4)	(4.8)	(2.1)
Amortisation	–	–	–
ADJUSTED EBIT	**27.9**	**30.9**	**20.2**

ADJUSTED[1] FINANCIAL PERFORMANCE (A$)

A$m	12 months to 27 December 2002	12 months to 26 December 2003	6 months to 30 June 2004
Adjusted EBITDA	**57.8**	**54.7**	**30.2**
Depreciation	(6.2)	(7.4)	(2.9)
Amortisation	–	–	–
Adjusted EBIT	**51.6**	**47.3**	**27.3**
Exchange rate[1]	0.54	0.65	0.74

NOTES:

1 Parsons E&C's financial statements have been prepared in US dollars. For the purposes of this table, amounts in US dollars have been converted to Australian dollars at the exchange rate prevailing at the time. These financial statements are based on the actual financial statements prepared by Parsons E&C and, other than the ESOP adjustment discussed below, do not reflect adjustments to revenue and expense items as referred to in Sections 4 and 5

In compiling the summary of results set out in this Section 3.8, the actual financial information of Parsons E&C has been adjusted to exclude expenses associated with Parsons E&C's pre-Acquisition funding structure. The adjustments have been made to exclude contributions to the ESOP by Parsons E&C that will not be required following the Acquisition. The financial impact of the adjustments has been to increase EBITDA for the periods reported, in the following amounts:

	12 months to 27 December 2002	12 months to 26 December 2003	6 months to 30 June 2004
Increase in EBITDA (US$)	14.2	13.4	7.8
Increase in EBITDA (A$)	26.3	20.6	10.6

RESULTS FOR THE 12 MONTHS ENDED 27 DECEMBER 2002

Following its sale by Parsons Corporation in January 2002, Parsons E&C directed significant resources into developing Parsons E&C as a stand-alone business.

In the year ended 27 December 2002, revenue and margin were principally driven by contracts with TVA, Tractebel, AGIP, TCO, Gemma Power, Calpine and Shell. The power and oil & gas groups accounted for approximately 47% and 43% of EBITDA respectively.

RESULTS FOR THE 12 MONTHS ENDED 26 DECEMBER 2003

Adjusted EBITDA for the 12 months ended 26 December 2003 grew by $4.4 million (approximately 14%) compared to the 12 months ended 27 December 2002. The increase was largely due to:

– increased workload in the hydrocarbon industry, in particular with the award of significant contracts in the Middle East and Central Asia. The oil and gas sector grew by approximately 27% in 2003; and
– partially offset by a decline in Power work. This was largely attributed to overcapacity in the domestic US market.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2004

Parsons E&C has traded strongly in the six months ended 30 June 2004, largely due to:

– increased capital spending in the hydrocarbon industry. The Oil & Gas group contributed approximately 63% of margins compared to 43% and 56% in the 12 months ended 27 December 2002 and 2003 respectively;
– oversupply of power capacity in the US, which resulted in a decline in gas turbine projects. Management increased Parsons E&C's exposure to solid fuel and nuclear power to counteract the decline. The Power group contributed 29% of total margin in the period; and
– management's continued focus on reducing margin volatility associated with EPC and LSTK contracts, which has resulted in an increase in the percentage of the business represented by recurring large, long-term cost reimbursable projects.

3.9 OUTLOOK

OIL & GAS

The outlook for the oil and gas sector remains strong. Companies are continuing to invest in major capital projects, with plans for additional projects in locations where Parsons E&C currently operates. In addition, energy prices have encouraged companies to explore the use of previously uneconomic energy resources, which may lead to further capital investment.

REFINING, CHEMICALS & PETROCHEMICALS

Activity levels in the refining, chemical and petrochemical sector have been relatively depressed over the last five years due to an oversupply of products. Demand for these products has begun to recover. Existing facilities are being upgraded in the US, the Middle East, South-East Asia and Australasia. New facilities are also being developed in Saudi Arabia, Kuwait, Qatar, Oman and China, with some in the early stages of feasibility evaluation.

POWER

Demand for power capacity is increasing at a growth rate of 4% to 6% per annum, with growth in developing countries such as China significantly higher. In the US, air quality projects continue to be a growing market as higher gas prices increase the use of coal for power generation.

4 Effect of the Acquisition and the Capital Raising

4.1 RATIONALE FOR THE TRANSACTION

Worley's corporate strategy is focused on the continued development and growth of the company based on six strategic differentiators:

- outstanding operational and corporate performance;
- focus on long-term contracts, integrated services and alliances;
- success in project delivery, large and small;
- comprehensive geographic presence and industry capability;
- identification, integration and growth of value-adding acquisitions; and
- portfolio of development projects.

The Acquisition will greatly assist Worley in further enhancing/achieving these differentiators.

4.1.1 OUTSTANDING OPERATIONAL AND CORPORATE PERFORMANCE

Parsons E&C's global reputation is built upon its impressive technical capabilities, strong client relationships and a strong track record of successful project delivery. The company also has the track record and systems necessary to pursue and deliver large-scale and complex projects. As resource projects continue to grow in size and complexity, WorleyParsons will be one of few global companies with the resources, technical capabilities and systems to meet the demands of these projects.

4.1.2 FOCUS ON LONG-TERM CONTRACTS, INTEGRATED SERVICES CONTRACTS AND ALLIANCES

The Parsons E&C business focuses on long-term projects. Long-term contracts provide increased revenue visibility and are highly compatible with alliance-based contracts. Alliance-based contracting is an important element of Worley's strategy. Coupled with a long-term contract base, the alliance-based approach gives Worley the opportunity to broaden the scope of its services and to lengthen the tenure of its contract relationships.

The scope to broaden the service offering across the client base of WorleyParsons and the opportunity to extend the long-term contracting approach across the merged business creates exciting growth prospects.

4.1.3 SUCCESS IN PROJECT DELIVERY

Parsons E&C has a strong international reputation for project delivery. The company also has the track record and systems necessary to pursue and deliver large-scale and complex projects. As resource projects continue to grow in size and complexity, WorleyParsons will be one of few global companies not only with the resources and technical capabilities, but also the systems, to meet the demands of these projects.

4.1.4 COMPREHENSIVE GEOGRAPHIC PRESENCE AND INDUSTRY CAPABILITY

Following the Acquisition, WorleyParsons will:

- be one of the leading global service providers to the hydrocarbons sector;
- have a significantly expanded capability in the power sector;
- have in excess of 9,500 employees globally operating across 29 countries;
- have major project execution centres in Europe, North America, South-East Asia, the Middle East and Australasia; and
- have a vastly improved operational base on which to continue its track record of growth.

The Acquisition provides Worley with an opportunity to make a step change in its technical capabilities and geographic presence, and create new opportunities for the combined group.

Worley and Parsons E&C have largely operated in different regions. Worley's presence in the Asia Pacific and Middle East regions is complemented by Parsons E&C's coverage of Europe, the Former Soviet Union and the Americas. This will give the combined group comprehensive geographic coverage and a global operational base.

The combined group will be able to extend skill sets throughout this operational base. Worley's offshore oil and gas, and minerals and metals expertise can be applied across Parsons E&C's client base in Europe, the Former Soviet Union and the Americas. Similarly, Parsons E&C's global capability in large project management onshore oil and gas, refining, petrochemicals and chemicals and power can be utilised across Worley's operations throughout South-East Asia, Australasia and the Middle East. This combined global reach will deliver services to the power, water, minerals and metals processing sectors worldwide.

4.1.5 IDENTIFICATION, INTEGRATION AND GROWTH OF VALUE-ADDING ACQUISITIONS

Subject to the matters discussed in Section 4.7.2, Worley expects the Acquisition to be earnings per share accretive (pre-amortisation) based on an expected nine month contribution for the year ending 30 June 2005.

4.1.6 PORTFOLIO OF DEVELOPMENT PROJECTS

The increased capability and coverage of the combined group may introduce new projects, both large and small, to WorleyParsons. The opportunity to participate in new projects, ranging from grassroots to full-scale operations fits the strategic objectives of Worley.

4.2 WORLEY'S PLAN FOR INTEGRATION OF THE BUSINESSES

Worley and Parsons E&C have developed a close working relationship through their existing joint ventures in the US and Middle East. This existing relationship provides mutual understanding on a range of common business issues. This has allowed a comprehensive assessment of the opportunities available to the combined group, as well as the development of a transition and integration plan as part of the Acquisition.

Worley and Parsons E&C have established a transition and integration team that comprises senior executives from both companies. The transition team will operate through a series of joint work groups, focusing on the six key differentiators detailed in Section 4.1. The integration team will ensure, amongst others, that the combined group has reporting, governance, and risk management systems appropriate for a publicly listed company. This includes:

– maintenance of Worley's health, safety and environmental standards;
– maintenance and strengthening of the client base of both companies;
– integration of work systems;
– identification of benchmark work practices across the combined group;
– identification and realisation of synergies;
– identification of value-adding opportunities across geographies and sectors; and
– protection and strengthening of employee skill base.

Although both Worley and Parsons E&C are significant participants in the global hydrocarbons industry, there is little overlap in geography or capability. Integration of operations is only expected in two areas (the Middle East and Canada) and is not expected to have a material impact on the business. A key focus of the transition and integration team will be to identify areas where the existing operations can collectively pursue new opportunities.

Providing greater access to new markets is a key rationale for the Acquisition. Worley and Parsons E&C have held initial strategy sessions to identify significant opportunities that previously would be considered as having low probability of success if pursued separately.

Performance in the areas of health, safety and environment is a vitally important aspect of Worley's business. With the aim of achieving a zero harm target, Worley recently announced the rollout of a global safety leadership program and an upgrade of health, safety and environment management systems. Ensuring that health, safety and environment remain key focuses of the WorleyParsons business will be a critical platform of the integration plan.

In the new integrated structure, Bill Hall, Chairman and CEO, Parsons E&C, will be responsible for operations in the Americas, Europe and the Former Soviet Union and will report to Worley Chief Executive Officer, John Grill. Operations in Australasia, South-East Asia and the Middle East will be managed within the existing Worley management structure and continue to report to John Grill. Corporate headquarters will remain in Sydney, with a number of the corporate functional roles to be located within operations.

4.3 CHANGE OF NAME

Following Completion, it is proposed that Worley will be renamed "WorleyParsons Limited", reflecting the heritage and the strong contributions of both the Worley and Parsons E&C businesses to the combined group. The change of name will be subject to Shareholder approval at the forthcoming Annual General Meeting of Worley shareholders. In addition, the name "Parsons E&C" will be retained and used in selected markets to ensure that the strong recognition and acceptance of the brand remains in place.

4.4 EFFECT ON FINANCIAL PERFORMANCE

4.4.1 SUMMARY OF EFFECT

Set out below is a summary of the effect of the Acquisition on Worley's financial performance for the year ended 30 June 2004 as if the Acquisition and new funding structure was effective on 1 July 2003.

This information is provided in summary format for illustrative purposes only. It is subject to the information limitations described in Section 4.4.2 and is not represented as being indicative of Worley's view on the future financial performance of WorleyParsons.

A$m[1]	Worley (Audited) 30 June 2004[2]	WorleyParsons (Unaudited Composite) 30 June 2004
Revenue	**375.5**	**1,132.6**
EBITDA	**49.0**	**103.7**
Depreciation	(4.1)	(10.4)
Amortisation	(4.5)	(20.7)
EBIT	**40.4**	**72.6**
Net interest income / (expense)	0.3	(6.9)
Profit before tax	**40.7**	**65.7**
Income tax expense	(10.1)	(21.3)
Net profit after tax	**30.7**	**44.4**

NOTES:

1 Parsons E&C's financial statements are prepared in US dollars. For the purposes of preparing the Composite financial information, amounts specified in US dollars have been converted to Australian dollars at one Australian dollar equals 0.69 and 0.74 US dollars, being the average exchange rate for the six months ended 31 December 2003 and six months ended 30 June 2004 respectively

2 This is a summary of Worley's audited results only. The full financial reports are set out in the Worley Annual Report

4.4.2 INFORMATION LIMITATIONS IN PREPARATION OF COMPOSITE FINANCIAL INFORMATION

The Composite statement of net profit after tax set out above is based on Worley's reviewed pro-forma Statement of Financial Performance for the six months ended 30 June 2004 (which is described in Section 5.2.1), Worley's reviewed financial report for the six months ended 31 December 2003, the Parsons E&C reviewed financial report for the six months ended 30 June 2004, and the Parsons E&C adjusted unaudited results for the six months ended 31 December 2003 ("Parsons E&C Management Accounts").

In order to prepare the Composite statement of net profit after tax set out above, the following adjustments have been made to the Parsons E&C Management Accounts:

– inclusion of amortisation of Parsons E&C goodwill on consolidation;
– exclusion of expenses associated with the Parsons E&C pre-Acquisition funding structure;
– inclusion of expenses associated with the post-Acquisition funding structure; and
– inclusion of pro-forma tax expense of the US entities of Parsons E&C that were not liable for US federal taxes pre-Acquisition.

However, it is important to note that due to the necessarily limited access of Worley to the accounts, personnel and systems of Parsons E&C prior to the date of the Acquisition, the Parsons E&C Management Accounts have not been adjusted for all items which may otherwise be adjusted in order to present a pro-forma Statement of Financial Performance of WorleyParsons. It should be noted, in particular, that the Parsons E&C Management Accounts could not be adjusted for the following items:

– the effect of translating foreign currency and intercompany transactions at actual foreign exchange rates rather than budgeted rates;
– revenue recognition, which remains in accordance with Parsons E&C rather than Worley policies;
– reallocation of revenue and expenses that may relate to other periods; and
– other adjustments that may have been made preparing the full year consolidated Parsons E&C financial statements.

4.5 EFFECT ON FINANCIAL POSITION

Set out below is a summary of the effect of the Acquisition on WorleyParsons financial position as at 30 June 2004.

This information is provided in summary format for illustrative purposes only. It is not represented as being indicative of Worley's view on the future financial position of WorleyParsons. Further details of adjustments are set out in Section 5.

A$m[1]	Worley (Audited) 30 June 2004	Parsons E&C (Reviewed) 30 June 2004	Adjustments	WorleyParsons (Pro-forma) 30 June 2004
Assets				
Cash assets	24.1	55.9	(36.2)	43.8
Other current assets	105.0	191.1	5.8	301.9
Property, plant and equipment	9.3	19.0	0.1	28.4
Intangible assets	61.0	–	324.0	385.0
Other non-current assets	39.3	12.5	2.7	54.5
Total assets	**238.7**	**278.5**	**296.4**	**813.6**
Liabilities				
Current tax liabilities	6.1	3.1	16.6	25.8
Interest bearing liabilities	11.2	–	128.8	140.0
Other liabilities	81.0	203.3	7.7	292.0
Total liabilities	**98.3**	**206.4**	**153.1**	**457.8**
Net assets	**140.4**	**72.1**	**143.3**	**355.8**

NOTE:

1 Parsons E&C's financial statements are prepared in US dollars. For the purposes of preparing the Composite financial information, amounts specified in US dollars have been converted to Australian dollars at one Australian dollar equals 0.68 US dollars, being the exchange rate on 30 June 2004

4.6 EFFECT ON ISSUED CAPITAL

The effect of the Capital Raising on Worley's issued capital is set out in the table below. The table shows the impact as though the Acquisition had already occurred and been funded by the Institutional Placement and the Entitlement Offer.

	Number of Shares on issue
At 7 October 2004	149,356,711
New Shares issued in the Institutional Placement	22,403,507
New Shares issued in the Entitlement Offer	33,190,380
Total Shares on completion of Capital Raising	204,950,598

4.7 EFFECT ON EARNINGS PER SHARE

4.7.1 COMPOSITE EFFECT

On a Composite basis, the Acquisition would have been approximately 34.8% earnings per share accretive (pre-amortisation) for the 12 months ended 30 June 2004. It should be noted that this amount is determined by reference to the Composite Statement of Financial Performance in Section 4.4.1, and is therefore subject to the same limitations set out in Section 4.4.2. It is not represented as being indicative of Worley's view on the future financial performance of WorleyParsons.

Worley anticipates that there will be additional corporate and integration costs associated with the Acquisition. Worley's initial assessment indicates these costs will be in the order of $6.0 million, although the magnitude of such costs cannot be predicted with precision (see Section 7.3.1). After adjusting for these additional expenses, the Acquisition would have been approximately 27.4% earnings per Share accretive (pre-amortisation) for the 12 months to 30 June 2004.

4.7.2 EXPECTED EFFECT

The Directors believe the combined WorleyParsons business will be capable of producing improved financial returns compared to each of Worley and Parsons E&C on a stand-alone basis.

The Acquisition is expected to be earnings per share accretive (pre-amortisation) based on a nine month contribution for the year ending 30 June 2005. This conclusion is subject to reasonable conditions in the markets in which WorleyParsons operates. Changes in conditions may result in a materially positive or negative impact on the future performance of WorleyParsons.

The main factors that will impact the future performance of WorleyParsons are summarised below:

- the outlook for the stand-alone Worley remains strong (see Section 2.8). The company started the new financial year with all key markets and sectors experiencing positive conditions, in particular Hydrocarbons and Minerals & Metals. Worley is well positioned throughout the business to respond to these opportunities, and subject to conditions remaining reasonable in these markets expects to deliver a further increase in earnings in 2005;
- since its sale by Parsons Corporation to the ESOP in January 2002, Parsons E&C has experienced year-on-year growth in EBIT (see Section 3.8). Subject to reasonable conditions in the markets in which Parsons E&C operates, Worley believes that the outlook for the stand-alone Parsons E&C is also strong (see Section 3.9);
- Worley does not expect significant revenue synergies in the year ending 30 June 2005 as a result of the Acquisition, over and above revenue growth that each business could expect to achieve on a stand-alone basis given current and expected market conditions. However, following integration, WorleyParsons expects to be in a sound position to explore opportunities for additional revenue sources and synergies;
- the goodwill arising from the Acquisition is expected to be approximately $324.0 million. Amortisation charge on this goodwill is expected to be approximately $12.2 million for the nine months ending 30 June 2005. However, these figures will vary depending on movement in the net assets of Parsons E&C Group between 1 July 2004 and the Acquisition date. The introduction of IFRS will have an impact on the reported results of WorleyParsons (including the treatment of goodwill) from the year ending 30 June 2006 (see Section 5.2.2);
- Worley proposes to fund the Acquisition through a combination of ordinary equity and debt. The new Facilities (see Section 8.3) will be denominated in a mixture of US dollars, UK pounds sterling, and Australian dollars. The weighted average interest rate applicable to such debt is expected to be approximately 5.0% to 5.5% in the year ending 30 June 2005, but this cannot be predicted with precision; and
- as a result of the Acquisition, the composite tax rate for WorleyParsons is expected to be in the range of 30% to 35% in the year ending 30 June 2005 (slightly above the equivalent present rate for the Worley Group), on the basis there are no material changes in tax legislation in countries in which WorleyParsons will operate and there are no material changes in the present geographic earnings mix of Worley and Parsons E&C.

4.8 EFFECT ON DIVIDENDS

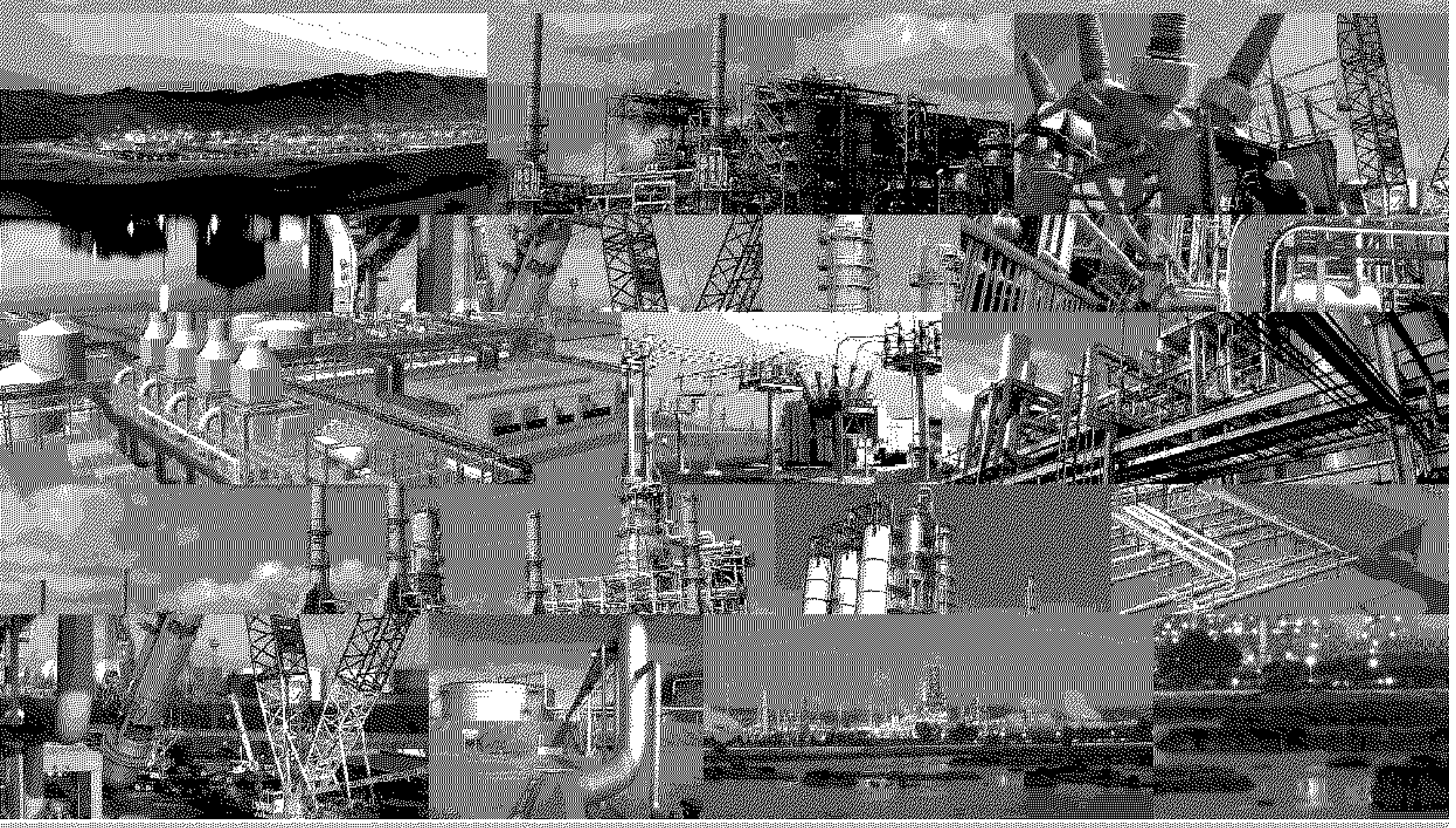
The Board reviews Worley's level of dividend payment, and will continue to do so after the Acquisition, taking into consideration financial performance, changes to the tax system, ongoing capital requirements and further investment opportunities.

The Directors have no present intention, assuming the future availability of sufficient distributable profit and in the absence of unforeseen events, to reduce the current level of dividends per Share as a result of the Acquisition.

However, to the extent that an increasing proportion of Worley's earnings are derived outside Australia, it is possible future dividends will be franked at a level lower than the historic level of 100%.

5

Independent Accountant's Report and Financial Information



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5.1 INDEPENDENT ACCOUNTANT'S REPORT

11 October 2004

The Board of Directors
Worley Group Limited
Level 7
116 Miller Street
NORTH SYDNEY NSW 2060

Dear Sirs

INDEPENDENT ACCOUNTANT'S REPORT

1. INTRODUCTION

The Directors have requested Ernst & Young to prepare an independent Accountant's Report ("our Report") for inclusion in a prospectus (the "Prospectus") to be dated on or about 11 October 2004 relating to the offer by Worley of up to 33.2 million new shares at $4.10 each to shareholders. The amount to be raised in the Capital Raising is approximately $227.9 million.

We have been requested to prepare an Independent Accountant's Report on the following financial information (collectively referred to as the "Financial Information") as set out in Section 5.2 of the Prospectus:

– the actual consolidated Statement of Financial Position as at 30 June 2004 and the actual consolidated Statement of Financial Performance for the six months then ended of Worley (the "Historical Financial Information of Worley");
– the adjusted consolidated Statement of Financial Performance for the six months ended 30 June 2004 and the adjusted consolidated Statement of Financial Position as at 30 June 2004 of Parsons E&C Corporation ("Parsons E&C") (the "Adjusted Historical Financial Information of Parsons E&C"); and
– the pro-forma consolidated Statement of Financial Performance for the six months ended 30 June 2004 and the pro-forma consolidated Statement of Financial Position as at 30 June 2004 of WorleyParsons that assumes Completion of the contemplated transactions set out in Section 8.1.1 of the Prospectus, and the adjustments set out in Section 5.2 of the Prospectus, as at the dates stated ("the Pro-Forma Financial Information").

Expressions defined in the Prospectus have the same meaning in our Report.

2. BACKGROUND

Worley was incorporated on 2 March 2001 and listed on ASX after a successful initial public offering in late 2002. Since listing on ASX, Worley has continued to grow organically and via acquisition.

The principal purpose of issuing New Shares is to provide sufficient capital to Worley to complete the acquisition of 100% of the outstanding shares in Parsons E&C. Parsons E&C is a global engineering design and project services company.

3. FINANCIAL INFORMATION

The Directors of Worley have prepared, and are responsible for, the Pro-Forma Financial Information contained in the Section 5.2 of the Prospectus. We disclaim any responsibility for any reliance on our Report or on the Pro-Forma Financial Information to which it relates for any purpose other than for which it was prepared. This report should be read in Conjunction with the full Prospectus.

Historical Financial Information of Worley

Ernst & Young is the auditor of Worley and has audited the consolidated financial report of Worley for the year ended 30 June 2004 ("full year report"), and reviewed the consolidated half year financial report for the six months ended 31 December 2003 ("half year report"). We have expressed an unqualified audit opinion and unqualified review statement, respectively, on those financial statements.

The Directors have compiled an actual consolidated Statement of Financial Performance for the six months ended 30 June 2004 by subtracting the half year report from the full year report.

Adjusted Historical Financial Information of Parsons E&C

Management of Parsons E&C has prepared consolidated Statements of Financial Position and Financial Performance as at 30 June 2004 and for the six months then ended using Generally Accepted Accounting Principles of the US and the existing accounting policies of Parsons E&C.

The Directors have adjusted the historical financial information of Parsons E&C to conform with the applicable Australian accounting standards, other mandatory professional reporting requirements and the accounting policies adopted by Worley. The adjusted Historical Financial Information of Parsons E&C has been translated to Australian dollars for the purpose of presenting it in the Prospectus.

Adjustments have also been made to the consolidated Statement of Financial Performance of Parsons E&C to reflect comparability and consistency of reported results, to reallocate revenues and expenses to the most appropriate accounting period and to reflect reassessments of accounting estimates.

These adjustments are set out in Note 4 of Section 5.2.1 of the Prospectus.

Pro-Forma Consolidated Financial Information

The pro-forma consolidated Statement of Financial Performance has been prepared by the Directors as if the Capital Raising and the Acquisition had occurred as at 1 January 2004. The adjustments made as part of these pro-forma transactions are set out in Note 4 of Section 5.2.1 of the Prospectus.

The Directors have also prepared the pro-forma consolidated Statement of Financial Position of Worley as at 30 June 2004 as if the Capital Raising and the Acquisition had occurred as at 30 June 2004. The adjustments made as part of these pro-forma transactions are set out in Note 1 of Section 5.2.2 of the Prospectus.

4. SCOPE

We have conducted independent reviews of the Financial Information as set out in Section 5.2 of the Prospectus in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that:

(a) the Financial Information is not presented fairly in accordance with the measurement and recognition requirements but not the disclosure requirements of applicable accounting standards and other professional reporting requirements in Australia; and

(b) in the case of the pro-forma financial information, as if the pro-forma transactions set out in Sections 5.2.2 and 8.1.1 had occurred at the dates stated.

We have also considered whether the adjustments as described in Note 4 of Section 5.2.1 and Note 1 of Section 5.2.2 to the Financial Information form a reasonable basis for the preparation of the pro-forma Financial Information.

Our reviews were conducted in accordance with Australian Auditing Standard AUS902 "Review of Financial Reports" and were limited to enquiries of Worley and Parsons E&C personnel, reading of supporting workpapers, review of the financial statements, reading of contracts, Directors' minutes and other documents, analytical review procedures applied to the financial data, performance of certain limited verification procedures and establishment of consistency in application of accounting standards and policies.

These review procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed audits on this financial information and, accordingly, we do not express an audit opinion.

We have not conducted an audit or a review on other financial disclosures contained within the Prospectus not related to the Financial Information set out in Sections 5.2.1 and 5.2.2 of the Prospectus. Specifically, we have not audited or reviewed the unaudited composite financial information as set out in Section 4.4 of the Prospectus.

5. REVIEW STATEMENTS

Historical Financial Information

Based on our reviews, which are not audits, nothing has come to our attention that causes us to believe that the historical financial information of Worley and Parsons E&C as set out in Section 5.2 of the Prospectus does not present fairly the financial position of Worley and Parsons E&C as at 30 June 2004 and their financial performances as represented by the results of their operations for the six months then ended, in accordance with the measurement and recognition requirements but not the disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia.

Pro-Forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the pro-forma Financial Information as set out in Section 5.2 of the Prospectus does not present fairly the financial position of Worley as at 30 June 2004 and the results of its operations for the six months then ended, in accordance with the measurement and recognition requirements but not the disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia, as if the pro-forma transactions set out in Sections 5.2.2 and 8.1.1 of the Prospectus had occurred as at the dates stated.

6. SUBSEQUENT EVENTS

To the best of our knowledge and belief, and based on the work we have performed as described in the scope paragraph above, there have been no material transactions or events subsequent to 30 June 2004, other than those included in this Prospectus, which require comment on, or adjustment to, the information referred to in our report and that would cause the information included in the report to be misleading.

7. INDEPENDENCE AND OTHER DISCLOSURES

Ernst & Young is the auditor of Worley and does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give unbiased opinions on these matters. Ernst & Young will receive a professional fee for the preparation of our Report, certain acquisition due diligence activities, and assistance in drafting the Prospectus.

Ernst & Young is independent of Worley and has met the independence requirements of Australian professional ethical pronouncements and the Corporations Act. In addition to our professional services noted above in connection with the offer of New Shares, we acted as auditor of Worley, provided accounting advice and limited tax advisory and compliance services. The provision of these services has not impaired our independence.

Consent for the inclusion of the Independent Accountant's Report in the Prospectus in the form and context in which it appears has been given. At the date of our Report, this consent has not been withdrawn.

Ernst & Young

Ernst & Young

5.2 FINANCIAL INFORMATION

5.2.1 STATEMENT OF CONSOLIDATED FINANCIAL PERFORMANCE FOR THE SIX MONTHS ENDED 30 JUNE 2004

A$M	WORLEY (REVIEWED) (NOTE 2)	PARSONS E&C (REVIEWED) (NOTE 3)	ADJUSTMENTS (PRO-FORMA) (NOTE 4)	WORLEYPARSONS (PRO-FORMA) (REVIEWED)
Revenue	197.0	428.0	16.9	641.9
Cost of Sales	(152.6)	(357.6)	(1.7)	(511.9)
Gross margin	**44.4**	**70.4**	**15.2**	**130.0**
Selling, general and administration expenses	(12.7)	(50.5)	(0.1)	(63.3)
Other income	5.3	–	(1.2)	4.1
Other expense	(8.2)	(0.3)	(2.6)	(11.1)
Interest expense	(0.8)	–	(3.6)	(4.4)
Depreciation/amortisation	(3.9)	(2.8)	(8.0)	(14.7)
Profit before tax	**24.1**	**16.8**	**(0.3)**	**40.6**
Income tax expense	(6.2)	(3.8)	(3.6)	(13.6)
Profit after tax	**17.9**	**13.0**	**(3.9)**	**27.0**
Earnings per Share (Note 5) (cents)	**12.02**	**n/a**	**n/a**	**13.17**

Note:

1 Parsons E&C financial statements are prepared in US dollars. For the purposes of preparing the Pro-Forma Financial information, amounts specified in US dollars have been converted to Australian dollars at one Australian dollar equals 0.74 US dollars, being the average exchange rate for the six months ended 30 June 2004

Note 1 Accounting Policies

The financial information has been prepared in accordance with the measurement and recognition requirements but not the disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia. It is prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those set out in the Worley financial statements for the year ended 30 June 2004.

Note 2 Basis of Actual Worley Financial Information

The statement of financial performance of Worley for the six months ended 30 June 2004, subject to audit review, was compiled from the audited financial statements for the full year ended 30 June 2004 and the half year reviewed financial statements for the six months ended 31 December 2003.

Note 3 Basis of Preparation of Reviewed Parsons E&C

Management of Parsons E&C has prepared consolidated Statements of Financial Position and Financial Performance as at 30 June 2004 and for the six months then ended using generally accepted accounting principles of the US and the existing accounting policies of Parsons E&C.

The Directors have adjusted the historical financial information of Parsons E&C to conform with Australian applicable accounting standards, other mandatory professional reporting requirements and the accounting policies adopted by Worley. The Adjusted Historical Financial Information of Parsons E&C has been translated to Australian dollars for the purpose of presenting in the Prospectus.

Adjustments have also been made to the consolidated Statements of Financial Performance of Parsons E&C to reflect comparability and consistency of reported results, to reallocate revenues and expenses to the most appropriate accounting period and to reflect reassessments of accounting estimates.

Note 4 Basis of Preparation of the Pro-Forma Statement of Financial Performance

The Pro-Forma Consolidated Statement of Financial Performance represents the actual consolidated Statements of Financial Performance of Worley, as described in Note 1 above, and the actual consolidated Statement of Financial Performance of Parsons E&C adjusted to assist in the comparability and consistency of reported results, to reflect the adjustments listed below including giving effect to the transactions associated with the Capital Raising and the Acquisition as contemplated in the Prospectus as if they had occurred as at 1 January 2004. The adjustments made to items of revenue and expense are as follows:

- recognition of contract revenue and profit on a basis consistent with Worley and in doing so, profits on a specific fixed price contract will only be recognised on completion due to the uncertainty in determining the costs of the contract;
- amortisation of Parsons E&C goodwill on consolidation;
- exclusion of expenses associated with Parsons E&C pre-Acquisition funding structure;
- inclusion of expenses associated with the post-Acquisition funding structure;
- consolidation of WPES, which was previously equity accounted by Worley;
- restatement of the translation of certain Subsidiary intercompany balances, which are not entitled to use functional US dollar currency under Australian accounting standards; and
- inclusion of pro-forma tax expense for the US entities of Parsons E&C that were not liable for US federal taxes pre-acquisition.

Note 5 Earnings per Share

Basic actual earnings per Share	12.02¢
Weighted average number of Shares used as the denominator in calculating	
Basic actual earnings per Share	149,356,711
Basic Pro-Forma Earnings per Share	13.17¢
Weighted average number of Shares used as the denominator in calculating	
Basic Pro-Forma earnings per Share	204,950,598

5.2.2 STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2004

Worley's Pro-Forma Statement of Financial Position as at 30 June 2004 showing the net effect of the Acquisition and the Capital Raising as if the Acquisition and the Capital Raising had occurred on 30 June 2004 is as follows

A$M	WORLEY (AUDITED)	ADJUSTED PARSONS E&C (REVIEWED)	ACQUISITION ADJUSTMENTS	FUNDING ADJUSTMENTS	PRO-FORMA WORLEYPARSONS (REVIEWED)
ASSETS					
CURRENT ASSETS					
Cash assets	24.1	55.9	0.6	(36.8)	43.8
Receivables	84.4	116.9	6.7	–	208.0
Inventories	17.9	70.0	(1.0)	–	86.9
Other financial assets	2.7	4.2	0.1	–	7.0
TOTAL CURRENT ASSETS	**129.1**	**247.0**	**6.4**	**(36.8)**	**345.7**
NON-CURRENT ASSETS					
Equity accounted investments	27.8	9.6	(1.2)	–	36.2
Other financial assets	0.1	–	–	–	0.1
Property, plant and equipment	9.3	19.0	0.1	–	28.4
Goodwill	30.7	–	324.0	–	354.7
Other intangible assets	30.3	–	–	–	30.3
Deferred tax assets	8.9	2.9	1.3	–	13.1
Other	2.5	–	–	2.6	5.1
TOTAL NON-CURRENT ASSETS	**109.6**	**31.5**	**324.2**	**2.6**	**467.9**
TOTAL ASSETS	**238.7**	**278.5**	**330.6**	**(34.2)**	**813.6**
LIABILITIES					
CURRENT LIABILITIES					
Payables	44.2	90.3	6.0	–	140.5
Interest bearing liabilities	10.9	–	0.8	–	11.7
Deferred income	–	88.2	(1.7)	–	86.5
Tax liabilities	6.1	3.1	16.6	–	25.8
Provisions	24.2	24.8	3.4	–	52.4
TOTAL CURRENT LIABILITIES	**85.4**	**206.4**	**25.1**	–	**316.9**
NON-CURRENT LIABILITIES					
Interest bearing liabilities	0.3	–	–	128.0	128.3
Deferred tax liabilities	9.9	–	–	–	9.9
Provisions	2.7	–	–	–	2.7
TOTAL NON-CURRENT LIABILITIES	**12.9**	–	–	**128.0**	**140.9**
TOTAL LIABILITIES	**98.3**	**206.4**	**25.1**	**128.0**	**457.8**
EQUITY					
Contributed equity	108.8	–	–	215.4	324.2
Reserves	(6.0)	72.1	305.5	(377.6)	(6.0)
Retained profits	36.0		–	–	36.0
Equity attributable to members of Worley	138.8	72.1	305.5	(162.2)	354.2
Outside equity interests	1.6	–	–	–	1.6
TOTAL EQUITY	140.4	72.1	305.5	(162.2)	355.8

NOTES:

1 Parsons E&C financial statements are prepared in US dollars. For the purposes of this table, amounts in US dollars have been converted to Australian dollars at one Australian dollar equals 0.69 US dollars, being the exchange rate at 30 June 2004

Note 1 Basis of Preparation of the Pro-Forma Statement of Financial Position

The Pro-Forma Statement of Financial Position as at 30 June 2004 represents the audited actual Consolidated Statement of Financial Position of Worley as at 30 June 2004 and the reviewed actual Consolidated Statement of Financial Position of Parsons E&C and is adjusted to incorporate the effect of the following transactions, which are expected to occur subsequent to 30 June 2004 as if they had occurred as at that date:

- receipt of proceeds of A$227.9 million from the issue of approximately 55.6 million Shares in the Capital Raising;
- settlement by cash of equity raising expenses (including underwriting fees, professional fees and other offer costs) estimated to be A$12.5 million, recognised as a reduction to contributed equity;
- settlement by cash of the debt raising expenses estimated to be A$2.6 million recognised as a prepaid borrowing cost;
- borrowing A$128 million of external debt;
- purchase of Parsons E&C for US$245 million (converted to Australian dollars at one Australian dollar equals 0.69 US dollars, being the exchange rate at 30 June 2004), together with the payment to advisers of A$0.9 million of other related Acquisition costs;
- adjustments to the fair value of various Parsons E&C assets and liabilities on acquisition by Worley;
- recognition of a US$15 million pre-acquisition distribution by Parsons E&C;
- vesting and payment of long term incentive plan of US$5.9 million and US$7.7 million respectively;
- retranslation of UK Subsidiaries under Australian accounting standards; and
- reversal of equity accounted investment in WPES by Worley and consolidation of 100% thereof.

Impact of Adopting AASB Equivalents to IASB Standards

Worley has commenced the transition of accounting policies and financial reporting from current Australian accounting standards to Australian equivalents of International Financial Reporting Standards ("IFRS"). Worley is required to prepare its first fully IFRS compliant financial report for the year ending 30 June 2006 with restated comparatives required for the 30 June 2005 reporting period. A project team has been set up to manage the process with the engagement of external consultants as and when required. The first phase of the project involved the identification and ranking of key risk areas that may affect Worley on adoption of IFRS. The second phase is ongoing and involves detailed analysis of the impact on adoption with the third phase being implementation. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Worley after it completes the Acquisition. At this stage, the financial impact to the group has not been fully quantified.

Acquisition Accounting

Given the significance of the proposed Acquisition, the differences in acquisition accounting arising from the adoption of AASB 3: "Business Combinations" could be significant. Restructuring provisions will not be able to be recognised on a pre-acquisition basis and contingent liabilities at Acquisition Date are fair valued and included in the calculation of the net assets and liabilities acquired. Goodwill is allocated to cash generating units. Under AASB3, Worley has 12 months following the Acquisition to adjust the provisional allocation of fair values. Reliable estimation of the future financial effects of these differences is impracticable because the conditions under which a revised fair valuation may eventuate are not yet known.

Goodwill

Under AASB 3: "Business Combinations", goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing at the cash generating unit level. This will result in a change in the Group's current accounting policy that amortises goodwill, over its useful life but not exceeding 20 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. As there will be a significant component of the cost of assets acquired attributable to goodwill, the increase in reported earnings will be significant as this goodwill is no longer amortised. However, reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which any impairment will arise are not yet known.

5. INDEPENDENT ACCOUNTANT'S REPORT

Impairment of Assets

Under AASB 136: "Impairment of Assets", the recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use. This will result in a change in the group's current accounting policy that determines the recoverable amount of an asset on the basis of discounted cash flows. (Under the new policy, it is possible that impairment of assets will be recognised sooner and that the amounts of write-downs will be greater.) Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

Intangible Assets

The Worley trade name satisfies the conditions of AASB 138: "Intangible Assets", with respect to recognition as an intangible asset upon transition to IFRS and will continue to be subject to an impairment test at each reporting period in line with the current accounting policy. Should the asset be determined to have an indefinite life in accordance with AASB 138, there will be no further amortisation.

Income Taxes

Under AASB 112: "Income Taxes", Worleyy will be required to use a balance sheet liability method which focuses on the tax effects of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a tax-based balance sheet. The most significant impact will be the recognition of a deferred tax liability in relation to the Worley trade name. Under the current accounting policy, the tax effect of the trade name is not recognised. It is not expected that there will be any further material impact as a result of the adoption of this standard.

Share-Based Payments

Under AASB 2: "Share-Based Payments", Worley is required to determine the fair value of rights issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. It applies to all share based payments issued after 7 November 2002 that have not vested as at 1 January 2005. Worley already applies the provisions of this standard and it is not expected that there will be any further material impact on formal adoption.

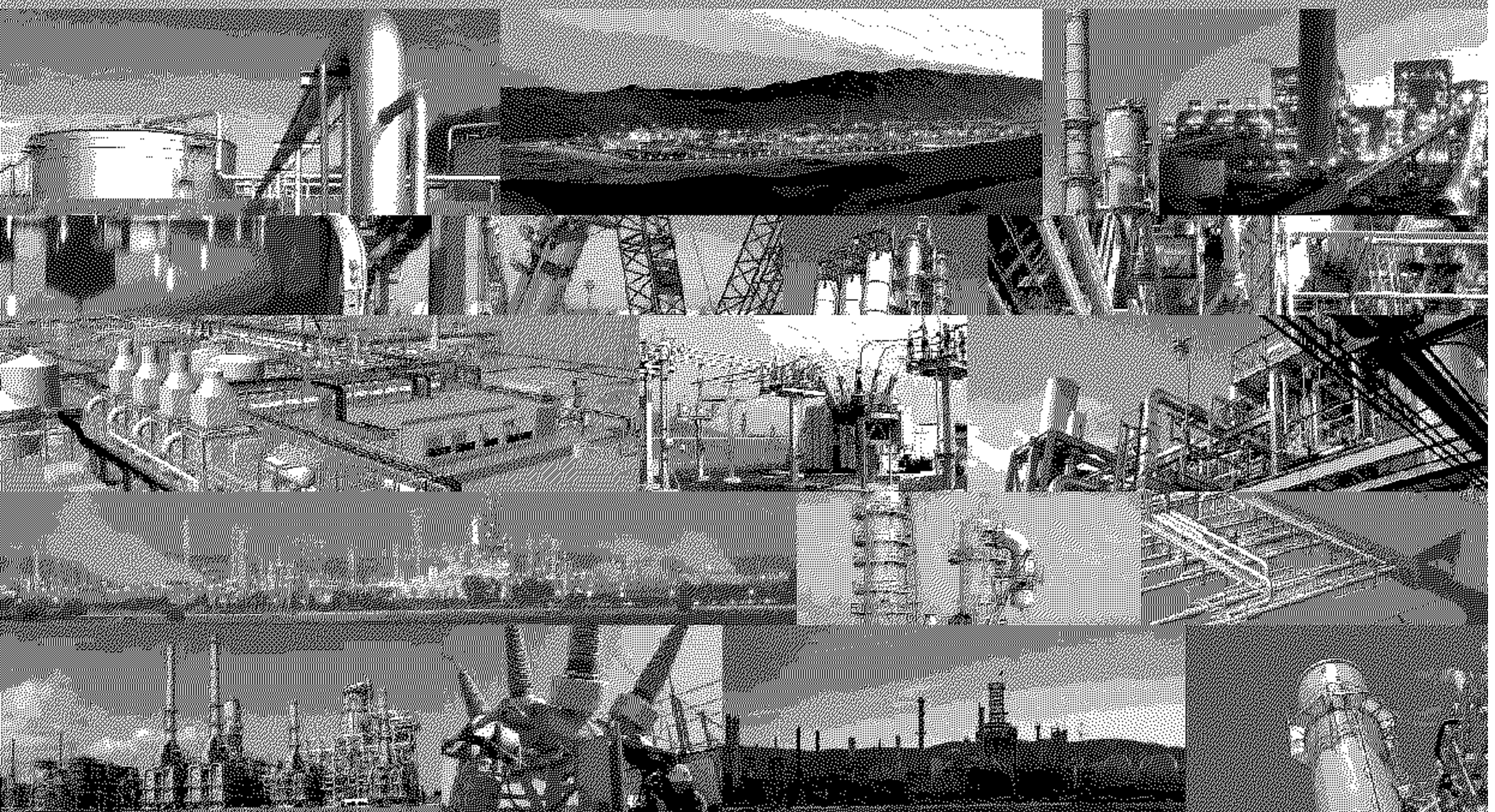
Hedge Accounting

Under AASB 139 "Financial Instruments: Recognition and Measurement" in order to achieve a qualifying hedge, the entity is required to meet the following criteria:

- identify the type of hedge – fair value or cash flow;
- identify the hedged item or transaction;
- identify the nature of the risk being hedged;
- identify the hedging instrument;
- demonstrate that the hedge has and will continue to be highly effective; and
- document the hedging relationship, including the risk management objectives and strategy for undertaking the hedge and how effectiveness will be tested.

Worley hedges a specific identifiable cash flow transaction with a specific hedge contract. Each transaction is individually documented, reviewed, and measured for effectiveness. It is not expected that there will be a material impact as a result of adoption of this standard.

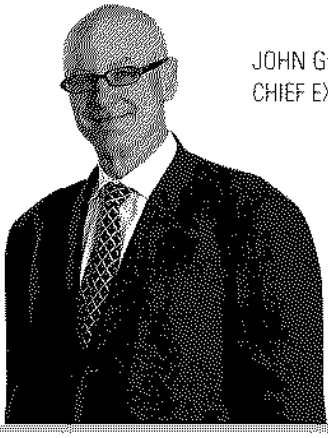
6 Board of Directors and Executive Group



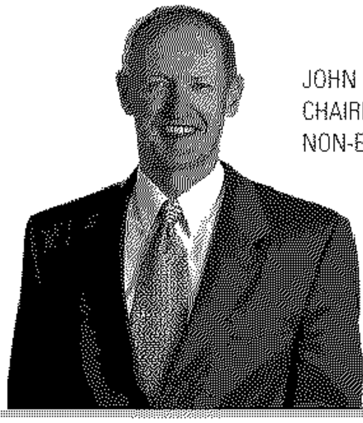
6. BOARD OF DIRECTORS AND EXECUTIVE GROUP

6.1 BOARD OF DIRECTORS

Worley's board of directors is composed as follows:

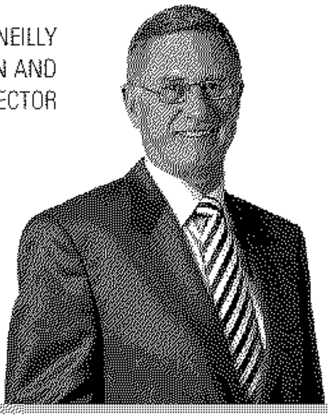


JOHN GRILL
CHIEF EXECUTIVE OFFICER



JOHN SCHUBERT
CHAIRMAN AND
NON-EXECUTIVE DIRECTOR

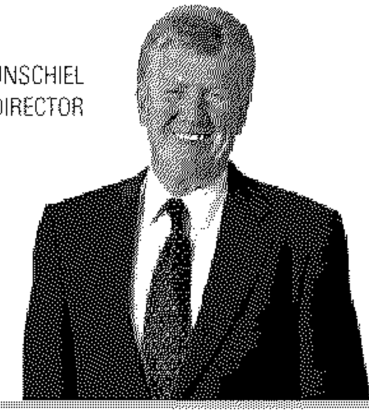
RON MCNEILLY
DEPUTY CHAIRMAN AND
NON-EXECUTIVE DIRECTOR

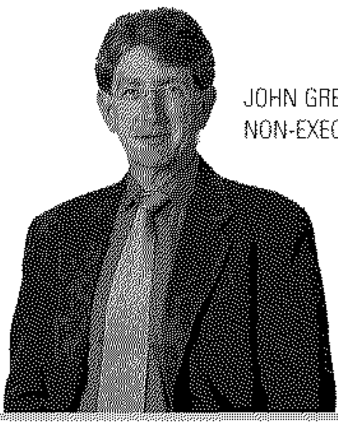


DAVID HOUSEGO
CHIEF FINANCIAL OFFICER

GRAHAME CAMPBELL
NON-EXECUTIVE DIRECTOR

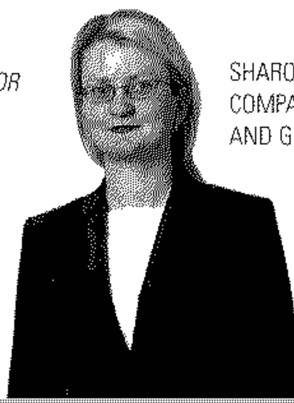
ERICH FRAUNSCHIEL
NON-EXECUTIVE DIRECTOR





JOHN GREEN
NON-EXECUTIVI

BILL HALL
PROPOSED DIRECTOR



SHARON SILLS
COMPANY SECRETARY
AND GROUP TAX MANAGER

JOHN GRILL
CHIEF EXECUTIVE OFFICER

John joined ESSO Australia in 1968, then moved in 1971 to be Chief Executive of the entity that became Wholohan Grill and Partners. This specialised consulting practice acquired the business of Worley Engineering Pty Ltd in Australia in 1987. John has personal expertise in every aspect of project delivery. He has acted for all of Worley's major clients and remains closely involved at board level with Worley's joint ventures.

JOHN SCHUBERT
CHAIRMAN AND
NON-EXECUTIVE DIRECTOR

John joined the Worley advisory board as Chairman in August 2000 and will retire as Chairman effective at the conclusion of the Annual General Meeting on 15 November 2004 but will remain as a Non-Executive Director until 2005. A chemical engineer by training, John commenced his career in 1969 with ESSO in Australia. In his 24 year relationship with ESSO, John held many positions in Australia and internationally, culminating with his appointment as Chairman and Managing Director in Australia, a position he held for six years. In 1993, John was appointed Managing Director of Pioneer International and led that business to its merger with Hanson plc in May 2000. John is currently Deputy Chairman elect of Commonwealth Bank of Australia and Chairman of G2 Therapies Limited. John is also director of Qantas Airways Limited, BHP Billiton Limited and BHP Billiton plc.

RON MCNEILLY
DEPUTY CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Ron is a member of the Worley Audit and Risk Committee and has been elected to replace John Schubert as Chairman following the Annual General Meeting on 15 November 2004. Ron is currently the Deputy Chairman of BlueScope Steel Limited (previously BHP Steel) and has over 30 years' experience in the steel industry. Ron joined BHP Billiton in 1962 and has held positions with BHP Billiton including Executive Director and President BHP Minerals, Chief Operating Officer, Executive General Manager and Chief Executive Officer BHP Steel, General Manager Transport, General Manager Long Products Division and General Manager Whyalla Works. Ron is also the Chairman of the Melbourne Business School, Chairman of Ausmelt Limited, Director of Alumina Limited, and a former director of GH Michell Holdings Pty Limited, QCT Resources and Tubemakers of Australia.

DAVID HOUSEGO
CHIEF FINANCIAL OFFICER

David joined Worley in July 1999. David led the corporate reorganisation and subsequent initial public offering and listing on ASX of Worley in 2002 and represents Worley on a number of its joint venture companies. His finance experience covers business development, corporate strategic planning, investment evaluation, investor relations and management accounting systems development. Prior to joining Worley, David held senior finance roles with Coca-Cola Amatil. Previously, David worked for a number of firms in the UK and held a variety of accounting positions with AAP Reuters and IBM Australia

GRAHAME CAMPBELL
NON-EXECUTIVE DIRECTOR

Grahame was Managing Director of CMPS&F from 1987 to 1995, one of the largest engineering and project management groups in Australia. Grahame has over 30 years' experience in the management of major Australian and offshore infrastructure projects including oil, gas, road, rail, mining and minerals projects. Grahame is currently a director of Iluka Resources Limited and the Macro Engineering Council (Sydney University). Grahame is a past President of the Association of Consulting Engineers Australia and the Australian Pipeline Industry Association. Grahame was a member of the Worley advisory board for four years.

ERICH FRAUNSCHIEL
NON-EXECUTIVE DIRECTOR

Erich is the Chairman of the Worley Audit and Risk Committee. Erich retired as an Executive Director and Chief Financial Officer of Wesfarmers Limited in July 2002. Erich is a director of Woodside Petroleum Limited, West Australian Newspapers Holdings Limited, Foodland Associated Limited, Rabobank Australia Limited, Wesfarmers Federation Insurance Limited and Lumley General Insurance Limited. Erich's early business career was in the petroleum marketing and management consulting industries. In 1981, he joined Australian Industry Development Corporation where he worked in project lending, investment banking and venture capital investment. In 1984, he joined Wesfarmers Limited to start the company's projects and business development function. In 1988, he became General Manager of the group's commercial division and was appointed Finance Director in 1992.

JOHN GREEN
NON-EXECUTIVE DIRECTOR

John was a member of Worley's advisory board for nine years prior to listing, including a period as its Chairman. John is also a member of the Nominations and Remuneration Committee John is an investment banker at Macquarie Bank where he has been an executive director since 1993. John's prior professional career was in law, including as a partner in law firms Freehills and Dawson Waldron. John is a director of the Macquarie Bank Foundation, Macquarie's Philanthropic foundation and is also a director of The Centre for Independent Studies, a not-for-profit public policy "think tank". He is a member of the Finance Committee of the Children's Hospital at Westmead. Previously, he was a member of ASX National Listings Committee and held a number of positions in the Securities Institute of Australia.

It is the intention of the Board that, subsequent to Completion of the Acquisition, Mr William (Bill) Hall, Chairman and CEO, Parsons E&C, will join the Board.

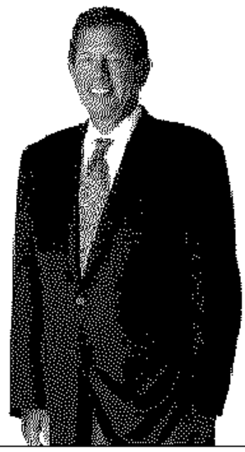
BILL HALL
PROPOSED DIRECTOR

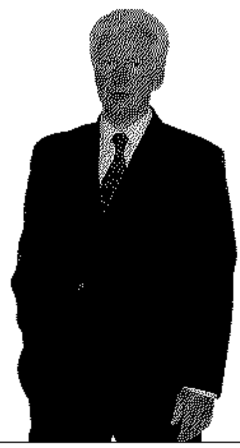
William (Bill) Hall became Chairman and CEO of Parsons E&C Corporation in 2002. Prior to this current position, he served as President of Parsons Energy & Chemical Group Inc. (1997-2001), President of Parsons Process Group Inc. (1995 - 1997), President of The Ralph M. Parsons Company (1992-1995), and Senior Vice President and Manager of the Petroleum & Chemical (P&C) Division with the company (1989-1991). Bill has a 25-year tenure with Parsons E&C. He has a Bachelor's and Master's degree in Chemical Engineering, and has completed the Executive Program at Stanford University.

SHARON SILLS
COMPANY SECRETARY AND
GROUP TAX MANAGER

Sharon Sills is a member of The Institute of Chartered Accountants of Australia and Chartered Secretaries Australia Ltd. She has over 12 years' experience in taxation, both in the profession and in commerce. Prior to joining Worley, Sharon was a Taxation Manager with Arthur Andersen and briefly with NRMA Limited. Sharon joined Worley in May 2000 as Group Taxation Manager and assisted with group restructuring prior to the initial public offering and with the listing of the company.

6.2 CVS OF KEY EXECUTIVES



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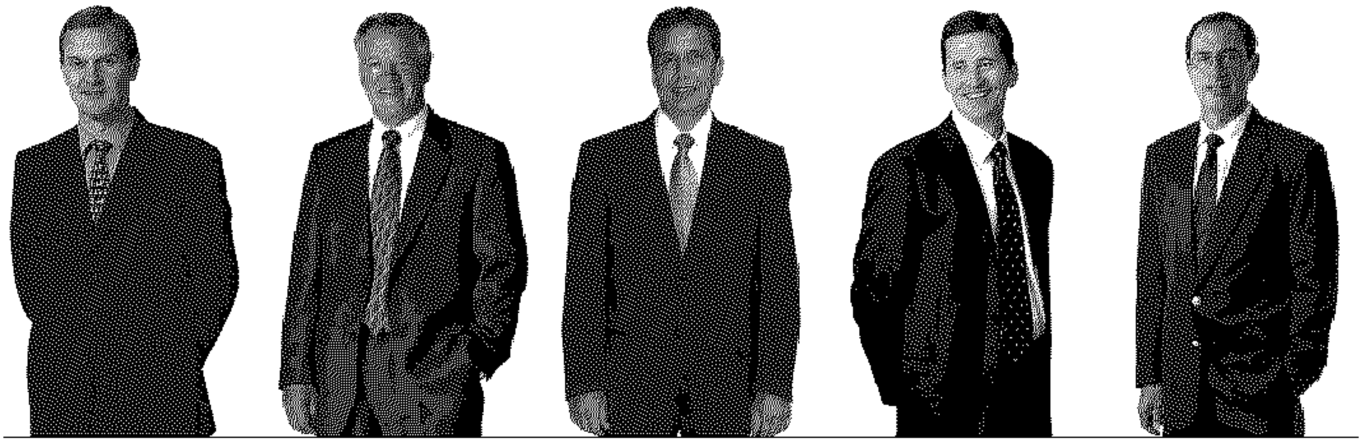
DAVID BAUGHEN

David joined Parsons E&C in 2003 as the Managing Director of Parsons E&C Europe with responsibility for Europe, Africa and the Middle East. David brings 25 years of international experience in the hydrocarbon industry, on two previous occasions as managing director and has also held senior positions in engineering and business development. He holds a Bachelor of Science and a Master of Science in Engineering. He is a Chartered Engineer and a member of both the Institution of Civil Engineers and the Institution of Structural Engineers and a member of the Institute of Directors.



PETER MEURS

Peter joined Worley in 1988 and has functioned in project management and company development roles including establishing the foundations of Worley's process business, the establishment and growth of alliance and integrated services contracts in the Hydrocarbons and Minerals, Metals & Chemicals groups and the development of Worley's New Zealand business. Peter is responsible for Worley's Australian locations and is the Chief Executive Officer of Transfield Worley, with a Bachelor degree in Mechanical Engineering and a Fellow of the Institution of Engineers, Australia. Peter is also a member of the Australian Institute of Company Directors.

JEFF OSBORNE

Jeff is the Senior Vice President - Business Development responsible for all global sales and market strategies in the oil and gas, refining, chemicals, petrochemicals, and power markets. He has over 35 years experience (nine years' working internationally) in the process industries including oil refining, petrochemicals, specialty chemicals, biotechnology, and pharmaceuticals. Jeff has a Bachelor of Science in Nuclear Engineering and was a member of the American Institute of Chemical Engineers.

EDWARD PAGANO

Edward joined Parsons E&C in 1998 after holding senior financial positions at The Shaw Group and Kvaerner John Brown. Edward brings over 20 years of experience in the oil and gas, chemical and refining industries. As Parsons E&C Chief Operating Officer, he is responsible for engineering and construction management serving the power, oil and gas, chemical and refining markets across the globe. Edward holds a Master of Business Administration and a Bachelor of Science in Accounting.

IAIN ROSS

With responsibility for Worley's Hydrocarbons group, Iain began his career in the UK North Sea working for Conoco (UK) in 1983. He worked for international oil and gas companies including McDermott International Inc, John Brown and Amec Engineering prior to joining Worley in 1994 as manager of the Brunei office. Iain has a Bachelor degree in Mechanical Engineering and is a Fellow of the Institution of Engineers, Australia.

ANDREW WOOD

Andrew has over 20 years' experience in the oil and gas industry and was responsible for Worley's international locations. Andrew will be responsible for integration management. Andrew has been responsible for Worley's expansion into Thailand, the Middle East, Canada and China. He holds a Bachelor degree in Engineering and Graduate Diplomas in Financial Management and Labour Management Relations. He is also a Fellow of the Institution of Engineers, Australia.

7 Risk Factors

7.1 INTRODUCTION

This Section discusses some of the risks associated with the Acquisition and with an investment in Worley and WorleyParsons. It should be read in conjunction with Section 3, which includes additional detail on the Parsons E&C Group and the business risks and opportunities associated with it.

Potential investors should read this Prospectus in its entirety, carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or professional adviser before making an investment decision.

7.2 GENERAL RISKS

7.2.1 GENERAL INVESTMENT

There are risks associated with investment in equities, generally. The trading price of shares in Worley may fluctuate with movements in equity capital markets in Australia and internationally.

It should be noted that there is no guarantee that the New Shares will trade at or above the Application Price.

7.2.2 GENERAL ECONOMIC CONDITIONS

Worley's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies, and this will continue to be the case for WorleyParsons. Prolonged deterioration in general economic conditions, including an increase in interest rates or decrease in consumer and business demand, could be expected to ultimately have an adverse impact on WorleyParsons operating and financial performance, although because of the extended time periods involved in many of the projects in which WorleyParsons is involved, the impact might not be immediate.

7.3 RISKS ASSOCIATED WITH THE ACQUISITION

7.3.1 WORLEY MAY NOT REALISE THE BENEFITS IT EXPECTS FROM THE PROPOSED ACQUISITION.

Worley has undertaken substantial due diligence, and prepared a detailed financial analysis of the Parsons E&C Group, in connection with the Acquisition. In preparing this analysis, Worley has relied on information provided by Parsons Corporation and Parsons E&C. To the extent that the actual results achieved by the Parsons E&C businesses are lower than those indicated by the information so provided or by Worley's analysis of it, there is a risk that WorleyParsons' future profitability could be undermined.

In particular, Worley may not be able to successfully integrate its operations with those of Parsons E&C or to realise over time the full benefits that Worley anticipates from the Acquisition. The Acquisition involves the integration of businesses that have previously operated independently. In addition, Parsons E&C has operated as a separate business only since January 2002. Integration of the businesses will involve, among other things, coordinating geographically separated organisations, integrating complex information technology systems, integrating personnel with diverse business backgrounds, acquiring and developing coordinated policies on corporate services such as treasury and insurance, and combining different corporate and workplace cultures.

Integration of the Worley and Parsons E&C businesses is a key aspect of the Acquisition and a significant undertaking of itself, particularly given the scale of the two businesses and Parsons E&C's relatively short life as an autonomous business. The process of integrating operations could, among other things, divert management's attention, interrupt or reduce the performance of the activities of one or more of the businesses, and result in the loss of key personnel, any of which could have an adverse effect on WorleyParsons' business and financial condition.

To address this risk, Worley has developed a comprehensive transition and integration plan, which is described in further detail in Section 4.2. A transition and integration team comprising senior executives from both Worley and Parsons E&C has been established. Worley considers its successful integration of acquired businesses as a core skill that has led to its growth over the last 10 years and is confident of its ability to integrate the Worley and Parsons E&C businesses.

7.3.2 ASBESTOS

Based on its due diligence investigations, including an analysis of available insurance coverage, and in light of the continuation and extension of the existing indemnity and asbestos claims administration arrangements between Parsons Corporation and Parsons E&C, Worley is not aware of any circumstance that is likely to lead to a material unindemnified exposure for WorleyParsons in respect of asbestos liabilities after Completion.

Certain members of Parsons E&C Group (which, from Completion, will become Subsidiaries of Worley) and other Subsidiaries of Parsons Corporation, have been, and continue to be, the subject of litigation relating to the handling of, or exposure to, asbestos. These claims stem primarily from work performed by these entities in the 1950s and 1960s as design or construction engineers involved in the construction of several oil refineries, petrochemical facilities and steel mills in the US. As design or construction engineers, these Subsidiaries are alleged to have directed asbestos to be installed on these projects. The plaintiffs in the litigation generally claim that they or family members worked in various capacities (such as tradesmen or labourers) at these sites, where they were allegedly exposed to asbestos. In general, the claims are bodily injury claims brought by workers or families of workers who have contracted asbestos-related illness.

Various members of the Parsons E&C Group are, along with members of the Parsons Corporation Group, believed, based on a review of available policy information, to be named as insureds under various policies of insurance which are believed to provide coverage, subject to various limits, against asbestos liabilities. It should be noted, however, that given the time periods involved, definitively identifying and proving coverage can be problematic. In addition, policy language is sometimes unclear or policy documentation incomplete or missing.

To date, the asbestos liabilities of the Parsons Corporation Group and the Parsons E&C Group have resulted in aggregate indemnity payments to plaintiffs and defence costs which the Directors believe are not significant in relation to the Acquisition as a whole. All defence costs and indemnity payments have been covered by insurance.

The history of asbestos litigation in the US has been highly volatile and unpredictable. Moreover, it is not possible to predict the development of future asbestos claims against the Parsons E&C Group or the likelihood that the current payouts pursuant to settlements will remain consistent. Factors that could unpredictably and adversely affect the Parsons E&C Group in this regard include (but are not limited to):

- uninsured punitive verdicts;
- filings in unfavourable jurisdictions;
- insolvencies of, or adverse liability allocations amongst, co-defendants, insurers or indemnifiers;
- acceleration in the number of new filings against the Parsons Corporation Group or the Parsons E&C Group; or
- emergence of unfavourable evidence against the Parsons Corporation Group that may not now exist or be known.

Accordingly, no assurance can be given that asbestos claims made against members of the Parsons E&C Group or the Parsons Corporation Group will continue to be immaterial, that insurance policies will continue to cover such claims (including as a result of the exhaustion of limits on coverage), or that the relevant insurers under such policies will remain solvent.

To mitigate against these risks, and as a key term of the Acquisition, Parsons Corporation has agreed to indemnify and hold harmless Worley and its affiliates (including the Parsons E&C Group) from Completion against all claims, costs and losses arising as a result of asbestos claims relating to facts or circumstances occurring prior to Completion, under the terms of the Asbestos Indemnity and Claims Administration Agreement described in Section 8.1.3. Parsons Corporation is a substantial commercial enterprise (see Section 3.1). Nevertheless, should appropriate terms be available and the Directors consider it desirable, Worley will also consider purchasing additional insurance in support of the Parsons Corporation indemnity.

In the Directors' view, the risk of asbestos liability associated with the current and proposed business operations of the Parsons E&C Group (as opposed to historical claims) following Completion is low.

7.3.3 CONTRACTUAL

In acquiring Parsons E&C, Worley may become liable for any liquidated damages or penalties associated with delays to project delivery, cost overruns or defective works (which can be caused by factors beyond Parsons E&C's control), particularly under contracts undertaken by members of the Parsons E&C Group on a LSTK basis. Parsons E&C also faces potential "bricks and mortar" liability under some contracts. These issues are described below.

LSTK contracts

Prior to its sale by Parsons Corporation, LSTK contracting accounted for a significant portion of Parsons E&C's revenues. LSTK contracting, by its nature, has a significantly higher risk profile than contracts that are reimbursable, as the contractor assumes the liability for the total cost of delivery of an engineering project. Parsons E&C continues to manage a small number of these LSTK contracts.

Worley has identified potential claims with respect to the following projects, which are undertaken on a LSTK basis:

- a contract between Parsons E&C and Hrvatska Electrprivreda ("HE") in Croatia to provide EPC services with respect to a dual fired power facility entered into in March 1998. The amounts in dispute under this contract total approximately US$7 million. In addition, if the power plant does not meet certain performance criteria, HE may call on a US$10 million letter of credit provided by Parsons Corporation, for which WorleyParsons will be responsible from Completion; and
- projects undertaken by a joint venture between Parsons E&C and The Industrial Company to provide EPC services to Tractebel Power Incorporated with respect to a number of dual-fired power facilities in the US. The amounts in dispute in relation to these projects total approximately US$17 million.

"Bricks and mortar" liabilities

The provision of some services by Parsons E&C carries with it the risk of liability for losses arising from defective work, including the reperformance of services and/or the restoration of materials or property (so called "bricks and mortar" liability) and indirect or consequential losses suffered by third parties. Generally, Parsons E&C seeks to limit or exclude liability for such losses in its contracts and/or to maintain appropriate levels of professional indemnity insurance. However, insurance and contractual arrangements may not adequately protect it against liability for all losses, including environmental losses, property damage or losses arising from business interruption. Worley may also be unable to maintain insurance at levels of risk coverage or with deductibles that it considers appropriate or negotiate adequate contractual limitations on liability. Any losses falling outside the scope of insurance or contractual limits may adversely affect Parsons E&C's earnings and cash flows.

Ongoing management

The Board is satisfied that the current contracting culture of Parsons E&C is based on the provision of cost reimbursable or lump sum services only contracts, which is consistent with Worley's own contracting approach. While the abovementioned issues amount to exceptions to this approach, and will require careful management after Completion, the Directors are comfortable with the overall level of contractual risk being assumed as a result of the Acquisition.

7.3.4 SENSITIVITY OF EARNINGS TO PROJECT REVENUE

A significant portion of Parsons E&C's revenue relates to specific projects and is earned over finite periods. Project revenue, by its nature, has the potential to vary significantly between years and is sensitive to increases and decreases in the level of industry activity.

In addition, in the short to medium term, Parsons E&C's performance is dependent on the successful completion of a relatively small number of large projects which are located in the Former Soviet Union, and which may therefore be subject to the risks described in Section 7.4.1. Difficulties or delays in the completion of these projects, the financial distress of clients, or localised incidents of social or political instability, warfare or terrorism, may materially impact on WorleyParson's performance.

7.3.5 CONTRACTUAL DISPUTES, LITIGATION AND OTHER CONTINGENT LIABILITIES

On Completion, Worley will acquire all the entities in the Parsons E&C Group, and will therefore assume contingent liabilities of those entities, for which it may not be adequately indemnified. This includes potential liabilities in respect of contractual disputes, litigation and other contingent liabilities. The Stock Purchase Agreement contains a number of warranties and indemnities by Parsons E&C and the ESOP in relation to such matters. Parsons Corporation has also, in the Mutual Indemnity Agreement, separately provided a number of indemnities, each of which may be called upon in connection with known or unknown liabilities of the acquired businesses. The terms of these agreements are described in greater detail in Sections 8.1.1 and 8.1.6 respectively.

Worley can offer no assurance that warranties and indemnities contained in the Acquisition Agreements will be sufficient to cover all liabilities, claims or occurrences in relation to contingent liabilities, should they eventuate. In particular, Worley's remedy for breach of the warranties and representations in the Stock Purchase Agreement is generally limited to a claim against the funds held in escrow, being US$10 million, which may be further reduced under provisions of the Stock Purchase Agreement which permit the offset against the escrow funds of amounts by which certain identified Parsons E&C projects exceed their expected gross profit performance. In addition, the funds remaining in escrow are released from escrow on 31 December 2006. It is possible that the aggregate claims by Worley under the Stock Purchase Agreement may exceed US$10 million, or that claims only arise or accrue after 31 December 2006. Once Completion has occurred, Worley has no right to seek recompense from Parsons E&C or the ESOP in excess of this amount or beyond this date.

Worley's right to claim against Parsons Corporation is not subject to any similar caps on, or time limits to, liability. Worley can offer no assurance that it will be able to successfully recover the full amount of any indemnities claimed from Parsons Corporation.

As part of its due diligence review, Worley reviewed and assessed known contingent liabilities of the Parsons E&C Group. Where appropriate, provisions have been made, contractual representations or warranties sought, or the expected impact of the liabilities considered.

7.3.6 JOINT VENTURE PARTNERS AND ARRANGEMENTS

Parsons E&C is involved in a number of joint ventures (see Section 3.7). In most of these, Parsons E&C has a non-controlling interest.

The governing arrangements of some of these joint ventures provide that key matters and decisions require the agreement of Parson E&C's joint venture partners. Parsons E&C may be unable to reach agreement with its joint venture partners concerning these matters, or may only be able to do so on less favourable terms than would otherwise be the case if it had a controlling interest, and this may affect the operating and financial performance of Parsons E&C generally.

In addition, in some cases Parsons E&C provides guarantees or indemnities covering joint and several liabilities of the joint ventures. These guarantees may be called upon as a result of conduct by certain joint venture parties over which Parsons E&C has no or limited control.

Several joint venture agreements to which members of the Parsons E&C Group are a party, contain change of control provisions which provide for automatic or voluntary termination on a change of control, such as will occur on Completion, which may also provide for the non-changing party to elect to continue the project under the joint venture terms and conditions. Worley has sought the consent of the relevant parties to the change in control of Parsons E&C, or will do so in a timely manner, and believes that the nature of Parsons E&C's relationships with the joint venture partners is such that the risk of termination is low.

7.3.7 FOREIGN EXCHANGE RISK

Worley, as a company which operates in many countries around the world, is exposed to movements in exchange rates, the impact of which cannot be reliably predicted. Worley manages its foreign exchange risk to minimise the adverse impact of currency movements on its cash flows. The company's foreign exchange hedging policy includes, but is not limited to, foreign currency derivative instruments (such as options) and foreign currency borrowings.

As part of the Acquisition, Worley has also made arrangements to hedge its foreign exchange exposure to the Purchase Price of US$245 million from the date of announcement to the date of Completion. Worley has entered into foreign exchange contracts to hedge US$120 million of the Purchase Price at one Australian dollar equals 0.7195 US dollars. The remainder of the Purchase Price will be hedged through US dollar denominated borrowings. If the Acquisition does not Complete, Worley may incur either profits or losses from entering and exiting these arrangements.

As a result of the Acquisition, WorleyParsons' ongoing exposure to foreign currencies is expected to increase. Worley may enter into hedging arrangements to mitigate this foreign currency exposure (see Section 8.4). The Acquisition involves significant assets, liabilities and earnings denominated in currencies other than the Australian dollar, in particular US dollars and UK pound sterling. These assets, liabilities and earnings will therefore be exposed to fluctuations in exchange rates between these currencies and the Australian dollar.

The Facilities are expected to be drawn in US dollars and Australian dollars, which naturally hedges some cashflows.

7.3.8 INTEREST RATE

WorleyParsons, as a borrower of money, will be potentially exposed to adverse movements in interest rates. While this exposure may be managed using interest rate hedging (see Section 8.4), the company may have residual exposure which may result in an adverse impact on its financial performance.

Worley will be borrowing approximately A$128 million under the Facilities to partly fund the Acquisition, which will substantially increase its gearing and thus its exposure to interest rate movements. The debt under the Facilities will be denominated in a variety of currencies including US dollars, UK pounds, Euros and Australian dollars. Accordingly, this debt will be subject to different interest rates and interest rate risks.

7.3.9 RETENTION OF KEY PERSONNEL

The operating and financial performance of Parsons E&C, like Worley, is largely dependent on its ability to retain and attract key personnel.

Whilst every effort is made to retain key employees and contractors and to recruit new personnel as the need arises, loss of a number of key personnel may adversely affect the earnings or growth prospects of WorleyParsons. The Parsons E&C Group has a relatively aged senior management base, and there is a risk that a number of key and senior personnel may retire in the near future. This risk is enhanced by the likely improvement in the financial position of many of these employees arising from the Acquisition. Although Parsons E&C has developed succession plans and mentoring programs to address this issue, there is a risk that appropriate staff may not be attracted to these offices for the same cost or at all.

Key staff have been identified as part of the due diligence process and executive service agreements have been or will be put in place for senior managers in the Parsons E&C Group. An active key staff management process is planned as part of the integration process.

7.3.10 TAXATION

Parsons E&C is presently owned by the ESOP. The ESOP is a qualified employee retirement plan that is designed to invest primarily in stock of the sponsoring company. Under the ESOP structure, Parsons E&C was not required to pay US federal income tax and certain state income taxes, although Parsons E&C was still subject to income taxes in other jurisdictions, primarily Kazakhstan, Kuwait and Abu Dhabi.

Parsons E&C's tax paying status will change significantly as a result of the Acquisition. Whilst significant effort has been made to quantify the level at which Parsons E&C's earnings will be taxed going forward (and to appropriately normalise historical results (see Sections 4 and 5), the Parsons E&C business involves operations across numerous tax jurisdictions, and the financial performance of the Parsons E&C business, and therefore WorleyParsons, may be impacted by unanticipated variances from anticipated levels of taxation.

Variations in the taxation laws of Australia, the US, the UK and the other countries in which Worley and Parsons E&C operate could materially affect WorleyParsons' financial performance. The interpretation of taxation law could also change, leading to a change in taxation treatment of investments or activities. In some jurisdictions in which Parsons E&C currently operates, the application of tax law and policy to particular facts can be complicated and potentially uncertain.

In the course of due diligence, Worley identified some foreign taxation issues which will need to be actively managed after Completion.

7.3.11 ACCOUNTING

Parsons E&C's accounting policies and methods are fundamental to how it records and reports its financial position and results of operations. Parsons E&C's management may have exercised judgement in selecting and applying many of these accounting policies and methods so that not only did they comply with the required accounting standards but that they also reflected Parsons E&C's financial position and results of operation.

In some cases, management may have selected an accounting policy or method from two or more alternatives, any of which might have been reasonable under the circumstances yet might have resulted in Parsons E&C's reporting materially different outcomes than would have been reported under a different alternative. The integration of the Worley and Parsons E&C accounting functions may lead to a revision of Parsons E&C's accounting policies, which may impact on WorleyParson's reported results.

Worley operates in many jurisdictions with many different accounting standards. For reporting periods beginning 1 July 2005, WorleyParsons must comply with IFRS, as issued by the Australian Accounting Standards Board ("AASB"). While the AASB released a platform of standards as at 30 June 2004, further standards will be released and may be adopted early by Worley. The difference in accounts produced under Australian GAAP and IFRS may be considerable (see Section 5.2.2). Consequently, reported results could materially vary to those reported under current Australian Accounting Standards and the current stable platform for IFRS.

7.4 RISKS ASSOCIATED WITH WORLEY, PARSONS E&C AND WORLEYPARSONS

Worley, Parsons E&C and WorleyParsons are or will be subject to many common risks following Completion. Some of the more important include those described below.

7.4.1 COUNTRY

WorleyParsons will operate across 59 offices in 29 countries, including a number of countries in the Middle East, the Former Soviet Union and Central and South-East Asia, with developing legal, regulatory and political systems, which are subject to dynamic change. The profitability of each of WorleyParsons' foreign operations, and its ability to maintain and repatriate funds from them, may be adversely impacted by:

- changes in the fiscal or regulatory regimes applying in the relevant jurisdictions (some of which may involve a greater degree of administrative discretion than Australia);
- changes in, or difficulties in interpreting and complying with, the local laws and regulations of different countries, including tax, labour and foreign investment laws;
- nullification, modification or renegotiation of, or difficulties or delays in enforcing, contracts with clients or joint venture partners which are subject to local law; and
- reversal of current political, judicial or administrative policies encouraging foreign investment or foreign trade, or relating to the use of local agents, representatives or partners in the relevant jurisdictions.

In addition, some countries, particularly in the Former Soviet Union and Middle East, are susceptible to greater political and social instability than Australia. In the past, Worley has not suffered materially as a result of such instability and indeed has on occasion been able to capitalise on such events.

Sustained periods of instability in a particular country may affect WorleyParsons' operating and financial performance, either in terms of securing new work, the impact of such instability on its clients or its ability to execute work as a result of political instability or lack of domestic security.

In this respect, it should be noted that as a result of the Acquisition, Worley will increase its participation in the Parsons Iraq joint venture and will also acquire Parsons E&C's interest in the Iraq Power Alliance joint venture with Parsons Brinkerhoff (see Section 3.7). While recent incidents in Iraq illustrate that the security situation in the country remains volatile, Worley has taken precautions to mitigate the risk to WorleyParsons personnel through strict training and rigid adherence to security protocols, and continues to monitor and assess the situation.

7.4.2 EXPOSURE TO CYCLICAL MARKETS

WorleyParsons' financial performance will continue to be sensitive to the level of activity within the industries in which the Worley Group and the Parsons E&C Group currently operate. The level of activity in its sectors is cyclical and sensitive to a number of factors outside WorleyParsons' control, including the level of gross domestic product in the countries in which it operates, oil and other commodity prices and foreign currency movements, and industry specific factors.

In particular, WorleyParsons' financial performance is likely to be sensitive to the level of activity in, and financial condition of, the US power industry generally, which in recent years has faced a number of difficulties, including the collapse of Enron Corporation in 2001.

WorleyParsons' presence in multiple industry sectors is expected to partially offset its exposure to cyclical factors affecting any individual industry. Worley is not able to predict the timing, extent or duration of the activity cycles in the industries and markets in which WorleyParsons will operate.

7.4.3 COMPETITION

Increased competition could result in price reductions, under-utilisation of personnel, reduced operating margins and loss of market share. Any of these occurrences could adversely affect WorleyParsons' operating and financial performance.

7.4.4 SUSTAINABILITY OF GROWTH AND MARGINS

Worley has historically achieved growth in revenue and profits. The sustainability of this growth and the level of profit margins from operations are dependent on a number of factors, some of which are outside of Worley's control. Industry margins in all sectors of WorleyParsons' activities are likely to be subject to continuing but varying margin pressures. There is no assurance that the historical performance of Worley or Parsons E&C is indicative of future operating results of WorleyParsons. However, WorleyParsons' business strategies and diversification across a range of sectors should assist in reducing the impact of short-term margin pressures that occur due to competitive pressure.

7.4.5 MANAGEMENT OF GROWTH

Worley has continued to experience strong growth since 2002 in personnel, the scope of its operating activities, financial systems and the geographic area of its operations. This growth has resulted in an increased level of responsibility for both existing and new management personnel. To manage this growth effectively, WorleyParsons will need to maintain efficient control and supervision of its operating and financial systems and continue to expand, train and manage its employee and contractor base. In periods of peak demand for WorleyParsons' services, this may lead to an increase in overhead costs.

7.4.6 IMPORTANCE OF KEY RELATIONSHIPS

In some countries in which Worley and Parsons E&C currently operate, relationships with individual nationals or government agencies are important to provide access to key clients, markets and opportunities. Following the Acquisition, some conflicts may arise between the existing relationships of the two groups, particularly in the Middle East and Former Soviet Union. The loss or deterioration of these relationship after Completion may affect WorleyParsons' performance in the future. To mitigate against this risk, WorleyParsons will undertake the systematic review and management of these relationships to address any weaknesses or conflicts in a timely manner.

7.4.7 INFORMATION TECHNOLOGY

Worley has invested in the development of information systems designed to assist it in monitoring individual contracts, thereby ensuring profitable operations are possible whilst allowing loss making situations to be identified and rectified. Whilst Worley will make every effort to ensure that these systems are maintained and improved to best meet the demands of the expanded WorleyParsons organisation and the market generally, system failure may negatively impact WorleyParsons' performance.

7.4.8 OPERATIONS

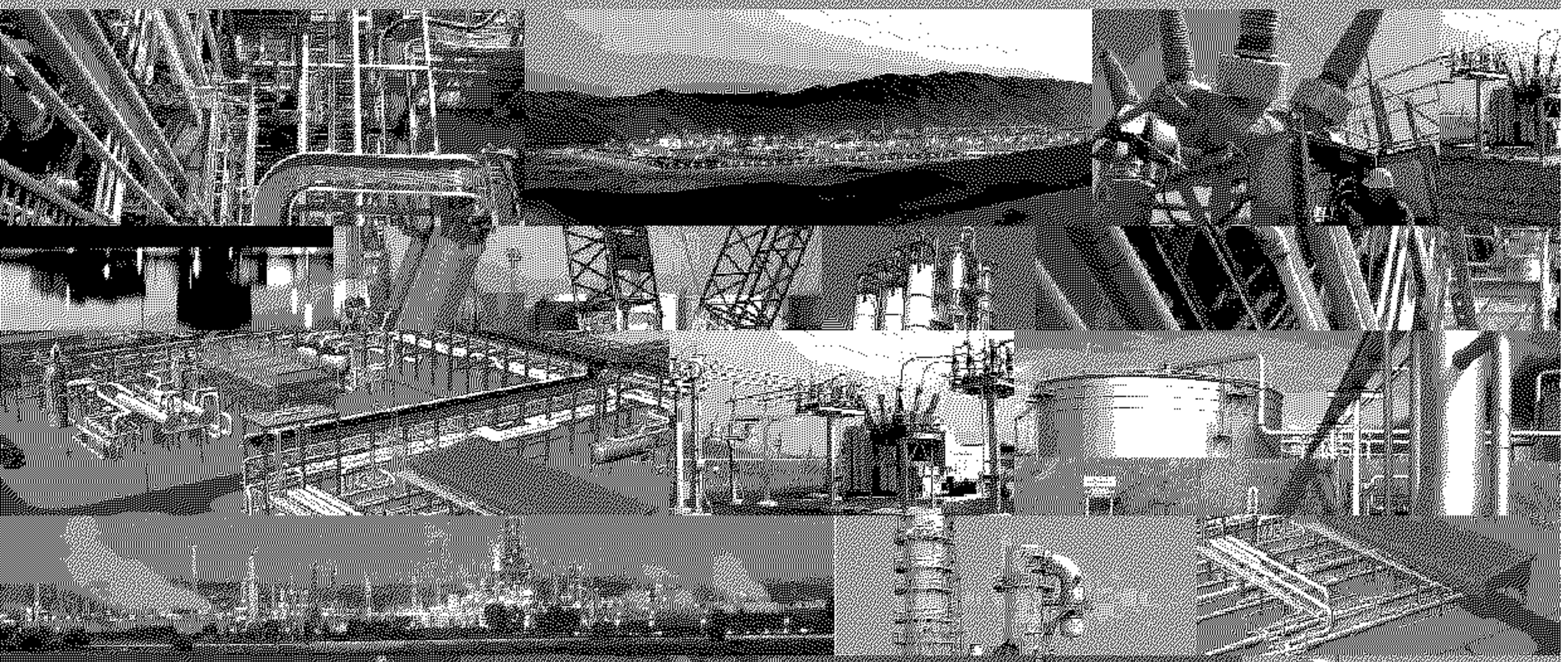
The long-term profitability of WorleyParsons will be subject to continued performance under its various contracts and joint venture agreements. Failure to adequately perform contractual obligations may result in loss of earnings, termination of the particular contracts and/or litigation.

7.5 OTHER RISKS

The above risks are not exhaustive of the risks faced by Shareholders. The risks outlined above and other risks may materially affect the future performance of WorleyParsons. Accordingly, no assurances or guarantees of future performance, profitability, Distributions, or return of capital are given by Worley in respect of WorleyParsons.

8

Additional Information



8.1 SUMMARY OF THE ACQUISITION AGREEMENTS

8.1.1 STOCK PURCHASE AGREEMENT

Background to the Stock Purchase Agreement

The ESOP through its trust arrangement owns all of the issued and outstanding capital stock in Parsons E&C. In addition, Parsons Corporation holds a security interest over the Parsons E&C stock under a promissory note executed by the ESOP in favour of Parsons Corporation.

Summary of terms of the Stock Purchase Agreement

Buyer, Worley, Parsons E&C and the ESOP have entered into the Stock Purchase Agreement whereby Buyer will acquire all of the issued and outstanding capital stock in Parsons E&C from the ESOP for the Purchase Price.

Completion of the Stock Purchase Agreement is conditional upon:

- the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and any similar waiting period under non-US antitrust law expiring or being terminated;
- no restraint being imposed by a court or government body and no pending or threatened legal proceedings reasonably likely to prohibit, or that make illegal, the consummation of the Acquisition or any material transaction contemplated by the agreement;
- the representations and warranties of Buyer, Worley, Parsons E&C and the ESOP being true and correct in all respects at Completion except for a breach that will not have a material adverse effect on the acquired companies, the ESOP or Worley as applicable;
- each of the covenants and obligations of Buyer, Worley, the ESOP and Parsons E&C being complied with in all material respects;
- each of the documents specified in the agreement being in full force and effect and delivered to Worley or the ESOP (as the case may be);
- certain third party consents required to be obtained, made or given in connection with the Acquisition being obtained, made or given and in full force and effect;
- Mr William (Bill) Hall not ceasing to be employed by, or expressing an intention to terminate his employment with, Parsons E&C in the near future or as a result of the Acquisition;
- there being no material adverse effect with respect to any of the acquired companies (taken as a whole) since the date of the agreement; and
- the fairness opinion given with respect to the Purchase Price not being withdrawn or adversely modified.

The agreement provides that, at Completion, Buyer will pay:

- US$235 million (less the then-current outstanding principal and interest on the promissory note) to the ESOP;
- the amount representing the then-current outstanding principal and interest on the promissory note to Parsons Corporation; and
- US$10 million to the escrow agent.

The agreement also provides that on or immediately prior to Completion, Parsons E&C will make a US$15 million contribution to the ESOP.

Completion under the agreement will occur on the fifth business day after the later of:

- satisfaction or waiver of the conditions precedent set out in the agreement; or
- the date of availability of Worley's financing for the Acquisition,

unless otherwise agreed in writing by Worley and Parsons E&C.

Under the agreement, each of the ESOP and Parsons E&C have provided certain representations and warranties in respect of the entry into the agreement, organisation, consents, the conduct of the business of Parsons E&C, the status of the ESOP and the effect of the Acquisition. The agreement provides that the representations and warranties survive Completion until 31 December 2006. Worley and its related persons (including the acquired companies) are indemnified for any breach of any representation or warranty made by, or any covenant contained in, the agreement, and for certain pre-Completion taxes. However, the indemnity provided by the ESOP is capped at the US$10 million withheld under the escrow arrangement (plus any interest) described in Section 8.1.7 below. The Stock Purchase Agreement also permits the offset against the escrow funds of amounts by which certain identified Parsons E&C projects exceed their expected gross profit performance.

Under the agreement, Worley and Buyer also provide certain representations and warranties regarding the entry into the agreement, organisation, consents and the effect of the Acquisition.

Under the agreement, the ESOP and Parsons E&C are restricted from soliciting any acquisition proposals in respect of Parsons E&C and its Subsidiaries that compete with the Acquisition.

The Stock Purchase Agreement can be terminated prior to the Closing Date by the mutual consent of Worley and Parsons E&C. In addition, the agreement can be terminated:

– by either Worley or Parsons E&C if the Acquisition fails to Complete prior to 90 days after the date of the agreement (except where the failure is due to the material breach of a representation or warranty by the purported terminating party or the purported terminating party's non-performance of a material obligation under the agreement required to be performed prior to Completion);
– by either Worley or Parsons E&C if the Acquisition or any material transaction contemplated by the agreement is prohibited by a court or other governmental body;
– by Worley if any of the representations or warranties provided by the Parsons E&C or the ESOP were inaccurate at the date of entering into the agreement or become inaccurate and are not remedied and have a material adverse effect on the Parsons E&C Group or the ESOP or if any of the covenants of Parsons E&C or the ESOP to be complied with at or prior to Completion are materially breached and not remedied;
– by Parsons E&C if any of the representations or warranties provided by Worley or the Buyer were inaccurate at the date of entering into the agreement or become inaccurate and are not remedied and have a material adverse effect on Worley or if any of the covenants of Worley or the Buyer to be complied with at or prior to Completion are materially breached and not remedied;
– by Worley if the ESOP, the ESOP Trustee or any of the acquired companies or any representative thereof breaches or takes any action that contravenes the ESOP's and Parsons E&C's covenant not to solicit any competing proposals to acquire the Parsons E&C Group (in which case, Worley shall receive a termination fee of US$9,800,000 plus reasonable costs of the transaction);
– by either Worley or Parsons E&C if Worley is unable to obtain financing for the Acquisition by the business day preceding the 60th day following signing, provided that the party purporting to terminate has fulfilled its closing obligations and is not otherwise in material breach (and if Worley terminates it will be required to reimburse Parsons E&C's reasonable expenses of the transaction);
– by Worley if a material adverse effect occurs affecting (a) the Parsons E&C Group or (b) the Parsons Corporation Group such that Worley reasonably and in good faith determines that Parsons Corporation is not able to satisfy in any material respect its obligations under certain referenced contracts in the agreement;
– by Worley if there shall occur certain "force majeure" events which Worley reasonably and in good faith determines will prevent Worley from obtaining finance for the Acquisition on commercially acceptable terms subject to certain notice requirements; and
– by Worley if there is any material diminution in the value to Parsons E&C of any certain significant Parsons E&C Group contracts.

Depending on the termination events, and except as otherwise noted above, Worley may or may not receive reimbursement of its expenses of the transaction.

8.1.2 UMBRELLA AGREEMENT

Buyer, Worley, Parsons E&C and Parsons Corporation have entered into the Umbrella Agreement pursuant to which the parties have agreed on a framework regarding the services to be provided by Parsons Corporation from Completion, indemnification obligations on the part of the various parties and other related matters. In particular, the agreement provides for:

– the entry into the Asbestos Indemnity and Claims Administration Agreement (summarised in Section 8.1.3), the Amended Trademark Licence Agreement (summarised in Section 8.1.4), the Amended and Restated Administrative Services Agreement (summarised in Section 8.1.5) and the Mutual Indemnity Agreement (summarised in Section 8.1.6);
– Parsons Corporation's agreement to permit Parsons E&C to continue the use of certain Parsons Corporation offices and Subsidiaries;
– the entry into agreements ratifying and confirming the assignment and transfer of certain Subsidiaries of Parsons E&C;
– the repayment of the promissory note given by the ESOP to Parsons Corporation; and
– various other ancillary matters required in connection with Completion.

8.1.3 ASBESTOS INDEMNITY AND CLAIMS ADMINISTRATION AGREEMENT

Parsons Corporation and Worley have entered into the Asbestos Indemnity and Claims Administration Agreement pursuant to which Parsons Corporation, on behalf of itself and its related persons or representatives, has agreed to indemnify Worley, Parsons E&C and each of their related persons from and against adverse consequences arising from any historic asbestos-related activities of any Parsons entity (including Parsons E&C and its Subsidiaries).

The indemnity does not apply to any previous asbestos related activities of Worley (or its related persons or representatives, other than Parsons E&C) undertaken prior to the date of the agreement unrelated to the transactions contemplated by the Acquisition, or any asbestos related activities that Worley or Parsons E&C (or their related persons or representatives) independently commence on or after the date of the agreement unrelated to Parson E&C's prior relationship with, or as part of, Parsons Corporation, or asbestos related activities undertaken after Completion.

The indemnity covers all current and future asbestos related claims arising from any activities of any Parsons entity (including Parsons E&C and its Subsidiaries) undertaken prior to Completion.

8.1.4 AMENDED TRADEMARK LICENCE AGREEMENT

Parsons Corporation, Parsons E&C and Worley have entered into the Amended and Restated Trademark Licence Agreement pursuant to which Parsons Corporation has agreed to grant Parsons E&C and Worley a non-exclusive, royalty-free, worldwide and non-transferable licence for up to 20 years, to use certain trademarks owned by Parsons Corporation and a right to use the "WorleyParsons" and "Parsons E&C"mark, related trade names and domain names.

Under the licence agreement, Parsons Corporation retains the right to use, or to authorise and license any third party for use of, the trademarks, in whole or in part, in any manner whatsoever in connection with any goods or services. Parsons Corporation may terminate the licence if Worley sells or otherwise disposes of substantially all of its business or its assets to a competitor of Parsons Corporation, if there is a change of control in Worley having an equivalent result, or if Worley discontinues its business in its entirety.

The licence agreement specifically gives Worley the exclusive right to register the "WorleyParsons" mark and domain name worldwide.

8.1.5 AMENDED AND RESTATED ADMINISTRATIVE SERVICES AGREEMENT

Parsons Corporation and Parsons E&C have entered into the Amended and Restated Administrative Services Agreement whereby Parsons Corporation agrees to provide Parsons E&C with certain administrative services necessary for Parsons E&C to conduct its business for a limited period following Completion. The agreement outlines the amounts to be charged by Parsons Corporation to Parsons E&C in respect of each of the services to be provided.

The agreement is for an initial term commencing from the date of the agreement and ending on the last service termination date (outlined in the agreement).

Parsons E&C may terminate the provision of specific services upon providing Parsons Corporation 60 days' prior written notice (subject to payment by Parsons E&C of out-of-pocket costs associated with the termination). The entire agreement can also be terminated upon the mutual written agreement of the parties.

8.1.6 MUTUAL INDEMNITY AGREEMENT

Buyer, Worley, Parsons E&C and Parsons Corporation have entered into the Mutual Indemnity Agreement pursuant to which the parties agree to provide mutual indemnification to, for and for the benefit of, one another with respect to certain matters.

Under the agreement, Worley and Parsons E&C, on behalf of themselves and their related persons, have agreed, among others, to indemnify Parsons Corporation and each of its related persons and representatives from and against any adverse consequences arising from the performance by Parsons E&C of certain contracts, the use by Parsons E&C or Worley of certain Parsons Corporation offices and Subsidiaries after Completion, and the issuance of certain performance guarantees by Parsons Corporation on behalf of the Parsons E&C Group.

Under the agreement, Parsons Corporation, on behalf of itself and its related persons and representatives, has agreed, among others, to indemnify Buyer, Worley and Parsons E&C and each of their related persons and representatives from and against certain adverse consequences arising from the ownership and operation of the Parsons E&C Group by Parsons Corporation prior to its acquisition by the ESOP in January 2002 (and related matters) with certain modifications or exceptions.

8.1.7 ADDITIONAL AGREEMENTS

In addition to the Stock Purchase Agreement and the other agreements described above, the following agreements have also been entered into:

- an escrow agreement, containing certain provisions relating to the handling of the US$10 million escrow funds noted in Section 8.1.1 above; and
- an employment agreement with Mr William (Bill) Hall pertaining to his continued employment as Chairman and CEO, Parsons E&C, for a period of three years from Completion (which contains usual terms and conditions for agreements of this nature).

8.2 SUMMARY OF THE UNDERWRITING AGREEMENT

Worley and the Underwriter have entered into the Underwriting Agreement under which the Underwriter will fully underwrite the Entitlement Offer and the Institutional Placement at a floor price of $3.60 per New Share. The Underwriter may appoint sub-underwriters to sub-underwrite either or both of the Entitlement Offer and Institutional Placement.

8.2.1 REPRESENTATIONS, WARRANTIES AND UNDERTAKING

Worley gives various representations and warranties under the Underwriting Agreement including that this Prospectus complies with the Corporations Act in all material respects and that the New Shares will be issued free of all encumbrances other than those provided for in the Constitution.

The Underwriting Agreement imposes various obligations on Worley, including that Worley will procure that official quotation is granted to all of the New Shares as soon as practicable after the issue of those Shares. Worley has undertaken that it will not without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed) allot or agree to allot or indicate in any way that it may or will allot or agree to allot any Shares or other securities that are convertible or exchangeable into equity, or that represent the right to receive equity, of Worley or any member of the Worley Group within 90 days after the Final Allotment Date other than pursuant to the Institutional Placement, the Entitlement Offer, any employee share plan, any dividend reinvestment plan, any bonus share plan or options referred to in this Prospectus.

8.2.2 FEES AND EXPENSES

Subject to the Underwriter having performed its obligations under the Underwriting Agreement, Worley will pay to the Underwriter a base fee of $3.8 million and an incentive fee of $1.5 million dependent upon the issue price as compared to the closing price of Shares on 6 October 2004.

Worley is responsible for the reasonable costs of, and incidental to, the Institutional Placement and the Entitlement Offer.

Any sub-underwriting fees in relation to the Institutional Placement or the Entitlement Offer are the responsibility of the Underwriter.

8.2.3 INDEMNITY

Worley has agreed to indemnify the Underwriter including its affiliates, officers, employees, advisers and related bodies corporate ("Indemnified Parties") for any claims, demands, damages, losses, costs, expenses and liabilities as a result of the making of the Entitlement Offer, the Prospectus, associated public documents, the making of the Institutional Placement, the representations and warranties in the Underwriting Agreement and any regulatory review in relation to the Entitlement Offer, the Institutional Placement and the Prospectus except that the indemnity will not apply where the claims, demands, damages, losses, costs, expenses and liabilities result primarily from the fraud, recklessness, wilful misconduct, negligence of, or breach of the Underwriting Agreement by, the Indemnified Party or as a result of any contravention of law.

8.2.4 TERMINATION

The Underwriter may terminate its obligations under the Underwriting Agreement if at any time before Completion one or more of the following events occur:

- Notice: a person gives notice under section 730 (1) (a) or (b) in relation to the prospectus;
- All Ordinaries Index falls: at any time, ASX All Ordinaries Index falls to a level that is 90% or less of the level as at close of trading on the date of execution of the Underwriting Agreement ("Starting Level") and remains at or below that 90% level for at least two business days;
- Quotation approvals: approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to either:
  - the official quotation of all of the New Shares issued in connection with the Institutional Placement and the institutional component of the Entitlement Offer on ASX on or before the Initial Allotment Date, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
  - the official quotation of all of the New Shares issued in connection with the retail component of the Entitlement Offer on ASX on or before the Final Allotment Date;
- Supplementary prospectus: Worley lodges a supplementary prospectus with ASIC in a form not approved by the Underwriter (acting reasonably);
- ASIC stop order: ASIC issues an order under section 739(1) of the Corporations Act;
- ASIC notification: an application is made by ASIC for an order under Part 9.5 of the Corporations Act (other than an application which does not become public and is dismissed or withdrawn within two business days) or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act (other than an investigation or hearing which does not become public and is discontinued within two business days) in relation to the Institutional Placement, the Entitlement Offer or the Prospectus;
- Withdrawal of consent: any person (other than the Underwriter) gives a notice under section 733(3) of the Corporations Act or any person (other than the Underwriter) who has previously consented to the inclusion of its name in this Prospectus (or a supplementary prospectus) or to be named in the Prospectus withdraws that consent;

- Withdrawal of Prospectus: Worley withdraws the Prospectus or the Institutional Placement or the Entitlement Offer;
- Disruption to financial markets: any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the US or the UK is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - any adverse effect on the financial markets in the US, Australia and the UK or the international financial markets, or in foreign exchange rates or any development involving a prospective change in national or international political, financial or economic conditions; or
  - trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading, the effect of which is such as to make it, in the opinion of the Underwriter impracticable to market the Institutional Placement or the Entitlement Offer or enforce contracts to issue or sell (as applicable) the New Shares;
- Closing certificate: Worley does not provide a certificate in the prescribed form as and when required under the Underwriting Agreement certifying, amongst other things, compliance with its obligations under the Underwriting Agreement or a statement in such certificate is untrue or incomplete in a material respect;
- Other events: any of the following events occur and the Underwriter reasonably determines that the event has or is likely to have a material adverse effect on the success or settlement of the Institutional Placement or the Entitlement Offer or the trading performance of New Shares in their first week of trading on ASX following quotation or would give rise to a material liability of the Underwriter under any law regulation or treaty:
- Prospectus: any person gives a notice under section 730 (1) (c) in relation to the Prospectus;
- Inadequate disclosure:
  - a statement contained in any document used to conduct the Institutional Placement or the Entitlement Offer (including the Prospectus) is or becomes misleading or deceptive, or a matter is omitted from these documents having regard to the Corporations Act; or
  - the due diligence report or other information supplied by or on behalf of Worley to the Underwriter in relation to the Worley Group, the Institutional Placement or the Entitlement Offer in aggregate in its final form is or becomes misleading or deceptive;
- New circumstance: a new circumstance arises since the Prospectus Date that would have been required to be included in the Prospectus if it had arisen before the Prospectus Date;
- Suspension: ASX suspends trading of the Shares;
- Hostilities: there is an outbreak or major escalation of hostilities (whether or not war has been declared) involving any one or more of Australia, New Zealand, the US, the UK, North or South Korea, any member of the European Union, Indonesia, the People's Republic of China or the Republic of China or a major terrorist act is perpetrated against any of those countries or a diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
- Adverse change: there is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Worley Group or of Parsons E&C from that disclosed in the Prospectus;
- Change of law: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia, a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy any of which does or is likely to prohibit or regulate the Entitlement Offer, capital issues or stock markets;
- Insolvency events: any of the following occur in relation to any member of the Worley Group:
  - an order or application is made, or a resolution is passed, for its winding-up, dissolution, official management or administration;
  - any proceedings or arrangements for its liquidation or the appointment of a receiver is instituted;
  - a receiver, a receiver and manager, administrator or similar officer is appointed over or a distress or execution is levied over its assets;
  - it suspends payment of its debts or is unable to pay its debts as and when they fall due; or
  - it makes or offers to make an arrangement with its creditors or a class of them;

- Change in board of directors: a change in the Board occurs, other than a change referred to in the Prospectus;
- Director: a Director is charged with an indictable offence, any government agency commences any public action against Worley or its Directors, or announces that it intends to take such action or a Director is disqualified from managing a corporation under the Corporations Act;
- Regulatory compliance: a contravention by Worley or any entity in the Worley Group of the Corporations Act, its Constitution or any of the Listing Rules;
- Default: Worley defaults in the performance of any of its obligations under the Underwriting Agreement;
- Representations and warranties: a representation or warranty contained in the Underwriting Agreement on the part of Worley is or becomes not true or correct; or
- Timetable: the Entitlement Offer is not conducted in accordance with the timetable set out in the Underwriting Agreement.

Worley may by notice to the Underwriter, to the extent permitted by law, and after consultation with the Underwriter, terminate the Underwriting Agreement and withdraw the Institutional Placement and the Entitlement and Offer if Worley terminates the Stock Purchase Agreement in accordance with its provisions. Any such termination of the Underwriting Agreement will not affect Worley's obligation to pay the Underwriter its fees for services already provided.

8.3 SUMMARY OF THE FACILITIES

On 6 October 2004, Worley agreed binding terms sheet with the Financiers in relation to the Facilities described below:

- a US$65 million term acquisition loan facility to finance the Acquisition. The facility is to be drawn down on Completion and is to be repaid progressively over the term of the facility, being five years from the date of signing of the Facility Agreement;
- a US$60 million multi-currency revolving loan facility to finance the Acquisition, refinance existing debt facilities, fund working capital requirements, and fund other acquisitions up to US$30 million, and for other general corporate purposes. This facility is able to be drawn down within its term, being three years from the date of signing of the Facility Agreement, but must be fully repaid at the expiration of the term;
- a A$40 million multi-currency revolving loan facility to finance the Acquisition, refinance existing debt facilities, fund working capital requirements, and fund other acquisitions up to the Australian dollar equivalent of US$30 million and for other general corporate purposes. The facility is only available to the Australian borrower, being Worley Financial Services Pty Ltd, and must be repaid in full prior to the expiration of its term, being 364 days from the date of signing of the Facility Agreement;
- a US$40 million Revolving Performance Bond facility to support performance bond and standby letter of credit requirements of all members of the Worley Group. The Financier has the ability to nominate local lending offices and related entities to provide performance bonds and standby letters of credit in any relevant jurisdiction. The facility is repayable and terminates 364 days from the date of signing of the Facility Agreement. The Borrowers may request performance bonds and standby letters of credit to be issued for terms longer than the term of the facility but, if the facility is not extended, cash cover must be provided by the Borrower for any outstanding performance bonds or standby letters of credit.

The availability of the Facilities is subject to conclusion of documentation between Worley, the Borrowers, the Facility Guarantors and the Financiers on agreed terms and confirmation by Worley of the receipt of not less than A$145 million pursuant to the Institutional Placement and the Entitlement Offer.

The documentation for the Facilities will contain various representations and warranties, general undertakings, negative pledges, undertakings to provide financial information and financial covenants given by Worley, the Borrowers and, where appropriate, the Facility Guarantors, which are usual in facilities of this nature.

The documentation for the Facilities will contain an undertaking by Worley, the Borrowers and the Facility Guarantors not to (without the Financiers' prior written consent) make acquisitions or investments of an aggregate value in excess of A$30 million over a 12 month period.

The documentation for the Facilities will also contain events of default, including the occurrence of any event or circumstance which has a material adverse effect on the ability of Worley, the Borrowers and the Facility Guarantors (taken as a whole) to perform and comply with their obligations under the Facilities.

In the event that Parsons Corporation becomes insolvent, the indemnity provided by Parsons Corporation under the Asbestos Indemnity and Claims Administration Agreement (see Section 8.1.3) fails, insurance coverage relevant to asbestos risks (see Section 7.3.2) ceases and is not replaced, or certain other adverse changes in circumstances in relation to asbestos liabilities occur, the Financiers may, depending on the relevant circumstances, have the right to trigger a discussion period of 60 days during which Worley and the Financiers are to agree the terms on which the Facilities may continue. If by the end of the discussion period no agreement is reached, the Financiers will have the option to declare the Facilities due for repayment within 90 days.

First drawdown under the Facilities is conditional on the satisfaction of various conditions precedent including Worley providing evidence that Completion has occurred or will occur upon making of the first drawdown. Each subsequent drawdown is conditional on no event of default continuing or resulting from the drawdown. All representations in the Facilities are repeated at the time of drawdown.

The Facilities will be unsecured.

8.4 SUMMARY OF HEDGING ARRANGEMENTS

Hedging manages the risks associated with fluctuations in foreign exchange and interest rates.

Worley, as a company which operates in many countries around the world, is exposed to movements in exchange rates, the impact of which cannot be reliably predicted. Worley manages its foreign exchange risk to minimise the adverse impact of currency movements on its cash flows. The company's foreign exchange hedging policy includes, but is not limited to, foreign currency derivative instruments (such as options) and foreign currency borrowings.

Worley manages its interest rate risk to minimise the impact of movements in interest rates, domestically and internationally, on cash flows. Worley's interest rate hedging policy includes, but is not limited to, interest rate swaps and futures contracts.

As at the date of this Prospectus, Worley has entered into foreign exchange contracts to hedge US$120 million of the purchase price at the AUD/USD rate of 0.7195. The remainder of the purchase price will be hedged through USD denominated borrowings.

8.5 LITIGATION AND MATERIAL DISPUTES

8.5.1 PARSONS E&C LITIGATION AND MATERIAL DISPUTES

Members of the Parsons E&C Group are, from time to time, engaged in disputes with third parties, some of which involve litigation. The following Section details certain litigation in which Parsons E&C (or its Subsidiaries) is presently involved which, were it to be resolved adversely to Parsons E&C's interests, may in the aggregate be considered material.

Claim by Stone and Webster

Stone and Webster has filed a claim alleging improper design and misrepresentation against, amongst others, Parsons Energy & Chemicals Group Inc. (a Subsidiary of Parsons E&C), in relation to the construction of a power generating station in Hood County, Texas. The initial claim from Stone and Webster was for US$1.8 million, but may be higher if certain allegations of misrepresentation are proved. It is not anticipated that the maximum liability will exceed US$10 million, and many of the claims are expected to be covered by insurance. Accordingly, Worley is of the view that this dispute is unlikely to prove material in light of the Acquisition as a whole.

Claim by American Acryl

Parsons Energy & Chemical Group Inc. and Technip USA Corporation agreed to design and construct an acrylic acid plant for American Acryl, N.A. LLC and ATOFINA Chemicals, Inc American Acryl under a 60:40 joint venture arrangement. Following the late completion of the project, American Acryl withheld payment of invoices and assessed both liquidated damages for delays in completion and liability for costs allegedly incurred in excess of the targeted costs, totalling approximately US$6 million (which is the contractual liability cap), of which Parsons E&C's exposure (representing 60% of the maximum liability) would be approximately US$3.6 million. Worley is of the view that this dispute is unlikely to prove material in light of the Acquisition as a whole.

Claims by Calpine Corporation

Parsons Energy & Chemicals Group Inc. had provided subcontractor engineering design services to Calpine Construction Finance Co. L.P ("Calpine") in relation to a power plant project in Ontalaunee, Pennsylvania, and has agreed to waive statute of limitations restrictions to permit Calpine and its holding company to lodge a claim against Parsons Energy & Chemicals Group Inc. based upon the outcome of third party litigation. Under the claim, Parsons Energy & Chemical Group Inc. may be alleged liable for any costs suffered by Calpine which are proved to be caused by the negligent acts or omissions of Parsons Energy & Chemicals Group Inc. or the failure of Parsons Energy & Chemicals Group Inc. to comply with the Professional Services Contract between it and Calpine.

If the claim is proved, the liability of Parsons Energy & Chemical Group Inc. may be alleged to be as high as approximately US$5.4 million (representing the value of the contract). This amount, if incurred, is likely to be covered under insurance. Accordingly, Worley is of the view that this dispute is unlikely to prove material in light of the Acquisition as a whole.

8. ADDITIONAL INFORMATION

Dispute with Anadarko in relation to the Al Rayyan Project

Under a 50:50 joint venture with Technip S.A. a Parsons E&C Subsidiary (Parsons Group International Limited) provided engineering services to Anadarko Qatar Energy Co. LLC ("Anadarko") for the onshore and offshore construction of oil and gas plants and facilities in Qatar (the "Al Rayyan Project"). Anadarko is claiming approximately US$9 million, plus the value of a performance bond, against the joint venture in satisfaction of alleged cost overruns and delays in connection with the offshore component of the works. While Parsons Group International Limited's involvement in this component of the works has been limited (which may limit any exposure), Parsons E&C could nonetheless incur liability to make a payment in respect of the alleged cost overruns and delays.

8.5.2 WORLEY LITIGATION AND MATERIAL DISPUTES

Members of the Worley Group are, from time to time, engaged in disputes with third parties, some of which involve litigation. However, to the knowledge of the Directors, neither Worley nor any of its Subsidiaries is presently involved in any litigation which the Directors believe has, or is likely to have, a material adverse effect on its business operations or those of its Subsidiaries, having regard, amongst other things, to the expected outcome of the litigation and (should such outcomes be adverse to Worley) the ability of Worley to claim indemnity under the terms of its insurance policies. The Directors are not aware of any circumstances that might reasonably be expected to give rise to any such litigation.

8.6 NATURE OF THIS PROSPECTUS

This Prospectus is a prospectus for continuously quoted securities. The information in this Prospectus principally concerns the terms and conditions of the Entitlement Offer and information necessary for investors to make an informed assessment of:

- the effect of the Entitlement Offer on Worley; and
- the rights and liabilities attaching to the New Shares.

This Prospectus does not include all of the information that would be included in an Prospectus for an initial public offering of securities in an entity not already listed on ASX. Worley has been listed on ASX since November 2002. During this time, Worley has been subject to disclosure requirements under the Corporations Act and Listing Rules.

Worley has, since listing, provided ASX with a substantial amount of information regarding its activities and that information is publicly available. This Prospectus is intended to be read in conjunction with that publicly available information. Therefore, Qualifying Shareholders considering subscribing for New Shares should also have regard to that publicly available information before making any investment decision.

8.7 REPORTING AND DISCLOSURE OBLIGATIONS

Worley is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. Broadly, these obligations require:

- preparation of both yearly and half-yearly financial statements, a report on the operations of Worley during the relevant accounting period together with an audit or review report thereon by Worley's auditor; and
- notification to ASX of any information concerning Worley which it becomes aware of and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Copies of documents lodged with ASIC in relation to Worley may be obtained from, or inspected at, the offices of ASIC.

Worley will provide a copy of each of the following documents, free of charge, to any person on request during the Entitlement Offer Period in relation to this Prospectus:

- Worley's annual financial report for the year ended 30 June 2004 (being the annual financial report most recently lodged with ASIC by Worley before the issue of this Prospectus);
- Worley's financial report for the six months ended 31 December 2003 (being the half-yearly financial report most recently lodged with ASIC by Worley before the issue of this Prospectus); and
- any continuous disclosure notices given by Worley to ASX after the lodgement of the annual financial report for the year ended 30 June 2004 and before the lodgement of a copy of this Prospectus with ASIC.

All requests for copies of the above documents should be addressed to the Company Secretary, Worley Group Limited, Level 7, 116 Miller Street, North Sydney NSW 2060 or by phoning the Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or +61 3 9415 4000 (International).

The above information may also be obtained from Worley's website at www.worley.com.au or from ASX.

8.8 AVAILABILITY OF OTHER DOCUMENTS

Worley will also provide a copy of its Constitution free of charge to any person who requests a copy during the Entitlement Offer Period by calling the Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or +61 3 9415 4000 (International).

8.9 RIGHTS AND LIABILITIES ATTACHING TO SHARES

Worley has only one class of shares, fully paid ordinary shares ("Shares"). The rights attaching to Shares are:

- set out in the Constitution, a copy of which is available by making a request in the manner set out in Section 8.8; and
- in certain circumstances, regulated by the Corporations Act, Listing Rules, ASTC Settlement Rules and general law.

The following is a summary of the principal rights of Shareholders.

Voting

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll every Shareholder present has one vote for each Share held. On a poll, partly paid shares confer a fraction of a vote pro rata to the amount paid up on Shares. Voting at any meeting of Shareholders is by a show of hands unless a poll is demanded in the manner described in the Constitution.

The quorum required for a meeting of Shareholders is two Shareholders or if only one Shareholder is entitled to vote, that Shareholder. In the case of an equality of votes upon any proposed resolution, the chairperson of the meeting, in addition to his or her deliberative vote, has a casting vote.

General meetings

Each Shareholder is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of Worley and to receive all financial statements, notices and other documents required to be sent to Shareholders under the Constitution or Corporations Act.

Dividends

The Directors may from time to time pay dividends to Shareholders out of the profits of Worley. The payment of a dividend does not require any confirmation by general meeting.

New Shares will rank equally for all Distributions from the Allotment Date.

Subject to any special terms and conditions of issue, all dividends must be paid to Shareholders in proportion to the number of, and the amounts paid on, shares held.

Issue of Shares

The Directors may (subject to the restrictions on the issue of Shares imposed by the Constitution and Listing Rules) issue or grant options in respect of, or otherwise dispose of, Shares to such persons, for such price, on such conditions, at such times and with such preferred, deferred or other special rights or special restrictions, whether with regard to dividend, voting, return of capital, participation in the property of Worley on a winding up or otherwise, as the Directors think fit.

Transfer of Shares

Subject to the Constitution, Shares are freely transferable. Holders of Shares may transfer Shares by an instrument in writing in any usual or common form, or in any other form that the Directors approve and, while Worley is a listed company, Shares may be transferred electronically in accordance with the ASTC Settlement Rules.

The Directors may decline to register an instrument of transfer where the transfer is not in registrable form or the refusal to register the transfer is permitted under the Listing Rules. Subject to the Listing Rules and ASTC Settlement Rules while Worley is a listed company, the Directors may suspend the registration of transfers at such times and for such periods, not exceeding in total 30 days in any year, as they think fit.

Winding up

Shares rank equally in the event of a winding-up. Subject to the Constitution and to the rights attaching to any shares or classes of shares, Shareholders will be entitled on a winding up to a share in any surplus property of Worley in proportion to the Shares held by them.

8.10 JURISDICTIONS OUTSIDE AUSTRALIA

The Entitlement Offer is not an invitation to:

- any Shareholder with a registered address outside Australia and New Zealand (other than a Qualifying Institutional Shareholder);
- any person in the US or any US person as defined in Regulation S of the US Securities Act, or any other persons acting for the account or benefit of a US person (other than pursuant to a transaction exempt from registration under the US Securities Act and applicable US State securities laws); or
- any person in any jurisdiction to whom it is unlawful to make such offer or invitation having regard to the laws of that jurisdiction,

(each, a "Foreign Person").

No action has been taken to register or qualify the New Shares that are the subject of the Entitlement Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia. The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the US except in transactions exempt from the registration requirements of the US Securities Act and applicable State securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Each Applicant in the Entitlement Offer will be taken to have represented, warranted and agreed as follows:

- the Applicant is an Australian citizen or located or resident in Australia, is not a Foreign Person and is not acting for the account or benefit of a Foreign Person;
- the Applicant will not offer or sell the New Shares in the US or in any other jurisdiction outside Australia except in transactions exempt from registration under the US Securities Act and applicable US state securities laws and otherwise in compliance with all applicable laws in the jurisdiction in which the New Shares are offered and sold; and
- the Applicant is not otherwise prohibited by laws from acquiring New Shares pursuant to the Entitlement Offer.

8.11 SUBSCRIPTION OF MAJOR SHAREHOLDERS & DIRECTORS IN THE ENTITLEMENT OFFER

The Entitlements which certain Major Shareholders & Directors have commited to subscribe for, under the Entitlement Offer, at the time of the Intitutional Placement are detailed below.

Shareholder	Number Shares before the Entitlement Offer	New Shares being subscribed for	Number of Shares subsequent to the Entitlement Offer
John Grill	29,254,090	3,170,132,	32,424,222
Bill Paterson	16,891,008	2,750,000	19,641,008
Peter Meurs	11,438,331	2,541,851	13,980,182
Russell Staley	7,446,874	700,000	8,146,874
Sydney French	2,629,381	500,000	3,129,381
John Schubert	1,236,519	274,782	1,511,301
John Green	720,774	160,172	880,946
Andrew Wood	608,985	24,380	633,375
David Housego	300,000	66,667	366,667
Grahame Campbell	367,418	81,648	449,066
Ron McNeilly	272,641	60,587	333,228
Eric Fraunschiel	35,070	7,793	42,863

8.12 INTERESTS OF DIRECTORS

As at the date of this Prospectus, the Directors have relevant interests in the following Shares:

Director	Number of Shares
John Grill	29,254,090
John Schubert	1,236,519
John Green	720,774
Grahame Campbell	367,418
David Housego	300,000
Ron McNeilly	272,641
Erich Fraunschiel	35,070

Certain members of the Worley executive team, including John Grill and David Housego, may be granted a discretionary bonus upon Completion. The amount of that bonus is $500,000 in the case of John Grill and $200,000 in the case of David Housego. The decision to grant this bonus will be made by the Board.

Other than as set out in this Prospectus, no Director or proposed Director holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Worley;
- any property acquired or proposed to be acquired by Worley in connection with its formation or promotion or with the Entitlement Offer; or
- the Entitlement Offer.

Other than as set out in this Prospectus, no one has paid or agreed to pay any amount to any Director or proposed Director, and no one has given or agreed to give to any Director or proposed Director any benefit:

- to induce them to become, or qualify them as, a Director; or
- for services provided by a Director or a proposed Director in connection with the formation or promotion of Worley or with the Entitlement Offer.

8.13 INTERESTS OF EXPERTS AND ADVISERS

UBS AG, Australia Branch has acted as Financial Adviser and Lead Manager for the Entitlement Offer. UBS AG, Australia Branch is entitled to receive the fees and expenses described in the summary of the Underwriting Agreement.

Ernst & Young is Worley's auditor and has prepared the Independent Accountant's Report on historical financial and pro-forma financial information set out in Section 5. Ernst & Young has also performed due diligence enquiries in relation to historical financial information. Worley has agreed to pay $1.5 million for such services to the Prospectus Date. Further amounts may be paid to Ernst & Young in accordance with its usual time-based charge-out rates.

Freehills has acted as Australian legal adviser to Worley in connection with the Entitlement Offer and has performed work in relation to the Australian due diligence enquiries on legal matters. Worley has agreed to pay $550,000 for legal services to the Prospectus Date. Further amounts may be paid to Freehills in accordance with its usual time-based charge-out rates.

Other than as set out in this Prospectus:

- no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; and
- no promoter or underwriter of the Entitlement Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Entitlement Offer;

holds at the date of this Prospectus, or has held in the two years before that date, an interest in:

- the formation or promotion of Worley;
- any property acquired or proposed to be acquired by Worley in connection with its formation or promotion or with the Entitlement Offer; or
- the Entitlement Offer,

nor has anyone paid or agreed to pay any amount, or given or agreed to give any benefit, to such persons in connection with the formation or promotion of Worley or the Entitlement Offer.

8. ADDITIONAL INFORMATION

8.14 CONSENTS

UBS AG, Australia Branch has given and has not withdrawn, before lodgement of this Prospectus with ASIC, its consent to be named in this Prospectus as Financial Adviser and Lead Manager in the form and context in which it is named. UBS AG, Australia Branch does not make, or purport to make, any statement that is included in this Prospectus and there is no statement in this Prospectus which is based on any statement by UBS AG, Australia Branch. To the maximum extent permitted by law, UBS AG, Australia Branch expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to its name.

Ernst & Young has given and has not withdrawn, before lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Independent Accountant and to the incorporation of its Independent Accountant's Report on historical and pro-forma financial information. Ernst & Young has not made any statement that is included in this Prospectus or any statement on which a statement made in the Prospectus is based, other than as specified above. To the maximum extent permitted by law, Ernst & Young expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name and its Independent Accountant's Report on historical and pro-forma financial information.

Freehills has given and has not withdrawn, before lodgement of this Prospectus with ASIC, its consent to be named in this Prospectus as lawyers to the Entitlement Offer in the form and context in which it is named. Freehills does not make, or purport to make, any statement that is included in this Prospectus and there is no statement in this Prospectus which is based on any statement by Freehills. To the maximum extent permitted by law, Freehills expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to its name.

Computershare Investor Services Pty Limited has given and has not withdrawn, before lodgement of this Prospectus with ASIC, its consent to be named in this Prospectus as the Share Registry for Worley in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry for Worley. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus. To the maximum extent permitted by the law, Computershare Investor Services Pty Limited expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to its name.

8.15 PRIVACY

If you apply for New Shares, you will provide personal information to Worley and the Share Registry. Worley and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

Tax and company law requires some of the information to be collected in connection with your Application. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

Worley is committed to respecting the privacy of your personal information. Worley and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers, including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cwlth):

- Underwriter and Lead Manager in order to assess your Application;
- Share Registry for on going administration of the Register; and
- printers and the mailing house for the purposes of preparation and distribution of statements and for handling of mail.

The information may also be disclosed to members of the Worley Group and to their agents and services providers on the basis that they deal with such information in accordance with Worley's privacy policy.

Your personal information may also be provided to certain third parties. The types of third parties that may be provided with your personal information, and the circumstances in which your personal information may be disclosed, are:

- your financial adviser or broker (other than your tax file number information) in connection with services provided to you by your adviser or broker;
- government, regulatory authorities or other people when permitted or required by law, such as ASIC or people inspecting the Register in accordance with the Corporations Act;
- ASX; and
- in certain circumstances and with safeguards to respect your privacy, potential or actual purchasers of an interest in Worley or the Worley's business or any part thereof.

Under the *Privacy Act 1988* (Cwlth), you may request access to your personal information held by (or on behalf of) Worley or the Share Registry. You can request access to your personal information by writing to Worley through the Share Registry as follows:

Computershare Investor Services Pty Limited
PO Box 7045
Sydney NSW 2001

A copy of Worley's privacy policy can be obtained electronically at www.worley.com.au or by calling the Worley Entitlement Offer InfoLine on 1300 726 453 (Australia) or + 61 3 9415 4000 (International).

8.16 EXPENSES OF THE ENTITLEMENT OFFER

The expenses of the Entitlement Offer are expected to be approximately $12.5 million. These expenses will be paid for by Worley.

8.17 ASX WAIVERS AND CONFIRMATIONS

Worley has been granted waivers from Listing Rules 7.1 and 10.11 to the extent necessary to allow the Entitlement Offer to be offered to various classes of Shareholders in the manner set out in this Prospectus, without being required to obtain Shareholder approval.

Waivers of Listing Rule 3.20 and 7.40 have also been granted by ASX to permit Worley to conduct the Entitlement Offer in accordance with a timetable different to that prescribed by Appendix 3A and sections 1 and 3 of Appendix 7A to the Listing Rules, as contemplated in this Prospectus.

The Listing Rule 7.1 waiver is subject to conditions. The effect of these conditions is to permit Worley to offer New Shares pro-rata to certain Institutional Investors who, to Worley's knowledge, hold Shares either directly or through nominees ("Institutional Shareholders") on or before the Record Date and to allocate some or all of the New Shares not taken up by those Institutional Shareholders to other Institutional Shareholders or other Institutional Investors (this process is referred to as the "Institutional Entitlement Offer") prior to offering New Shares to the remaining Shareholders, as long as:

– Institutional Shareholders who sell down their shareholdings before the Record Date have their pro-rata allocations reduced accordingly; and
– New Shares are issued under the Institutional Entitlement Offer and the Retail Entitlement Offer at the same price and on the same 2 for 9 basis.

The Listing Rule 10.1 waiver permits related parties of Worley to participate in the Entitlement Offer on the same terms as other Shareholders without a requirement to obtain Shareholder approval. The waiver is subject to the same conditions imposed in relation to the waiver from Listing Rule 7.1. Additionally, it is a condition of this waiver that the related parties only participate in the Entitlement Offer up to the extent of their pro rata Entitlement.

The waivers set out the arrangements for dealing with holdings registered in the names of nominees. In particular, a nominee Shareholder is treated as a separate holder in respect of Shares held for each of one or more Institutional Shareholders (and, accordingly, may receive both Institutional Entitlement Offers in respect of Shares held as nominee for Institutional Shareholders and Retail Entitlement Offers in respect of Shares held as nominee for other persons). Institutional Entitlement Offer offers will be treated as being made to the nominee, and therefore to an "Institutional Shareholder", even where made directly to the Institutional Investor for whom it holds.

On or prior to the Record Date, and concurrently with the Institutional Placement, Worley made the Institutional Entitlement Offer described above. Approximately 25.6 million New Shares are expected to be issued to Qualifying Institutional Shareholders under the Institutional Entitlement Offer on Friday 29 October, leaving a balance of approximately 7.6 million New Shares available for retail subscription. This Prospectus does not constitute an offer or invitation to:

– any Institutional Shareholder which received a Institutional Entitlement Offer (whether or not it accepted that offer); or
– a nominee for such an Institutional Shareholder, in respect of New Shares held for such Institutional Shareholder;

(in either case a "Qualifying Institutional Shareholder ") except in respect of New Shares placed with such persons pursuant to the Institutional Entitlement Offer.

In this context, where an Institutional Entitlement Offer of New Shares was accepted by a retail broker on a firm basis, on the basis that it would procure subscribers for them from among its private clients, those private clients may subscribe for those New Shares pursuant to this Prospectus (using the grey application form), but only to the extent (in aggregate) of the firm allocation to the relevant retail broker.

8. ADDITIONAL INFORMATION

The waivers also allow Worley to ignore, for the purposes of determining those entitled to receive Entitlements (both under the Institutional Entitlement Offer described above and the Retail Entitlement Offer), transactions occurring after the close of trade on ASX on 6 October 2004 (other than registrations of SEATS transactions which occurred before the close of trade) ("post ex-date transactions"). Transactions ignored under this provision are to be ignored in determining holders and registered holders, and holdings and registered holdings of Shares as at the Record Date, or as at 7.00pm on the Record Date, for the purposes of this Prospectus, and references to such holders, registered holders, holdings and registered holdings are to be read accordingly.

Therefore, if you have acquired Shares in a post ex-date transaction, you will not be entitled to receive an Entitlement on those Shares.

ASX has also granted a confirmation that Listing Rule 11.1 does not apply to the transaction and Shareholder approval pursuant to this Listing Rule is not required.

8.18 GOVERNING LAW

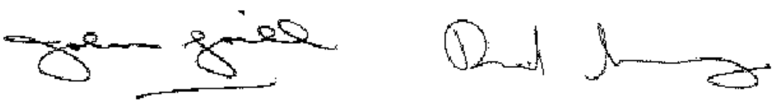
This Prospectus and the contracts that arise from acceptance of the Applications are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

8.19 CONSENT TO LODGEMENT

This Prospectus is authorised by each of the Directors and by Mr William Hall as a person named with his consent as a proposed Director.

8.20 EXPIRY

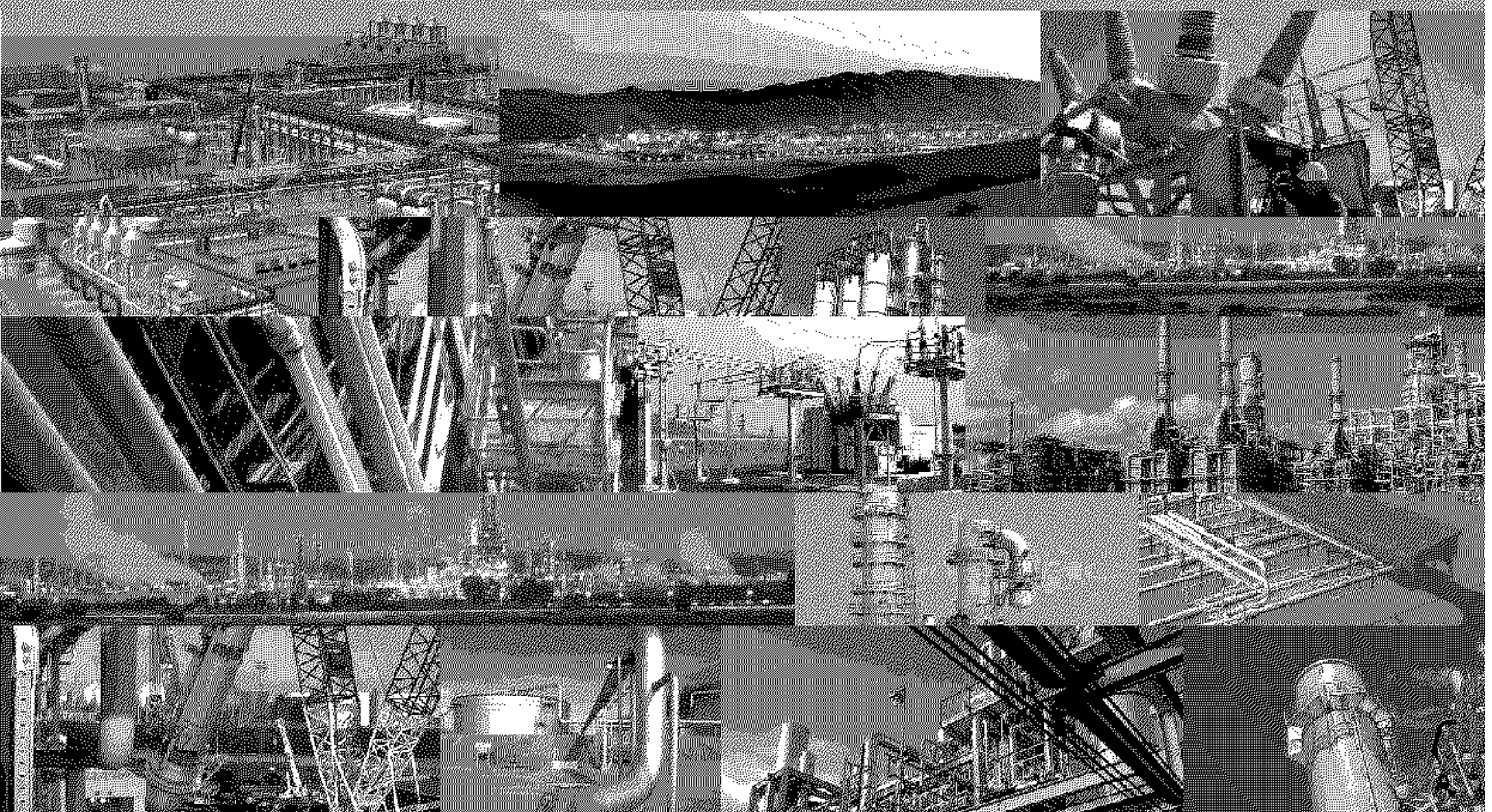
No New Shares will be offered on the basis of this Prospectus after the Expiry Date.



John Grill and David Housego being the Directors authorised to sign this Prospectus pursuant to a resolution passed at a meeting of the Directors.

WORLEY+PARSONS E&C

9 Glossary of Terms



9. GLOSSARY OF TERMS

The following definitions have been used throughout this Prospectus unless stated otherwise:

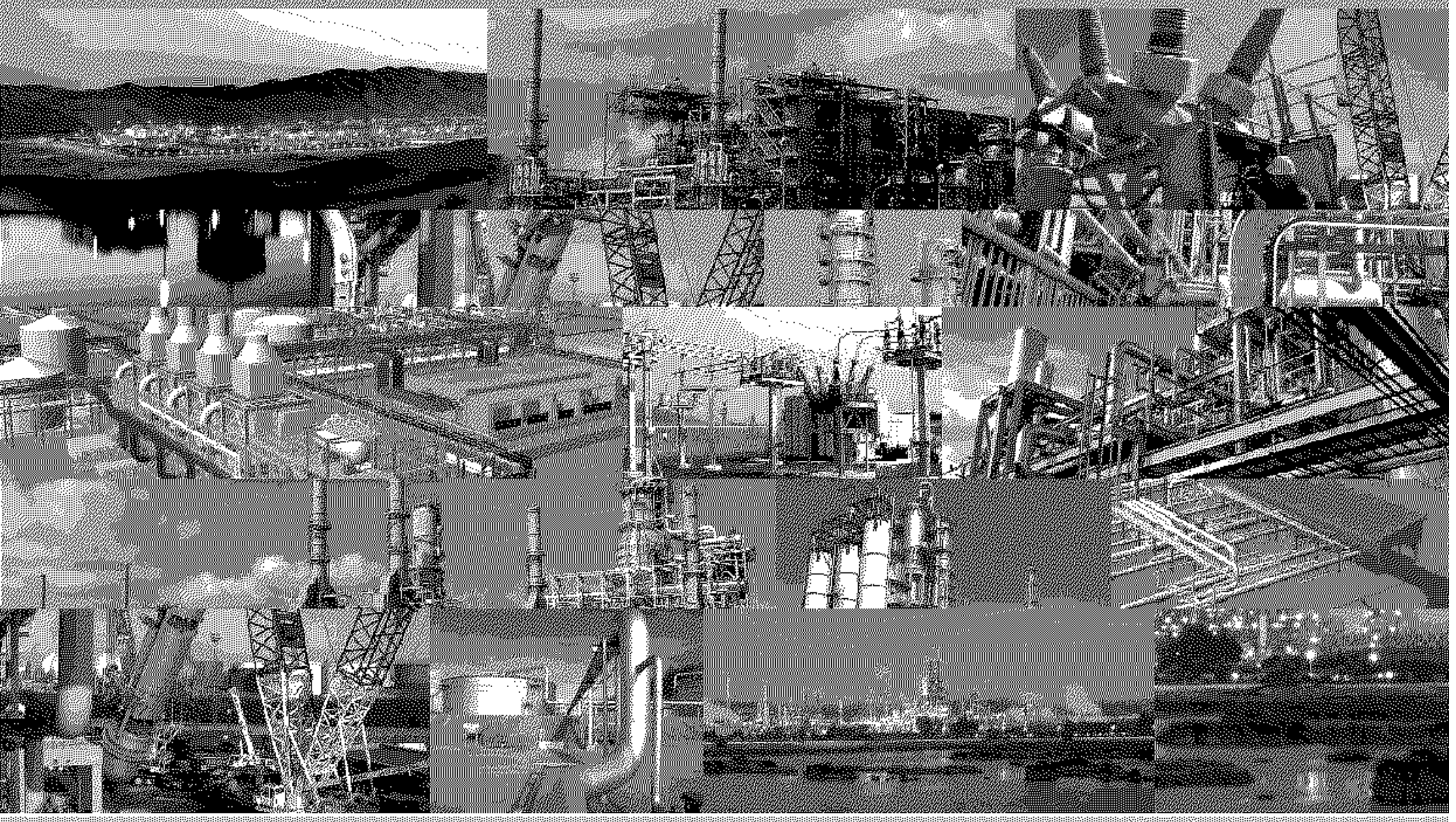
$	Australian dollars. One Australian dollar is assumed to equal 0.72 US dollars, unless stated otherwise
AASB	Australian Accounting Standards Board
Acquisition	The acquisition of Parsons E&C and its Subsidiaries on the terms described more fully in the Acquisition Agreements
Acquisition Agreements	The agreements summarised in Section 8.1
Adjusted EBIT and Adjusted EBITDA	In relation to the financial performance of Parsons E+C, has the meaning given in Section 3.8
Aggregated Revenue	Statutory revenue plus share of revenue from associates, excluding pass through procurement services revenue
Allotment Date	The date on which New Shares are allotted, being either the Initial Allotment Date or the Final Allotment Date
Applicants	Persons who submit valid Entitlement Forms or Public Offer application forms pursuant to this Prospectus
Application	An application for New Shares pursuant to the Entitlement Offer or the Public Offer
Application Monies	Monies received from Applicants in respect of their Applications
Application Price	$4.10 per New Share
ASIC	Australian Securities and Investments Commission
ASTC Settlement Rules	The business rules of ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532)
ASX	Australian Stock Exchange Limited
Board	The board of directors of Worley
Bookbuild	The process conducted by Worley or its agent to enable Worley to determine the Application Price
Borrowers	Various wholly owned members of the Worley Group specified as borrowers under the Facilities
Buyer	Apollo Corporation, a wholly owned subsidiary of Worley
Capital Raising	The Institutional Placement and Entitlement Offer
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532)
Closing Date	Wednesday 3 November 2004 (or as varied)
Completion and Complete	Completion of the Acquisition
Composite	In relation to the financial performance of WorleyParsons, has the meaning given in Section 4.4
Constitution	The constitution of Worley, as amended from time to time
Directors	The directors of Worley
Distributions	Dividends declared by Worley
EBIT	Earnings before interest, income tax and abnormal items
EBITDA	Earnings before interest, income tax, depreciation, amortisation and abnormal items
Entitlement	The number of New Shares to which Qualifying Shareholders are entitled on the basis of 2 New Shares for every 9 Existing Shares held at 7.00pm (EST) on the Record Date, subject to rounding and subject to Sections 8.10 and 8.17
Entitlement Form	The blue personalised Entitlement Form enclosed with this Prospectus upon which Applications must be made by Qualifying Shareholders
Entitlement Offer	The offer of approximately 33.2 million New Shares to Qualifying Shareholders, comprising the offer made to Qualifying Institutional Shareholders before the date of this Prospectus and the offer made to Qualifying Retail Shareholders under this Prospectus
Entitlement Offer Period	The period from Monday 11 October 2004 to Wednesday 3 November 2004 (or as varied)
EP	Engineering and Procurement
EPC	Engineering, Procurement and Construction

EPCM	Engineering, Procurement and Construction Management
ESOP	The Parsons Employee Stock Ownership Plan
ESOP Trustee	LaSalle Bank N.A.
EST	Eastern Standard Time
Existing Shares	Shares issued before 7.00pm (EST), Tuesday 12 October 2004 (being the Record Date for the Entitlement Offer)
Expiry Date	11 November 2005
Facilities	Various bank loan facilities to be provided to Worley and the Borrowers on the terms set out in the terms sheet described in Section 8.3
Facility Guarantors	Worley Financial Services Pty Ltd, Worley Pty Ltd, Worley No.2 Pty Ltd, Worley Engineering Pty Ltd, Engineering Services Limited in its own capacity and as trustee of the Worley Limited Trust, and certain members of the Parsons E&C Group to be joined within 30 days of Completion
FEED	Front End Engineering and Design
Final Allotment	The final allotment of New Shares under the Entitlement Offer (which is expected to occur on the Final Allotment Date)
Final Allotment Date	Tuesday 16 November 2004 (or as varied)
Financiers	HSBC (and, in some cases, financial institutions that join a syndication process in relation to the Facilities)
Foreign Shareholder	Any person to whom the Entitlement Offer is not an offer or invitation in accordance with Section 8.10
GAAP	Generally accepted accounting principles
GCR	Gilbert Commonwealth Risk (a Parsons E&C joint venture entity)
Group	Worley and all its Subsidiaries
HIN	Holder Identification Number
Holder	A holder of New Shares
HSBC	HSBC Bank Australia Limited
Holding Statement	A statement issued to Holders by the Share Registry setting out their holdings of New Shares
IFRS	International Financial Reporting Standards
Initial Allotment	The initial allotment of New Shares under the Entitlement Offer (which is expected to occur on the Initial Allotment Date)
Initial Allotment Date	Friday 29 October 2004 (or as varied)
Institutional Investors	Persons who are "professional investors" or "sophisticated investors" for the purposes of section 708 of the Corporations Act or who are otherwise entitled to receive an offer of New Shares without the need for a lodged prospectus or other registration or formality (other than a registration or formality which Worley is willing to comply with)
Institutional Placement	The placement of approximately 22.4 million New Shares at $4.10 per New Share to Institutional Investors which was completed on 8 October 2004 as described in Section 1.1.1
Institutional Entitlement	The offer to Qualifying Institutional Shareholders described in Section 1.2.2 Offer
Institutional Shareholder	Has the meaning in Section 8.17
Key Parsons E&C Executives	Mr William Hall, Mr Edward Pagano, Mr David Baughen, Mr Jeff Osborne, Michael Mawer, Harry Sauer, and Mr Edward Stringham
Lead Manager	UBS AG, Australia Branch (ABN 47 088 129 613), the underwriter of the Entitlement Offer, the key terms of whose appointment are set out in Section 8.2
Listing Rules	The listing rules of ASX
LSTK	Lump Sum Turn Key (a fixed price basis of contracting)
Major Shareholders	Certain Shareholders of Worley who, or whose associates, were shareholders of Worley prior to its initial public offering

9. GLOSSARY OF TERMS

New Shares	The Shares issued pursuant to the Institutional Placement together with those to be issued under the Entitlement Offer
Parsons Corporation	Parsons Corporation, a corporation registered in Delaware, USA, and in some circumstances includes the Parsons Corporation Group
Parsons Corporation Group	Parsons Corporation and all its Subsidiaries
Parsons E&C	Parsons E&C Corporation, a corporation registered in Delaware, USA, and in some circumstances includes the Parsons E&C Group
Parsons E&C Group	Parsons E&C and its Subsidiaries
Prospectus	This prospectus dated 11 October 2004
Prospectus Date	11 October 2004
Public Offer	The offer of New Shares which are not subscribed for by Qualifying Shareholders
Purchase Price	The sum of US$245,000,000 payable by Worley in accordance with the terms of the Stock Purchase Agreement
Qualifying Institutional Shareholder	Has the meaning given in Section 8.17
Qualifying Retail Shareholder	A Qualifying Shareholder who is not a Qualifying Institutional Shareholder
Qualifying Shareholders	Shareholders as at 7.00pm (EST) on the Record Date who are eligible to participate in the Entitlement Offer in accordance with Sections 8.10 and 8.17
Record Date	Tuesday 12 October 2004 (or as varied)
Register	The official register of Shares
Retail Entitlement Offer	The offer to Qualifying Retail Shareholders described in Section 1.2.3
Shareholder	A registered holder of Shares
Share Registry	Computershare Investor Services Pty Ltd ACN 005 485 825, Level 3, 60 Carrington Street, Sydney, NSW 2000
Shares	Fully paid ordinary shares in Worley
SRN	Shareholder Reference Number
Stock Purchase Agreement	Stock Purchase Agreement dated 7 October 2004 between Buyer, Worley, the ESOP and Parsons E&C as described in Section 8.1.1
Subsidiaries	Has the meaning given in the Corporations Act
UK	United Kingdom
Underwriter	UBS AG, Australia Branch (ABN 47 088 129 613), the underwriter of the Entitlement Offer, the key terms of whose appointment are set out in Section 8.2 of this Prospectus
Underwriter and Lead Manager	UBS AG, Australia Branch (ABN 47 088 129 613)
Underwriting Agreement	The agreement dated on or about 7 October 2004 between Worley and the Underwriter in relation to the underwriting of the Institutional Placement and the Entitlement Offer, the key terms of which are set out in Section 8.2
US or USA	United States of America
US$	US dollars
US Securities Act	US Act of 1933, as amended
Worley	Worley Group Limited (ABN 17 096 090 158), and in some circumstances includes the Worley Group
Worley Group	Worley and its Subsidiaries
WorleyParsons	the merged group comprising the Worley Group and the Parsons E&C Group after Completion, with the ultimate holding company, Worley, being renamed (subject to Completion and to Worley shareholder approval) as "WorleyParsons Limited"
WPES	WorleyParsons Energy Services

10 Application Forms



CORPORATE DIRECTORY

COMPANY
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North Sydney NSW 2060

REGISTERED OFFICE
Level 7, 116 Miller Street
North Sydney NSW 2060

FINANCIAL ADVISER AND LEAD MANAGER
UBS AG, Australia Branch
Level 25, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

INDEPENDENT ACCOUNTANT
Ernst & Young
321 Kent Street
Sydney NSW 2000

LAWYERS TO THE ENTITLEMENT OFFER
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Level 38, MLC Centre
19-29 Martin Place
Sydney NSW 2000

SHARE REGISTRY
Computershare Registries Limited
Level 3, 60 Carrington Street
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