WorleyParsons
resources & energy

25 October 2006

ASX Announcement

WORLEYPARSONS LIMITED (ASX: WOR)

2006 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS

On behalf of my fellow directors, I would like to welcome you here today. We are pleased you are able to attend and thank you for your interest and support.

It is always a pleasure for a Chairman to be associated with a highly successful year. I can say that on all accounts, this was indeed such a year. WorleyParsons again delivered an outstanding performance which was driven by strong contributions from all the sectors we service worldwide.

The result includes the first full year of contributions from the Parsons E&C business following the merger in November 2004 and highlights the synergies achieved by bringing together these two leading businesses with their complementary skills and experience. The Company's acquisition of Parsons E&C continues to pay dividends.

WorleyParsons is now firmly entrenched in the top tier of our peer group internationally and this should provide the Group with unparalleled opportunities going forward.

The globalisation of the Company continues apace with an increasing proportion of our total revenue and profit generated in international markets. For the 2006 financial year, we derived 64% of our earnings before tax from our international operations and we expect this to grow in coming years.

SAFETY

We remain committed to operating safely in all that we do. The safety of our people remains our highest priority.

While our people are frequently placed in extremely challenging situations, both in terms of the geographic location and the types of sectors we service, I am pleased to report that the Company's safety performance compares favourably with international best practice within our industry sectors.

Our goal remains the same: a perfect result, with no incidents. This goal is central to our comprehensive Zero Harm safety program.

Each year we identify and introduce new ways to improve our safety performance across the whole Group. John Grill will be saying more on some of these initiatives in his address.

FINANCIAL PERFORMANCE

The Group's financial result for the year to June 2006 was outstanding. It set another profit benchmark and growth was achieved in all key financial indicators. The Company achieved its strongest ever operating performance, which was driven by a continuation of the buoyant market conditions experienced in hydrocarbons and resources markets over the last few years.

John will address a number of the operational drivers in the Hydrocarbons business but it is worth noting that the majority of the projects we are working on at the moment in our Hydrocarbons business have been evaluated by our clients at substantially lower oil prices than have been experienced recently.

This year's result was the first full year result under the Australian equivalent to International Financial Reporting Standards. It was earned on aggregated revenue of $2.4 billion, which is an increase of 79% on the previous year. Basic earnings per share increased 89% to 68 cents per share and net profit after tax rose to $139 million for the full year, up 109% on the previous full year result.

The Company finished the year with a strong balance sheet, providing potential for the pursuit of future growth opportunities.

The directors declared a final dividend of 22.5 cents per share, franked to 30%. This brought the full year dividend to 41 cents per share and represents an increase of 105% on the dividend paid for the previous year. Shareholders will be aware that the growth in our internationally generated profit relative to our Australian-generated profit has had an impact on the Company's ability to pay fully franked dividends. We would expect this to continue to be the case as the Company's global activities expand.

This year also saw WorleyParsons transition into the ASX 100 and we would like to thank a number of the outgoing 'small cap' institutional holders for their support since the listing.

We also entered the MSCI index in Australia in the energy services sector and have benefited from that additional exposure in the International markets.

MAJOR BUSINESS DEVELOPMENTS

WorleyParsons has a strategy of growth through joint venture relationships as well as selective acquisitions that strengthen our existing capabilities. In the 2006 financial year we opened 20 new offices as a result of either organic growth or acquisition.

This time last year we announced that the Company was engaged in advanced negotiations to acquire two businesses in Canada - HG Engineering Limited and Komex Environmental Limited. Both acquisitions were successfully completed in the 2006 year and have significantly extended WorleyParsons' operations and capabilities in the important North American market.

The Company recently announced the establishment of a joint venture in India. The joint venture is considered important strategically as it provides a low risk entry into a high growth region and provides a platform for delivery of WorleyParsons services to existing clients in India. It gives immediate access to a large resource base to support other WorleyParsons businesses and a high value engineering (HVE) resource pool. WorleyParsons currently employs a large number of Indian technical staff throughout South East Asia and the Middle East. It is expected that access to the WorleyParsons brand will allow the joint venture to access local and international markets not currently available to it. In addition, it will provide personal development opportunities for its staff through greater training and project opportunities.

In addition, the Company recently announced the establishment of a joint venture in Chile, with the acquisition of 50% of ARA, a multidisciplinary engineering services company with strong Minerals & Metals and Infrastructure capability. The acquisition is intended to provide a base from which the Company may penetrate the South American market and provides access to approximately 580 people. The joint venture will have coverage of all of WorleyParsons customer sector areas in Chile. The Company already has project offices in Mexico and Venezuela, however the acquisition provides a regional centre for execution of projects in South America.

The Company recently negotiated the acquisition of the remaining 50% of Burns & Roe Worley Pty Limited. Burns & Roe Worley has been re-named "WorleyParsons Projects" and is the Company's power and water vehicle in Australasia. The acquisition ends a long relationship with US-based Burns & Roe, however it also heralds in new opportunities for WorleyParsons in a growing sector in Australia and Asia.

BOARD

During the year there were no changes to the composition of the Board or to senior management of the Company.

With respect to committee positions, I am pleased to announce that Eric Gwee has taken over from Grahame Campbell the position of Chairman of the Nominations and Remuneration Committee. Mr Gwee commenced this role at the beginning of the 2007 financial year.

Over the last couple of years the WorleyParsons business has considerably increased its global presence, which has created a significantly larger and more complex Group. With this in mind the Board is currently undertaking a review of its structure and skill set with a view to considering the appointment of a further non executive director. We will keep shareholders and the market appraised of any developments in this regard.

CORPORATE GOVERNANCE

WorleyParsons is committed to the highest standards of corporate governance and our Corporate Governance Statement is set out in this year's annual report. Governance of a group as large and diverse as ours is an ongoing challenge, but the Board and management are committed to reinforcing principles of integrity and professionalism in all our dealings with others, thereby protecting the WorleyParsons name and brand. During the year, our Code of Conduct was revised and the new Code was launched across the Group. The comprehensive global Code of Conduct provides our personnel with guidelines to the standards of behaviour required of them and which help us all maintain the reputation we have worked long and hard to earn.

EMPLOYEES AND MANAGEMENT

This year's performance is a direct result of the Company's major strength and resource, its people, led by an accomplished and committed senior management team.

Our people continue to rise to the challenges they are faced with, producing some truly exceptional results. In our Capability Document, which was distributed with your Annual Report this year, we demonstrate the diversity of our people and what they are capable of achieving. We have announced a number of material contracts to the market over the course of the year, and John Grill will shortly present a number of these to you. John will also outline a number of projects we are engaged in worldwide.

The level of dedication, expertise and experience that the WorleyParsons people bring to our projects distinguishes us from other operators and is without doubt, the single most important element of where we are today.

Keeping good people is another priority. WorleyParsons has an extensive operational footprint with 15,000 people in 94 offices and 30 countries throughout the world. However, in the current context, skilled and experienced workers are in huge demand. To continue to compete, it is vital that we continue to attract the good people we need and to have enough flexibility to allocate work effectively within our global network. We achieve this through our global service delivery model which integrates local on-ground capability with specialist resources ensuring we can be responsive to each client's needs and preferences.

Our remuneration arrangements continue to be reviewed and revised where necessary to keep us competitive globally as well as locally.

Our challenge going forward is to grow our people and our skills, and to continue to find new ways to do what we do, even better.

On behalf of the Board, I would like to express our thanks to the entire WorleyParsons team for all their efforts.

OUTLOOK

2006 delivered a strong financial result for the company. The 2007 year has started well with our results through to September in line with our expectations. The full year results, particularly for the second half of the year, will be supported by a number of recent contract awards and acquisition announcements.

I am pleased that we can confirm the outlook statement we made at the release of the 2006 results: that we expect the markets for WorleyParsons services will continue to be strong. Our key markets are experiencing positive conditions and we are well positioned to respond to these opportunities. Subject to conditions remaining favourable in these markets, we expect to achieve increased earnings in 2007.

We continue to evaluate opportunities for new business growth that will add to our existing capabilities and provide value for shareholders.

Thank you ladies and gentlemen.

For further information please contact:

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