

**WORLEYPARSONS LIMITED**

**ABN 17 096 090 158**

**INTERIM FINANCIAL REPORT**

**AND**

**APPENDIX 4D**

**HALF YEAR ENDED 31 DECEMBER 2006**

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

|   |           | %<br>Change | 2006<br>\$'000   | 2005<br>\$'000   |
|---|-----------|-------------|------------------|------------------|
| Income  | UP        | 38          | 1,445,550        | 1,046,480        |
| Earnings before interest and tax  | UP        | 41          | 131,201          | 92,918           |
| Profit before income tax expense  | UP        | 39          | 127,426          | 91,733           |
| Profit after tax  | UP        | 50          | 95,980           | 63,991           |
| Profit attributable to members of WorleyParsons Limited                         | UP        | 53          | 94,511           | 61,792           |
| Basic earnings per share before amortisation of trade name<br>(cents per share) | UP        | 52          | 46.5             | 30.5             |
| Basic earnings per share (cents per share)                                      | UP        | 53          | 46.2             | 30.2             |
| Diluted earnings per share (cents per share)                                    | UP        | 52          | 45.7             | 30.1             |
| Net tangible assets per share (\$ per share)                                    | UP        | 63          | 0.44             | 0.27             |
| Net assets per share (\$ per share)   | UP        | 17          | 2.49             | 2.13             |
| <hr/>   |           |             |                  |                  |
| Income  |           |             | 1,445,550        | 1,046,480        |
| Less: procurement services revenue  |           |             | (181,825)        | (134,421)        |
| <b>Income excluding procurement services revenue</b>                            |           |             | <b>1,263,725</b> | <b>912,059</b>   |
| Add: share of revenue from associates   |           |             | 356,788          | 497,750          |
| Less: procurement services revenue  |           |             | (160,697)        | (272,026)        |
| Net revenue from associates   |           |             | 196,091          | 225,724          |
| <b>Aggregated revenue*</b>  | <b>UP</b> | <b>28</b>   | <b>1,459,816</b> | <b>1,137,783</b> |

\* Aggregated revenue is defined as statutory revenue plus share of revenue from associates less procurement services revenue at nil margin. The Directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of WorleyParsons Limited Group.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
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| <b>DIVIDEND</b>  | <b>AMOUNT PER SECURITY</b> | <b>FRANKED AMOUNT PER SECURITY</b> |
|--|----------------------------|------------------------------------|
| <b>Interim dividend (cents per share):</b>                 |                            |                                    |
| <b>Six months to 31 December 2006</b>                      | <b>28.0</b>                | <b>6.2</b>                         |
| <b>Six months to 31 December 2005</b>                      | <b>18.5</b>                | <b>5.4</b>                         |
| <b>Record date for determining entitlement to dividend</b> | <b>22 February 2007</b>    |                                    |
| <b>Date dividend is to be paid</b>                         | <b>14 March 2007</b>       |                                    |

**REVIEW OF OPERATIONS**

Commentary on the results for the half year is contained in the press release dated 8 February 2007, accompanying this Interim Financial Report.

**REVIEW**

This financial report is based on accounts which have been subject to review.

## **WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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### **DIRECTORS' REPORT**

The Directors present their report on the consolidated entity consisting of WorleyParsons Limited and the entities it controlled ("consolidated entity" or "Group") at the end of, or during the half year ended 31 December 2006.

### **DIRECTORS**

The following persons were Directors of WorleyParsons Limited throughout the entire half year and until the date of this report:

Ron McNeilly (Chairman)  
Grahame Campbell  
Erich Fraunschiel  
John Green  
John Grill (Chief Executive Officer)  
Eric Gwee  
William Hall  
David Housego

### **PRINCIPAL ACTIVITIES**

During the half year, the principal activities of the consolidated entity consisted of:

(a) provision of design and project services to the following sectors:

- Hydrocarbons
- Power
- Minerals & Metals
- Infrastructure;

(b) provision of maintenance and reliability support services to these sectors; and

(c) infrastructure developments.

### **REVIEW OF OPERATIONS**

The profit of the Group for the half year ended 31 December 2006, after income tax expense and minority interests, was \$94.5 million, an increase of 52.9% on the previous corresponding period and an increase of 22.3% from the second half of financial year ended 30 June 2006. Aggregated revenue for the half year was \$1,459.8 million, compared to \$1,137.8 million in the previous corresponding period and \$1,326.6 million in the second half of financial year ended 30 June 2006.

The income tax expense for the half year was \$31.4 million (2005: \$27.7 million). The overall tax rate of 24.7% was lower than the effective tax rate for the half year ended 31 December 2005 of 30.2% and lower than the second half of financial year ended 30 June 2006 of 26.1%. This was largely due to the positive tax impact from Research & Development benefits in the UK.

## **WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

On 1 July 2006, WorleyParsons Infrastructure Holdings Pty Limited, a wholly owned subsidiary of WorleyParsons Limited acquired the trade and assets of TMG International Holdings Pty Limited (“TMG”) for \$3.6 million. TMG is an Australian based company that provides specialist consulting and technological solutions to the rail and associated industries. TMG had estimated revenue of \$5.5 million for the year ended 30 June 2006 and employs around 35 staff.

On 16 October 2006, WorleyParsons Engineering Pty Limited, a wholly owned subsidiary of WorleyParsons Limited, acquired the remaining 50% interest in Burns & Roe Worley Pty Limited for a total consideration of \$14.3 million and gained effective control at that date. The wholly owned entity has been renamed WorleyParsons Projects Pty Limited.

Effective 22 November 2006 WorleyParsons Limitada, a wholly owned Chilean subsidiary of WorleyParsons Limited, acquired 50% of Arze Recine y Asociados Ingenieros Consultores S.A. (since renamed ARA WorleyParsons S.A.) for a total consideration of \$13.3 million. ARA WorleyParsons SA will support the development of the Minerals & Metals business in Chile and other countries in South America and provide additional resources to support the existing WorleyParsons Minerals & Metals business. ARA WorleyParsons SA has around 450 employees.

### **SUBSEQUENT EVENTS**

On 25 January 2007, WorleyParsons Group Inc, a wholly owned subsidiary of WorleyParsons Limited acquired 100% of Sea Engineering Inc. (“Sea”) for approximately US\$25 million. Sea is a Houston based engineering company operating in hydrocarbons/upstream/offshore/deepwater market sector. Sea provides complete engineering services including concept evaluation and selection; front-end engineering; detailed design; installation support; operational and maintenance planning and support; and removal and relocation planning of floating systems of all types. Sea provides its services worldwide including in the Gulf of Mexico, Southeast Asia and the Pacific Rim, and West Africa.


Sea's current staffing is 150 employees. Revenue for the 2006 calendar year was approximately US\$26.5 million. Detailed purchase price allocation is in progress and was not completed at the date of this report.

On 8 February 2007, WorleyParsons announced it had agreed to acquire the Colt Companies (“Colt”), a Canadian engineering and project services partnership, for C\$1,035 million (AUD1,133 million). Colt is a leading provider of project services to the hydrocarbons industry in Canada and Alaska.

The acquisition of Colt represents an exciting opportunity for WorleyParsons. The acquisition will place WorleyParsons in a leading position in the Canadian hydrocarbons market and materially enhance WorleyParsons heavy oil, oil sands and cold weather technical capabilities. The combined group will employ approximately 20,000 people across 97 offices in 30 countries, including approximately 5,800 people in Canada. The expanded operational base of the Group is expected to create opportunities for extending existing relationships and creating new ones and will enhance our ability to win and execute major projects in Canada and Alaska.

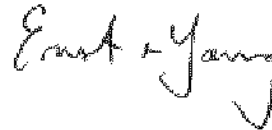
### Auditor's Independence Declaration to the Directors of WorleyParsons Limited

In relation to our review of the financial report of WorleyParsons Limited for the half-year ended 31 December 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act* 2001 or any applicable code of professional conduct.



Jeff Chamberlain  
Partner  
Sydney

8 February 2007



Ernst & Young

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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**ROUNDING OF AMOUNTS**

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Amounts have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in cursive script, appearing to read "Ron McNeilly", with a horizontal line underneath it.

Ron McNeilly  
Chairman

Sydney, 8 February 2007

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**CONSOLIDATED INCOME STATEMENT**

|  | Notes | 2006<br>\$'000 | 2005<br>\$'000 |
|--|-------|----------------|----------------|
| <b>Income</b>  | 2     | 1,445,550      | 1,046,480      |
| <b>Expenses</b>  |       |                |                |
| Staff costs  |       | (795,066)      | (637,330)      |
| Reimbursable costs   |       | (360,889)      | (186,169)      |
| Depreciation and amortisation  | 3     | (10,250)       | (8,752)        |
| Borrowing costs  |       | (7,740)        | (4,114)        |
| Office and administration costs  |       | (80,934)       | (62,903)       |
| Other costs  |       | (71,154)       | (65,083)       |
| Share of net profits of associates accounted for using the equity method |       | 7,909          | 9,604          |
| <b>Profit before income tax expense</b>                                  |       | 127,426        | 91,733         |
| Income tax expense   | 6     | (31,446)       | (27,742)       |
| <b>Profit after tax</b>  |       | 95,980         | 63,991         |
| Profit attributable to minority interests                                |       | (1,469)        | (2,199)        |
| <b>Profit attributable to members of WorleyParsons Limited</b>           |       | 94,511         | 61,792         |
| Basic earnings per share (cents per share)                               | 1     | 46.2           | 30.2           |
| Diluted earnings per share (cents per share)                             | 1     | 45.7           | 30.1           |

The above consolidated income statement should be read in conjunction with the accompanying notes.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
AS AT 31 DECEMBER 2006**

**CONSOLIDATED BALANCE SHEET**

|   | Notes | Consolidated as at            |                           |
|---|-------|-------------------------------|---------------------------|
|   |       | 31 December<br>2006<br>\$'000 | 30 June<br>2006<br>\$'000 |
| <b>ASSETS</b>   |       |                               |                           |
| <i>Current assets</i>   |       |                               |                           |
| Cash and cash equivalents                                       |       | 98,363                        | 78,212                    |
| Trade and other receivables                                     |       | 367,356                       | 330,019                   |
| Inventories   |       | 204,365                       | 181,942                   |
| Prepayments   |       | 27,420                        | 19,825                    |
| Derivatives   |       | 1,468                         | 635                       |
| <b>Total current assets</b>                                     |       | <b>698,972</b>                | <b>610,633</b>            |
| <i>Non-current assets</i>                                       |       |                               |                           |
| Investments in associates accounted for using the equity method |       | 71,698                        | 46,336                    |
| Other financial assets  |       | 187                           | 176                       |
| Property, plant and equipment                                   |       | 72,623                        | 64,619                    |
| Intangible assets   |       | 397,593                       | 404,040                   |
| Deferred tax assets   |       | 32,800                        | 31,795                    |
| Other non-current assets  |       | 4,531                         | 4,790                     |
| <b>Total non-current assets</b>                                 |       | <b>579,432</b>                | <b>551,756</b>            |
| <b>TOTAL ASSETS</b>   |       | <b>1,278,404</b>              | <b>1,162,389</b>          |
| <b>LIABILITIES</b>  |       |                               |                           |
| <i>Current liabilities</i>                                      |       |                               |                           |
| Trade and other payables  |       | 326,801                       | 290,958                   |
| Interest bearing loans and borrowings                           |       | 24,604                        | 45,475                    |
| Income tax payable  |       | 14,620                        | 20,759                    |
| Provisions  |       | 166,056                       | 146,815                   |
| Derivatives   |       | 102                           | 832                       |
| <b>Total current liabilities</b>                                |       | <b>532,183</b>                | <b>504,839</b>            |
| <i>Non-current liabilities</i>                                  |       |                               |                           |
| Interest bearing loans and borrowings                           |       | 156,029                       | 86,469                    |
| Deferred tax liabilities  |       | 40,443                        | 35,165                    |
| Provisions  |       | 39,922                        | 60,653                    |
| <b>Total non-current liabilities</b>                            |       | <b>236,394</b>                | <b>182,287</b>            |
| <b>TOTAL LIABILITIES</b>  |       | <b>768,577</b>                | <b>687,126</b>            |
| <b>NET ASSETS</b>   |       | <b>509,827</b>                | <b>475,263</b>            |
| <b>EQUITY</b>   |       |                               |                           |
| Issued capital  | 7     | 326,596                       | 327,103                   |
| Reserves  | 8     | (11,923)                      | 3,691                     |
| Retained profits  | 8     | 192,195                       | 142,993                   |
| Parent entity interest  |       | 506,868                       | 473,787                   |
| Minority interests  |       | 2,959                         | 1,476                     |
| <b>TOTAL EQUITY</b>   |       | <b>509,827</b>                | <b>475,263</b>            |

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Notes | 2006<br>\$'000 | 2005<br>\$'000 |
|---|-------|----------------|----------------|
| Total equity at the beginning of the half year                            |       | 475,263        | 390,433        |
| Cash flow hedges, net of tax  |       | 1,286          | 1,306          |
| Performance rights expense  |       | 2,496          | 1,659          |
| Performance rights issued as deferred consideration                       |       | 693            | -              |
| Exchange differences on translation of foreign operations                 |       | (21,289)       | 10,576         |
| Net income and expenses recognised directly in equity                     |       | (16,814)       | 13,541         |
| Profit after tax  |       | 95,980         | 63,991         |
| Total recognised income and expense for the half year                     |       | 79,166         | 77,532         |
| Transactions with equity holders in their capacity as equity holders:     |       |                |                |
| Dividends paid to the Company's shareholders                              | 4     | (46,114)       | (25,619)       |
|   |       | (46,114)       | (25,619)       |
| Purchase of shares to satisfy performance rights                          |       | (661)          | (7,131)        |
| Tax effect of purchase of shares to satisfy performance rights            |       | 154            | 1,548          |
| Minority interest movement  |       | 14             | (636)          |
| Asset revaluation of existing investment on acquisition                   |       | 2,005          | -              |
|   |       | 1,512          | (6,219)        |
| <b>Total equity at the end of the half year</b>                           |       | <b>509,827</b> | <b>436,127</b> |
| Total recognised income and expense for the half year is attributable to: |       |                |                |
| Members of WorleyParsons Limited  |       | 77,683         | 75,969         |
| Minority interests  |       | 1,483          | 1,563          |
|   |       | 79,166         | 77,532         |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**CONSOLIDATED CASH FLOW STATEMENT**

|   | Notes | 2006<br>\$'000 | 2005<br>\$'000 |
|---|-------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |       |                |                |
| Receipts from customers (inclusive of goods and services tax)             |       | 1,505,411      | 1,028,194      |
| Payments to suppliers and employees (inclusive of goods and services tax) |       | (1,397,221)    | (929,810)      |
|   |       | 108,190        | 98,384         |
| Dividends received  |       | 884            | 2,340          |
| Purchase of shares to satisfy performance rights                          |       | (661)          | (6,201)        |
| Interest received   |       | 3,965          | 2,929          |
| Borrowing costs paid  |       | (7,704)        | (3,811)        |
| Income taxes paid   |       | (31,034)       | (27,948)       |
| <b>Net cash inflow from operating activities</b>                          | 9     | 73,640         | 65,693         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |       |                |                |
| Payments for purchase of equity and other investments                     |       | (13,682)       | -              |
| Cash balances of controlled entities acquired                             | 5     | 791            | 2,149          |
| Return of capital from associates   |       | 625            | 469            |
| Payments for acquisition of controlled entities                           |       | (29,742)       | (23,142)       |
| Payments for purchase of property, plant and equipment                    |       | (12,926)       | (11,291)       |
| Payments for assets under construction                                    |       | (5,162)        | (4,217)        |
| Purchase of intangible assets   |       | (965)          | -              |
| Proceeds from sale of property, plant and equipment                       |       | 1,880          | 173            |
| <b>Net cash outflow from investing activities</b>                         |       | (59,181)       | (35,859)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |       |                |                |
| Repayment of borrowings   |       | (100,901)      | (38,600)       |
| Proceeds from borrowings  |       | 155,242        | 55,145         |
| Lease payments  |       | (860)          | (100)          |
| Loans from related parties repaid   |       | 3,681          | 1,542          |
| Loans to related parties  |       | (4,276)        | (2,882)        |
| Dividends paid to the Company's shareholders                              | 4     | (46,114)       | (25,619)       |
| Dividends paid to minority interests                                      |       | -              | (98)           |
| <b>Net cash inflow/(outflow) from financing activities</b>                |       | 6,772          | (10,612)       |
| <b>Net increase in cash</b>   |       | 21,231         | 19,222         |
| Cash and cash equivalents at the beginning of the half year               |       | 70,283         | 63,976         |
| Effects of exchange rate changes on cash                                  |       | (2,504)        | 1,464          |
| <b>Cash and cash equivalents at the end of the half year</b>              | 9     | 89,010         | 84,662         |

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

## **WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT**

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The interim financial report should be read in conjunction with the Annual Report of WorleyParsons Limited as at 30 June 2006, which was prepared based on Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS").

It is also recommended that the interim financial report be considered together with any public announcements made by WorleyParsons Limited and its controlled entities during the half year ended 31 December 2006 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year.

#### **(A) Basis of accounting**

The interim financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The interim financial report has been prepared on a historical costs basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Amounts have been rounded off to the nearest thousand dollars in accordance with that Class Order.

For the purpose of preparing the interim financial report, the half year has been treated as a discrete reporting period.

#### **(B) Statement of compliance**

In the application of AIFRS, management is required to make judgements, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AIFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable in the relevant notes to the financial statements.

No Australian Accounting Standards issued but not yet effective have been early adopted. It is not considered early adoption of these standards would have a material impact on the results of the Group.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

|   | <b>2006<br/>\$'000</b> | <b>2005<br/>\$'000</b> |
|---|------------------------|------------------------|
| <b>1 EARNINGS PER SHARE</b>   |                        |                        |
| Profit attributable to members of WorleyParsons Limited before amortisation of trade name                     | 95,124                 | 62,405                 |
| <b>Basic earnings per share before amortisation of trade name (cents per share)</b>                           | <b>46.5</b>            | <b>30.5</b>            |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share    | 204,508,309            | 204,508,309            |
| <b>Profit attributable to members of WorleyParsons Limited</b>  | <b>94,511</b>          | <b>61,792</b>          |
| <b>Basic earnings per share (cents per share)</b>   | <b>46.2</b>            | <b>30.2</b>            |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share    | 204,508,309            | 204,508,309            |
| <b>Diluted earnings per share (cents per share)</b>   | <b>45.7</b>            | <b>30.1</b>            |
| Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share* | 206,746,271            | 204,950,598            |

\* Shares expected to be issued to employees as a result of exercise of performance rights are considered dilutive.

**2 INCOME**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| <b>Income</b>               |                  |                  |
| Services                    | 1,430,029        | 1,040,224        |
| Sale of goods               | 8,202            | 1,537            |
|                             | <b>1,438,231</b> | <b>1,041,761</b> |
| <b>Other income</b>         |                  |                  |
| Interest revenue            | 3,965            | 2,929            |
| Gain on sale of investment* | 2,300            | -                |
| Other                       | 1,054            | 1,790            |
|                             | <b>7,319</b>     | <b>4,719</b>     |
| <b>Total income</b>         | <b>1,445,550</b> | <b>1,046,480</b> |

\* On 29 December 2006, WorleyParsons Projects Pty Limited, a wholly owned subsidiary of WorleyParsons Limited, sold its 50% holding of the B class shares in the issued capital of Esperance Power Station Pty Limited and Esperance Pipeline Company Pty Limited ("Esperance"). These shares were sold for \$4.6 million, giving rise to a profit on disposal of \$2.3 million. The Group retains its holding of 50% of the A class shares and the remaining 50% of the B class shares in Esperance. The A class shares hold the voting and current dividend rights. The B class shares have no voting rights and become entitled to dividends after certain profit levels are reached in the future. This transaction will be settled in February 2007.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

|  | <b>2006</b>   | <b>2005</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>3 EXPENSES AND LOSSES</b>   |               |               |
| Profit before income tax expense includes the following specific expenses: |               |               |
| Depreciation of plant and equipment  | 7,595         | 5,467         |
| Amortisation:  |               |               |
| Leasehold improvements   | 1,359         | 2,338         |
| Plant and equipment under finance leases                                   | 148           | 71            |
| Trade name   | 875           | 875           |
| Deferred expenditure   | 163           | 1             |
| Other intangible assets  | 110           | -             |
| Total amortisation   | 2,655         | 3,285         |
| <b>Total depreciation and amortisation expenses</b>                        | <b>10,250</b> | <b>8,752</b>  |

**4 DIVIDENDS**

|   | <b>Parent entity</b> |               |
|---|----------------------|---------------|
|   | <b>2006</b>          | <b>2005</b>   |
|   | <b>\$'000</b>        | <b>\$'000</b> |
| Details of dividends in respect of the half year are as follows:  |                      |               |
| Final ordinary dividend for the year ended 30 June 2005 of 12.5 cents per fully paid ordinary share paid on 30 September 2005 | -                    | 25,619        |
| Final ordinary dividend for the year ended 30 June 2006 of 22.5 cents per fully paid ordinary share paid on 29 September 2006 | 46,114               | -             |
| <b>Total dividends paid</b>   | <b>46,114</b>        | <b>25,619</b> |

All dividends paid and declared for payment to 31 December 2006 are partly franked.

Since the end of the half year, the Directors have declared a partly franked interim dividend of 28.0 cents per fully paid ordinary share (2005: 18.5 cents). The aggregate amount of the proposed interim dividend of \$57.4 million (2005: \$37.9 million) is not recognised as a liability as at 31 December 2006.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**5 CHANGES IN THE COMPOSITION OF THE GROUP**

**(a) Investment in controlled entity**

On 16 October 2006, WorleyParsons Engineering Pty Limited, a wholly owned subsidiary of WorleyParsons Limited, acquired the remaining 50% interest in Burns & Roe Worley Pty Limited ("BRW") for a total consideration of \$14.25 million and gained effective control at that date. From the date of acquisition to 31 December 2006, BRW made a loss of \$0.4 million.

If this business combination had taken place at 1 July 2006, the profit after tax for the Group would have been \$2.5 million lower than reported and the revenue from continuing operations would have been \$21 million higher than reported.

The fair value of identifiable net assets acquired determined on a provisional basis is as follows:

|   | <b>BRW acquisition<br/>\$'000</b> |
|---|-----------------------------------|
| <b>ASSETS</b>   |                                   |
| Cash and cash equivalents                                     | 791                               |
| Trade and other receivables                                   | 9,844                             |
| Inventories   | 10,744                            |
| Prepayments   | 90                                |
| Income tax receivable   | 3,509                             |
| Other financial assets <sup>1</sup>                           | 10,190                            |
| Property, plant and equipment                                 | 672                               |
| <b>TOTAL ASSETS</b>   | <b>35,840</b>                     |
| <b>LIABILITIES</b>  |                                   |
| Trade and other payables                                      | 21,977                            |
| Provisions  | 6,283                             |
| <b>TOTAL LIABILITIES</b>                                      | <b>28,260</b>                     |
| <b>NET ASSETS</b>   |                                   |
| Existing investment accounted for using the equity method     | 7,580                             |
| Asset revaluation of existing investment on acquisition       | (1,079)                           |
| Adjustment to other equity accounted investments <sup>2</sup> | (2,005)                           |
| Adjustment to minority interests <sup>3</sup>                 | 244                               |
| Goodwill and other intangibles arising on acquisition         | (6)                               |
| <b>Total consideration paid</b>                               | <b>9,516</b>                      |
| <b>Consideration:</b>   |                                   |
| Cash consideration  | 14,250                            |
| <b>Total consideration paid</b>                               | <b>14,250</b>                     |
| <b>Net cash effect:</b>                                       |                                   |
| Cash consideration (including costs) paid                     | 14,250                            |
| Cash included in net assets acquired                          | (791)                             |
| <b>Net cash outflow</b>                                       | <b>13,459</b>                     |

<sup>1</sup> Other financial assets includes a fair value adjustment to the carrying value of investments of \$5,728,000 and deferred tax liability of \$859,000. The carrying value of net assets of the BRW Group at acquisition was \$2,711,000.

<sup>2</sup> The acquisition resulted in an increase to WorleyParsons' shareholding of equity accounted investments in Esperance Power Station Pty Limited and Esperance Pipeline Company Pty Limited.

<sup>3</sup> The acquisition resulted in the removal of a minority interest in WorleyParsons' shareholding of WorleyParsons Asset Management Pty Limited (formerly BRW Power Generation Pty Limited).

Goodwill represents future benefits and other intangibles that cannot be recognised separately.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
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**(b) Purchase of business assets**

On 1 July 2006, WorleyParsons Infrastructure Holdings Pty Limited, a wholly owned subsidiary of WorleyParsons Limited acquired the trade and assets of TMG International Holdings Pty Limited ("TMG") for \$3.6 million. TMG is an Australian based company that provides specialist consulting and technological solutions to the rail and associated industries. TMG had estimated revenue of \$5.5 million for the year ended 30 June 2006 and employs around 35 staff. Goodwill acquired was \$2.1 million.

**(c) Investments in associates**

Effective 22 November 2006 WorleyParsons Limitada, a wholly owned Chilean subsidiary of WorleyParsons Limited, acquired 50% of Arze Recine y Asociados Ingenieros Consultores S.A. (since renamed ARA WorleyParsons S.A.) for a total consideration of \$13.3 million. ARA WorleyParsons SA will support the development of the Minerals & Metals business in Chile and other countries in South America and provide additional resources to support the existing WorleyParsons Minerals & Metals business. ARA WorleyParsons SA has around 450 employees. At 31 December 2006, the investment is recorded at its carrying value as there is no material movement in profit since acquisition.

**(d) Deferred consideration**

During the half year ended 31 December 2006, cash payments in respect of deferred consideration for acquisitions completed in earlier financial periods totalled \$12.0 million. The total adjustment to goodwill, as a result of finalising these payments, was an increase of \$820,000.

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|   | <b>2006</b>   | <b>2005</b>    |
|---|---------------|----------------|
|   | <b>\$'000</b> | <b>\$'000</b>  |
| <b>6 INCOME TAX</b>   |               |                |
| <b>(a) Income tax expense</b>   |               |                |
| Current tax   | 27,264        | 34,513         |
| Deferred tax  | 3,414         | (6,183)        |
| Under/(over) provision in previous financial periods                                    | 768           | (588)          |
| <b>Income tax expense</b>   | <b>31,446</b> | <b>27,742</b>  |
| Income tax expense is attributable to:  |               |                |
| Profit before income tax expense  | 31,446        | 27,742         |
| <b>Income tax expense</b>   | <b>31,446</b> | <b>27,742</b>  |
| Deferred income tax (revenue)/expense included in income tax expense comprises:         |               |                |
| Increase in deferred tax assets   | (1,005)       | (11,551)       |
| Increase in deferred tax liabilities  | 4,419         | 5,368          |
| <b>Deferred tax</b>   | <b>3,414</b>  | <b>(6,183)</b> |
| <b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>    |               |                |
| Profit before income tax expense  | 127,426       | 91,733         |
| At the Group's statutory income tax rate of 30% (2005: 30%)                             | 38,228        | 27,520         |
| Tax effect of amounts which are not (taxable)/deductible in calculating taxable income: |               |                |
| Share of net profits of associates  | (2,373)       | (2,881)        |
| Legal and professional fees non-deductible  | 270           | 36             |
| Non-deductible loss on disposal/impairment  | -             | 1,556          |
| Non-deductible performance rights   | 1,168         | -              |
| US machinery rebate   | (227)         | (387)          |
| Research and development concession   | (3,150)       | (1,898)        |
| Other   | 1,142         | 1,134          |
|   | 35,058        | 25,080         |
| Tax clearance received for items previously not treated as deductible                   | -             | (1,172)        |
| Benefits from UK research and development concession not previously recognised          | (5,898)       | -              |
| Benefits from capital losses not previously recognised                                  | (690)         | -              |
| Under/(over) provision in previous financial periods                                    | 768           | (588)          |
| Difference in overseas tax rates*   | 2,208         | 4,422          |
| <b>Income tax expense</b>   | <b>31,446</b> | <b>27,742</b>  |

\* Represents income tax expense for foreign tax rate differential, international withholding taxes and foreign tax losses unable to be utilised within the Group.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

|   | <b>2006</b>        | <b>2005</b>    |
|---|--------------------|----------------|
|   | <b>\$'000</b>      | <b>\$'000</b>  |
| <b>(c) Amounts recognised directly in equity</b>  |                    |                |
| Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity: |                    |                |
| Current tax – credited directly to equity   | 154                | 1,548          |
| Deferred tax – credited directly to equity  | 1,441              | -              |
|   | <b>1,595</b>       | <b>1,548</b>   |
| <b>(d) Tax losses</b>   |                    |                |
| Unused tax losses for which no deferred tax asset has been recognised   | 22,516             | 5,577          |
| Potential tax benefit at 30%  | 6,755              | 1,673          |
| <b>(e) Unrecognised temporary differences</b>   |                    |                |
| Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:                              |                    |                |
| Undistributed earnings  | -                  | 2,613          |
| Unrecognised deferred tax liabilities relating to the above temporary differences at 30%  | -                  | 784            |
|   | <b>31 December</b> | <b>30 June</b> |
|   | <b>2006</b>        | <b>2006</b>    |
|   | <b>\$'000</b>      | <b>\$'000</b>  |

**7 ISSUED CAPITAL**

|  |                             |                |         |
|--|-----------------------------|----------------|---------|
| Ordinary shares, fully paid                      |                             | 326,596        | 327,103 |
|  | <b>Number of<br/>shares</b> | <b>\$'000</b>  |         |
| Balance at 1 July 2006                           | 204,950,598                 | 327,103        |         |
| Purchase of shares to satisfy performance rights | -                           | (661)          |         |
| Tax effect on purchase of shares                 | -                           | 154            |         |
|  | <b>204,950,598</b>          | <b>326,596</b> |         |

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

|  | <b>31 December<br/>2006<br/>S'000</b> | <b>30 June<br/>2006<br/>S'000</b> |
|--|---------------------------------------|-----------------------------------|
| <b>8 RESERVES AND RETAINED PROFITS</b> |                                       |                                   |
| Foreign currency translation reserve   | (23,992)                              | (2,703)                           |
| Hedge reserve                          | 1,858                                 | 572                               |
| Performance rights reserve             | 9,011                                 | 5,822                             |
| Asset revaluation reserve              | 1,200                                 | -                                 |
| Reserves                               | (11,923)                              | 3,691                             |
| Retained profits                       | 192,195                               | 142,993                           |
|  | <b>180,272</b>                        | <b>146,684</b>                    |

**(a) Foreign currency translation reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

|  |          |
|--|----------|
| Balance at 1 July 2006   | (2,703)  |
| Loss on translation of foreign controlled entities and associates* | (21,289) |
| Balance at 31 December 2006  | (23,992) |

\*Largely due to an appreciation of the Australian dollar against the US Dollar in the half year, there has been a negative unrealised foreign exchange impact on translation of US dollar assets to Australian dollars.

**(b) Hedge reserve**

The hedge reserve is used to record gains or losses on hedging instruments in the cash flow hedges that are recognised directly in equity. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

|  |       |
|--|-------|
| Balance at 1 July 2006                                 | 572   |
| Gain on foreign exchange hedges, net of tax            | 913   |
| Gain on interest rate hedges, net of tax               | 168   |
| Share of interest rate hedges recognised in associates | 205   |
| Balance at 31 December 2006                            | 1,858 |

**(c) Performance rights reserve**

The performance rights reserve is used to recognise the fair value of performance rights issued but not satisfied.

|   |       |
|---|-------|
| Balance at 1 July 2006                              | 5,822 |
| Performance rights expense                          | 2,496 |
| Performance rights issued as deferred consideration | 693   |
| Balance at 31 December 2006                         | 9,011 |

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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**31 December  
2006  
\$'000**

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**(d) Asset Revaluation Reserve**

|   |              |
|---|--------------|
| Balance at 1 July 2006                                  | -            |
| Asset revaluation of existing investment on acquisition | 2,005        |
| Transfer to retained earnings on disposal of investment | (805)        |
| <b>Balance at 31 December 2006</b>                      | <b>1,200</b> |

**(e) Retained profits**

|   |                |
|---|----------------|
| Balance at 1 July 2006                                  | 142,993        |
| Dividends paid  | (46,114)       |
| Transfer from Asset Revaluation Reserve                 | 805            |
| Profit attributable to members of WorleyParsons Limited | 94,511         |
| <b>Balance at 31 December 2006</b>                      | <b>192,195</b> |

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

|   | <b>2006</b>   | <b>2005</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>9 NOTES TO THE CASH FLOW STATEMENT</b>   |               |               |
| <b>(a) Cash and cash equivalents</b>  | 98,363        | 89,931        |
| The above figures are reconciled to cash at the end of the financial period as shown in the cash flow statement as follows: |               |               |
| Cash and cash equivalents   | 98,363        | 89,931        |
| Less: bank overdraft  | (9,353)       | (5,269)       |
| <b>Balance per cash flow statement</b>  | <b>89,010</b> | <b>84,662</b> |
| <b>(b) Reconciliation of profit after tax to net cash inflow from operating activities</b>                                  |               |               |
| Profit after tax  | 95,980        | 63,991        |
| <b>Non-cash items</b>   |               |               |
| Depreciation of non-current assets  | 7,595         | 5,467         |
| Amortisation of non-current assets  | 2,492         | 3,285         |
| Performance rights expense  | 3,321         | 2,436         |
| Amortisation of capitalised borrowing costs   | 163           | 281           |
| Loss on write down of investments   | -             | 1,039         |
| Provision for losses in controlled entities   | -             | 1,170         |
| Provision for loans to associates written back  | (2,146)       | -             |
| Share of net profits of associates accounted for using the equity method  | (7,909)       | (9,604)       |
| Dividends received from associates  | 884           | 2,340         |
| Net loss on disposal of property, plant and equipment   | (601)         | (29)          |
| Gain on sale of investment  | (2,300)       | -             |
| Finance charges on capitalised leases   | 36            | 23            |
| <b>Cash flow adjusted for non-cash items</b>  | <b>97,515</b> | <b>70,399</b> |
| <b>Changes in assets and liabilities adjusted for effects of purchase of controlled entities during the half year</b>       |               |               |
| Increase in trade and other receivables   | (17,593)      | (34,420)      |
| Increase in inventories   | (11,511)      | (12,514)      |
| Increase in prepayments   | (7,505)       | (7,187)       |
| Decrease/(increase) in deferred tax assets  | 1,981         | (11,551)      |
| Increase in other non-current assets  | -             | (173)         |
| Increase/(decrease) in trade and other payables   | 13,272        | (11,263)      |
| (Decrease)/increase in provision for income tax   | (5,334)       | 2,442         |
| Increase in other provisions  | 2,713         | 66,338        |
| Increase in deferred tax liabilities  | 3,765         | 8,902         |
| Decrease in issued capital  | (661)         | (6,201)       |
| Effect of exchange rates  | (3,002)       | 921           |
| <b>Net cash inflow from operating activities</b>  | <b>73,640</b> | <b>65,693</b> |

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**10 SEGMENT INFORMATION**

| Half year ended<br>31 December 2006              | Hydrocarbons     | Power          | Minerals<br>& Metals | Infrastructure | Eliminations   | Consolidated     |
|--|------------------|----------------|----------------------|----------------|----------------|------------------|
|  | \$'000           | \$'000         | \$'000               | \$'000         | \$'000         | \$'000           |
| <b>PRIMARY REPORTING –<br/>BUSINESS SEGMENTS</b> |                  |                |                      |                |                |                  |
| Sales to external customers                      | 778,822          | 169,054        | 107,433              | 98,431         | -              | 1,153,740        |
| Procurement services revenue                     | 210,704          | 58,595         | 9,699                | 5,493          | -              | 284,491          |
| Inter-segment sales                              | 2,988            | -              | -                    | 3,424          | (6,412)        | -                |
| <b>Total sales revenue</b>                       | <b>992,514</b>   | <b>227,649</b> | <b>117,132</b>       | <b>107,348</b> | <b>(6,412)</b> | <b>1,438,231</b> |
| Other income                                     | 4,331            | 2,331          | -                    | 657            | -              | 7,319            |
| <b>Total segment revenue</b>                     | <b>996,845</b>   | <b>229,980</b> | <b>117,132</b>       | <b>108,005</b> | <b>(6,412)</b> | <b>1,445,550</b> |
| Segment result                                   | 95,444           | 20,512         | 18,130               | 11,047         | -              | 145,133          |
| Share of net profits of<br>associates            | 7,615            | (892)          | 1,354                | (168)          | -              | 7,909            |
| Amortisation expense                             |                  |                |                      |                |                | (875)            |
| Unallocated corporate<br>expenses                |                  |                |                      |                |                | (24,741)         |
| Profit before income tax<br>expense              |                  |                |                      |                |                | 127,426          |
| Income tax expense                               |                  |                |                      |                |                | (31,446)         |
| <b>Profit after tax</b>                          |                  |                |                      |                |                | <b>95,980</b>    |
| Total segment revenue                            | 996,845          | 229,980        | 117,132              | 108,005        | (6,412)        | 1,445,550        |
| Share of associates' revenue                     | 306,198          | 16,726         | 20,946               | 12,918         | -              | 356,788          |
| Procurement services revenue<br>- controlled     | (109,307)        | (58,595)       | (8,824)              | (5,099)        | -              | (181,825)        |
| Procurement services revenue<br>- associates     | (160,697)        | -              | -                    | -              | -              | (160,697)        |
| <b>Aggregated revenue</b>                        | <b>1,033,039</b> | <b>188,111</b> | <b>129,254</b>       | <b>115,824</b> | <b>(6,412)</b> | <b>1,459,816</b> |

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

| Half year ended<br>31 December 2005              | Hydrocarbons   | Power          | Minerals<br>& Metals | Infrastructure | Eliminations   | Consolidated     |
|--|----------------|----------------|----------------------|----------------|----------------|------------------|
|  | \$'000         | \$'000         | \$'000               | \$'000         | \$'000         | \$'000           |
| <b>PRIMARY REPORTING –<br/>BUSINESS SEGMENTS</b> |                |                |                      |                |                |                  |
| Sales to external customers                      | 620,329        | 146,937        | 112,867              | 27,207         | -              | 907,340          |
| Procurement services revenue                     | 81,351         | 45,827         | 975                  | 6,268          | -              | 134,421          |
| Inter-segment sales                              | 637            | -              | -                    | 955            | (1,592)        | -                |
| <b>Total sales revenue</b>                       | <b>702,317</b> | <b>192,764</b> | <b>113,842</b>       | <b>34,430</b>  | <b>(1,592)</b> | <b>1,041,761</b> |
| Other income                                     | 4,719          | -              | -                    | -              | -              | 4,719            |
| <b>Total segment revenue</b>                     | <b>707,036</b> | <b>192,764</b> | <b>113,842</b>       | <b>34,430</b>  | <b>(1,592)</b> | <b>1,046,480</b> |
| Segment result                                   | 66,853         | 21,241         | 11,290               | 3,020          | -              | 102,404          |
| Share of net profits of associates               | 8,453          | 954            | -                    | 197            | -              | 9,604            |
| Amortisation expense                             |                |                |                      |                |                | (875)            |
| Unallocated corporate expenses                   |                |                |                      |                |                | (19,400)         |
| Profit before income tax<br>expense              |                |                |                      |                |                | 91,733           |
| Income tax expense                               |                |                |                      |                |                | (27,742)         |
| <b>Profit after tax</b>                          |                |                |                      |                |                | <b>63,991</b>    |
| Total segment revenue                            | 707,036        | 192,764        | 113,842              | 34,430         | (1,592)        | 1,046,480        |
| Share of associates' revenue                     | 464,246        | 29,190         | -                    | 4,314          | -              | 497,750          |
| Procurement services revenue<br>- controlled     | (81,351)       | (45,827)       | (975)                | (6,268)        | -              | (134,421)        |
| Procurement services revenue<br>- associates     | (272,026)      | -              | -                    | -              | -              | (272,026)        |
| <b>Aggregated revenue</b>                        | <b>817,905</b> | <b>176,127</b> | <b>112,867</b>       | <b>32,476</b>  | <b>(1,592)</b> | <b>1,137,783</b> |

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

|   | 31 December<br>2006<br>\$'000 | 30 June<br>2006<br>\$'000 |
|---|-------------------------------|---------------------------|
| <b>11 CONTINGENT LIABILITIES</b>  |                               |                           |
| <b>(a) Guarantees</b>   |                               |                           |
| <p>The Group is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance-related obligations. These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations.</p> |                               |                           |
| Bank guarantees outstanding at balance date in respect of financing facilities  | 316                           | 1,600                     |
| Bank guarantees outstanding at balance date in respect of contractual performance   | 105,129                       | 99,688                    |
|   | 105,445                       | 101,288                   |

**(b) Claims**

The Group is subject to various actual and pending claims arising in the normal course of business. The Directors are of the view that the Group is adequately provided in respect of these claims.

**(c) Asbestos**

In 2004, Worley acquired Parsons E&C. Parsons E&C was previously part of the Parsons Corporation group. Certain members of the Parsons E&C group and the Parsons Corporation group have been, and continue to be, the subject of litigation relating to the handling of, or exposure to, asbestos. Based on its due diligence investigations during the acquisition of Parsons E&C, 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, WorleyParsons is not aware of any circumstance that is likely to lead to a material residual contingent exposure for WorleyParsons in respect of asbestos liabilities

**12 SUBSEQUENT EVENTS**

On 25 January 2007, WorleyParsons Group Inc, a wholly owned subsidiary of WorleyParsons Limited acquired 100% of Sea Engineering Inc. ("Sea") for approximately US\$25 million. Sea is a Houston based engineering company operating in hydrocarbons/upstream/offshore/deepwater market sector. Sea provides complete engineering services including concept evaluation and selection; front-end engineering; detailed design; installation support; operational and maintenance planning and support; and removal and relocation planning of floating systems of all types. Sea provides its services worldwide including in the Gulf of Mexico, Southeast Asia and the Pacific Rim, and West Africa.

Sea's current staffing is 150 employees. Revenue for the 2006 calendar year was approximately US\$26.5 million. Detailed purchase price allocation is in progress and was not completed at the date of this report.

On 8 February 2007, WorleyParsons announced it had agreed to acquire the Colt Companies ("Colt"), a Canadian engineering and project services partnership, for C\$1,035 million (AUD1,133 million). Colt is a leading provider of project services to the hydrocarbons industry in Canada and Alaska.

The acquisition of Colt represents an exciting opportunity for WorleyParsons. The acquisition will place WorleyParsons in a leading position in the Canadian hydrocarbons market and materially enhance WorleyParsons heavy oil, oil sands and cold weather technical capabilities. The combined group will employ approximately 20,000 people across 97 offices in 30 countries, including approximately 5,800 people in Canada. The expanded operational base of the Group is expected to create opportunities for extending existing relationships and creating new ones and will enhance our ability to win and execute major projects in Canada and Alaska.

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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**DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of WorleyParsons Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity:
  - (i) give a true and fair view of the financial position as at 31 December 2006 and the performance for the half year ended on that date; and
  - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Ron McNeilly  
Chairman

Sydney, 8 February 2007

## **To the members of WorleyParsons Limited - Report on the Half Year Financial Report**

We have reviewed the accompanying half year financial report of WorleyParsons Limited and the entities it controlled during the period, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Half Year Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of WorleyParsons Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

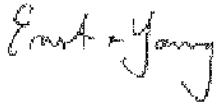
### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. In addition to our review of the financial report, we were engaged to undertake other non-audit services. The provision of these services has not impaired our independence.

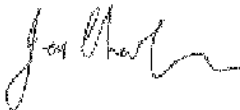
**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of WorleyParsons Limited and the entities it controlled during the period, is not in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Jeff Chamberlain  
Partner  
Sydney

8 February 2007

**WORLEYPARSONS LIMITED INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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**CORPORATE INFORMATION**

**DIRECTORS**

Ron McNeilly (Chairman)  
Grahame Campbell  
Erich Fraunschiel  
John Green  
John Grill (Chief Executive Officer)  
Eric Gwee  
William Hall  
David Housego

**COMPANY SECRETARY**

Sharon Sills

**REGISTERED OFFICE**

Level 7  
116 Miller Street  
North Sydney NSW 2060

**AUDITORS**

Ernst & Young

**BANKERS**

HSBC  
The Royal Bank of Scotland  
Westpac Banking Corporation  
JPMorgan Chase

**LAWYERS**

Freehills  
Baker & McKenzie

**SHARE REGISTRY**

Computershare Investor Services Pty Limited  
Level 3  
60 Carrington Street  
Sydney NSW 2000  
Australia  
Ph: 1300 855 080