



WorleyParsons
resources & energy

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ASX Announcement

WORLEYPARSONS LIMITED (ASX: WOR)

**2007 EXTRAORDINARY GENERAL MEETING
CHAIRMAN'S ADDRESS**

Good afternoon, ladies and gentlemen. My name is Ron McNeilly and I am the Chairman of WorleyParsons Limited.

On behalf of the board I would like to welcome you to this Extraordinary General Meeting.

I am pleased to welcome Larry Benke, President of Colt, who joins us here today for the first time, as part of the WorleyParsons Group – where he heads up our expanded Canadian operations. Larry has also been appointed as an alternate director for Bill Hall. Welcome Larry – we are delighted to have you here.

As you will be aware, in early February we announced the acquisition of the Colt Companies for A\$1,133 million. The acquisition was funded by a combination of a pro rata renounceable Institutional Entitlement Offer and Retail Entitlement Offer, the issue of Exchangeable Shares to the vendors, and new debt facilities.

You will recall that the Colt vendors received exchangeable shares as part of the consideration for the acquisition of The Colt Companies. The issue of exchangeable shares was seen as an important feature of the acquisition, serving to align the interests of our Canadian employees with those of WorleyParsons shareholders and providing an important retention mechanism for key employees of Colt.

The intended effect of the Special Voting Share in addition to the exchangeable shares is to replicate the economic effect of issuing ordinary shares in WorleyParsons.

On 13 February we announced that the Institutional Entitlement Offer of 16.4 million new shares, had been successfully completed, raising \$345 million. It was particularly pleasing that a large proportion of institutional shareholders took up their entitlements.

We subsequently successfully completed the Retail Entitlement Offer, raising a further \$135 million through the issue of 6.4 million new shares.

The acquisition of Colt was completed on 10 March 2007.

Before I move on to the purpose of today's meeting I would like to take a few minutes to recap the rationale for this acquisition, and the benefits we believe it will deliver for the Group as a whole.

A number of factors make this acquisition a compelling one for WorleyParsons. The combination of Colt's business with WorleyParsons' substantial existing Canadian operations, creates a group capable of capitalising on the significant untapped demand in the Canadian market.

Bringing these two companies together gives us a leading position in one of the world's largest and fastest growing hydrocarbons markets.

In addition, WorleyParsons has extended its position as a Tier One service provider to the global hydrocarbons industry and the group's heavy oil, oil sands and cold weather technical capabilities have been significantly enhanced.

From Colt's perspective the merger brings the support of WorleyParsons' global resources and systems. A priority for the integration is to get a common systems platform that will enable work share to start. This will significantly enhance our ability to fulfil the demand that exists in the Canadian market as well as accelerating its own growth strategy.

I have referred a number of times this afternoon to the significance of the Canadian market. The drivers of this market are exceptionally strong:

- Canada has the world's second largest volume of oil reserves at 179 billion barrels, of which 98% are within the oil sands.
- Capital expenditure in the Canadian oil sands sector alone is forecast to exceed C\$125 billion over the next decade if announced projects proceed.
- Canada is currently the largest supplier of crude oil and petroleum products to the United States.
- It is forecast to grow from its current position - the eighth largest producer of crude oil globally - to become the fourth largest by 2015.

Following the completion of the acquisition, WorleyParsons group now deploys more than 20,000 people across 97 offices in 30 countries, including over 5,000 people in Canada. The expanded operational base of the group is already creating opportunities for our people to extend existing client relationships, and build new ones.

Colt's experience, culture and the way it has evolved as a business are remarkably similar to our own development in Australia. Colt was founded in 1973, and has since become a leading provider of project services to the Canadian energy and resource industries with a focus on the hydrocarbons industry. Colt is now a multi-disciplinary design and project services business with impressive upstream and downstream hydrocarbons capabilities particularly in the growing oil sands sector and has become one of the largest providers of these services in Canada.

Colt has been a leader in utilising alliance contracting in Canada which has provided a strong base on which to grow its project capability. Given our combined alliancing capabilities, we believe there will be opportunities to further broaden the application of alliancing in this market.

Although we were attracted by Colt's experienced management team as well as its track record of profitable growth, ultimately it was the cultural fit between the two companies that was the determining factor in the acquisition.

It is our belief that Colt represents an excellent fit with WorleyParsons, with a high degree of shared values, including a focus on long-term relationships, technical excellence, retention and development of people, cost-reimbursable contracting and health, safety and environmental performance.

We are delighted that Larry Benke and his management team have agreed to join WorleyParsons at this exciting time. Importantly, they are committed to working with us for at least the next three years.

Now the Group must turn its attention to the integration of the two businesses. An integration team has been established, comprising executives from both companies, and I am pleased to report that this is progressing well. And while each situation is unique, and there will be many months of hard work ahead,

we can draw on expertise from within the Group gained in similar situations, most recently during the successful integration of Parsons E&C.

Our CEO John Grill and Larry Benke have recently visited Colt's offices in Canada and Alaska to meet with people at all levels of the organisation. I can report that the response to their visit, from both staff and clients, was very positive. We have received similar acceptance from the market.

The Board is pleased with how smoothly this acquisition was accomplished, and would like to thank all those involved in making it so. We move forward with optimism, confident of the benefits the Combined Group has the potential to deliver while being completely realistic about the amount of work ahead of us.

I would also like to thank all our shareholders for their continued confidence in us. The interest shown by the market in our recent capital raising is particularly pleasing.

At this time I am also able to confirm the guidance that we gave the market at the release of the financial results for the half year ended 31 December 2006: that, we expect the markets for WorleyParsons' services will continue to be strong. Our key markets and sectors 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.

The company continues to evaluate opportunities for new business growth that will add to our existing capabilities and provide value for our shareholders.

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