



WorleyParsons

resources & energy

Macquarie Securities Australian Conference 2007

John Grill – Managing Director / Chief Executive Officer



when experience counts



- Background
- Half-year results
- Colt update
- Strategy update
- Outlook

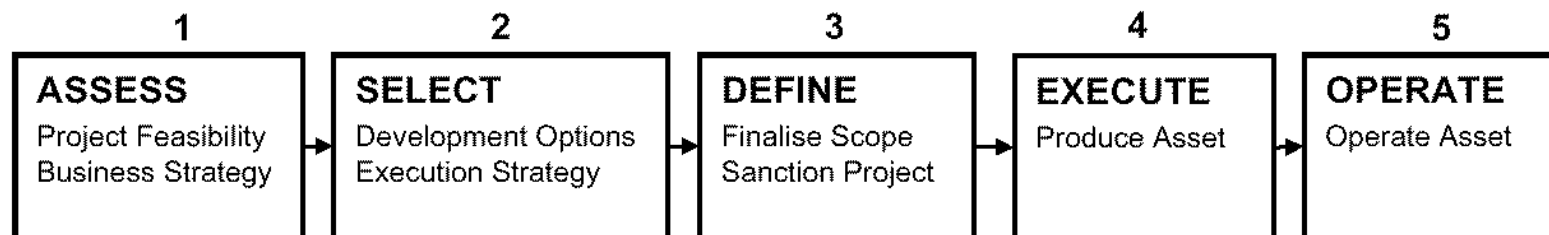


Leading professional services provider to the Energy, Resource and Complex Process Industries

Organised into 4 Customer Sector Groups:

Hydrocarbons | Power | Minerals & Metals | Infrastructure

Across all phases of projects



US \$245 million Acquisition of Parsons E&C Corporation
Effective October 2004

AUD ~\$1.13 billion Acquisition of Colt Companies Entitlement offer
March 2007



- Half year net profit of \$94.5 million up 53.0% on the first half FY06
- Half year net profit up 22.3% on the second half of FY06
- EBIT growth of 23.1% to \$131.2 million on the previous half
- International operations contribute approx 70%; 80% post Colt
- Basic EPS up 53.0% to 46.2 cps
- EBIT and net margin expansion
- Interim dividend up 51.4% to 28.0 cps (2005: 18.5 cps)



- Acquisition of 100% of Sea Engineering Inc
- Awarded EPCM contract for Mobil Producing Nigeria
- Awarded Project Management Services contract by Sipchem
- Awarded 2nd Phase of Belene Project
- Award of Umm Shaif engineering services contract
- Baytown services contract award
- Formation of Chilean joint venture ARA WorleyParsons S.A
- Acquisition of remaining 50% of Burns & Roe Worley
- Formation of Indian joint venture WorleyParsons Kirpalaney Pvt Limited

Notes:

1. Since 2006 full year results



- Completion 12 March 2007. Earnings to accrue from that date.
- The integration process is a **proven WorleyParsons process** utilised to
 - ensure that our Canadian businesses continue to safely deliver to our clients and to budget and
 - to determine a recommended pathway for each element of the combined business to achieve our vision.
- Comprehensive integration plan underway:
 - 5 days communications
 - 5 weeks planning
 - 5 months implementation
- Leadership and workstream teams in place.

CORE LEADERSHIP TEAM Wood – Barnes – Gottsche – Campbell			
Project Manager Brentley Andrews		Advisor John Butler	
SERVICES G. Gottsche	Finance / Corp A. Wood	Operations G. Barnes	Development N. Campbell
1 HUMAN RESOURCES Cal Barks Mary Tehan	4 FINANCE (Incl. TAX) David Richardson Briae Janzen	7 MANAGEMENT SYSTEMS Allan Dolynny Graham Pusler	10 BUSINESS DEVELOPMENT Mike King Paul Hutzlaga
2 COMMUNICATIONS Phil Toohy Russ Grant	5 EXECUTIVES MANAGEMENT Larry Benke John Grill	8 HSE Darcy Trufys Murray Evenson Sterling Rideout	11 STRATEGIC PROCESS Harry Sauer Gabe Czegledy
3 ICT Vito Forte Greg Urton	6 CORPORATE GOVERNANCE/ RISK Pat Tuckey Frank Morison	9 CORPORATE OPERATIONS Neil Gornall Randy Karren	12 STEP-OUT STRATEGIES Gord Johnson Paul Hutzlaga 6



- **Priorities**
 - Key management systems decisions
 - Roll out of delegations (complete)
 - Roll out of risk framework
 - Building awareness of non hydrocarbons opportunities
 - Capturing synergies
 - Integration of financial reporting (full consolidated monthly reporting in place)
 - Cultural awareness.
- Integration actions and recommendation for future developments to be complete during May and June
- Forecast basis in offer document intact.



- First synergy win!
Total awards Jocelyn Creek SAGD to combined Colt & Komex team
- Additional early synergies are being identified in the Minerals and Metals sector with:
 - Colt Ontario supporting HGE in pursuit of significant projects
 - HGE supporting oilsands with materials handling skills
- The CCRL Refinery Revamp project team, Colt Toronto, has identified immediate benefits in adopting our project management system for this recently awarded, significant project
- Colt's construction management skills and tools of value globally.



20,400 project services personnel | 97 offices | 30 countries



*Foxes pursue many ends at the same time and see the world in all its complexity. They are “scattered or diffused, moving on many levels”.
Hedgehogs understand that the essence of profound insight is simplicity. Hedgehogs see what is essential, and ignore the rest.*



Source:
Good To Great
By: Jim Collins



- Committed, empowered and technically capable people
- Industry leadership in Health, Safety and Environment
- Outstanding operational and corporate performance
- Focus on long term contracts
- Success in project delivery - large and small
- Strengthen geographic presence

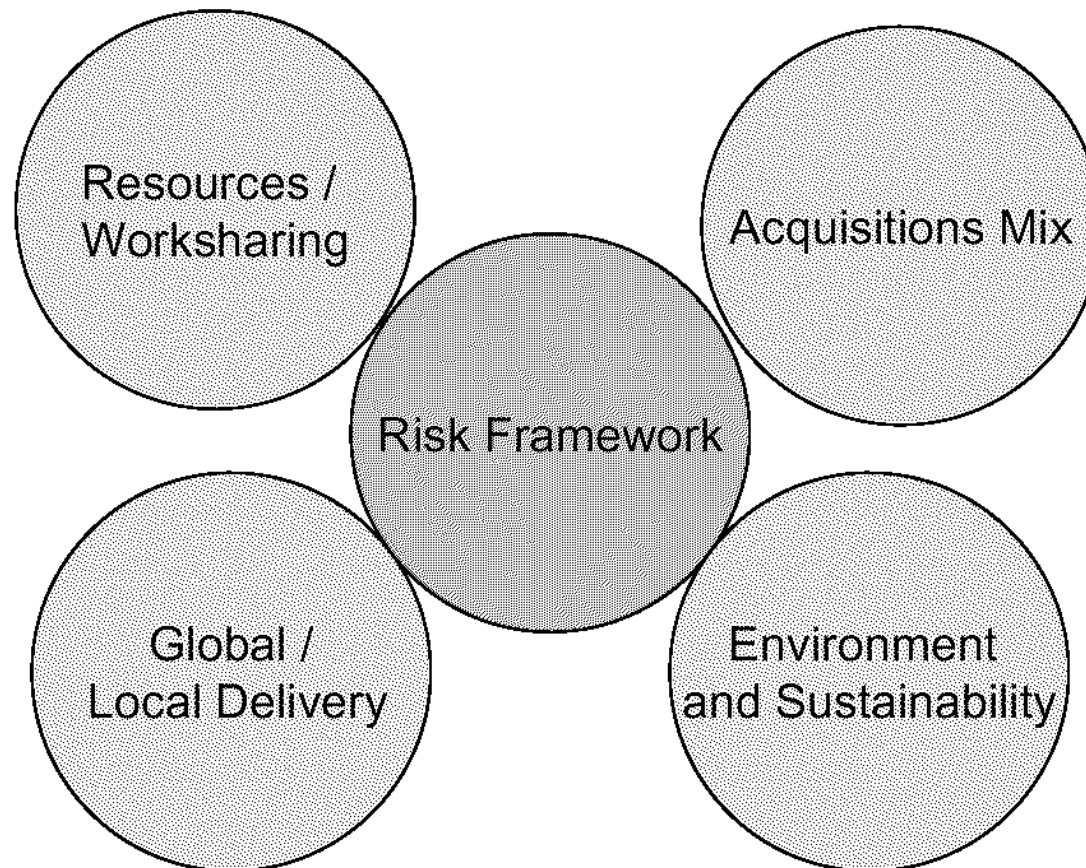


- Recently developed 5 year HSE strategy. A key part of that strategy is a new behaviour based HSE framework.
- This will comprise what is required to achieve Zero expectations for what our processes and procedures are to deliver behavioural expectations of staff.
- This strategic initiative that will be worked on over a number of years starting with some key deliverables in the first twelve months.



Markets we service remain strong

Number of key elements of the differentiators are being emphasised in 2007/2008 strategy plan:





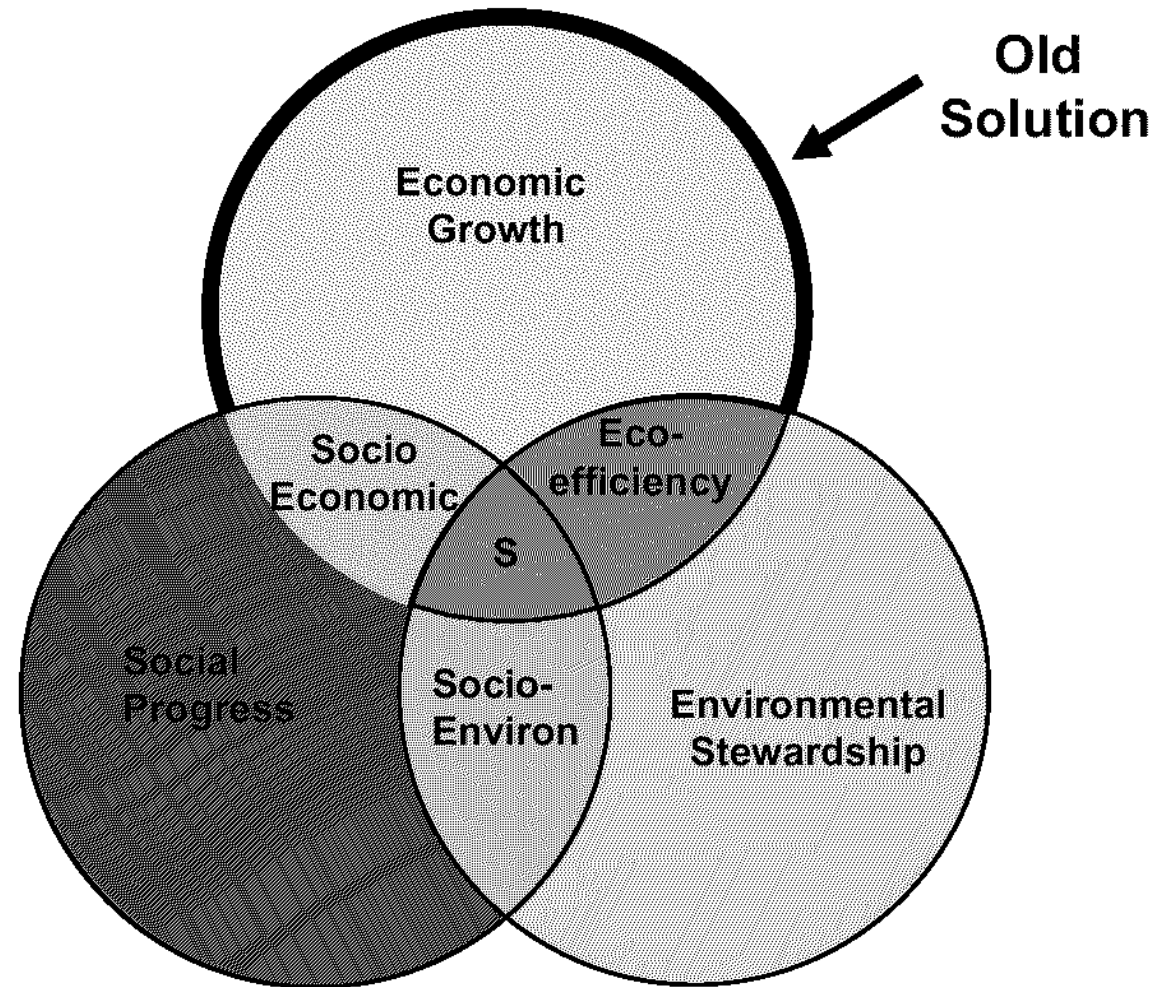
A service that fully embeds environmental, social and economic sustainability into all aspects of project delivery, across the asset life-cycle.

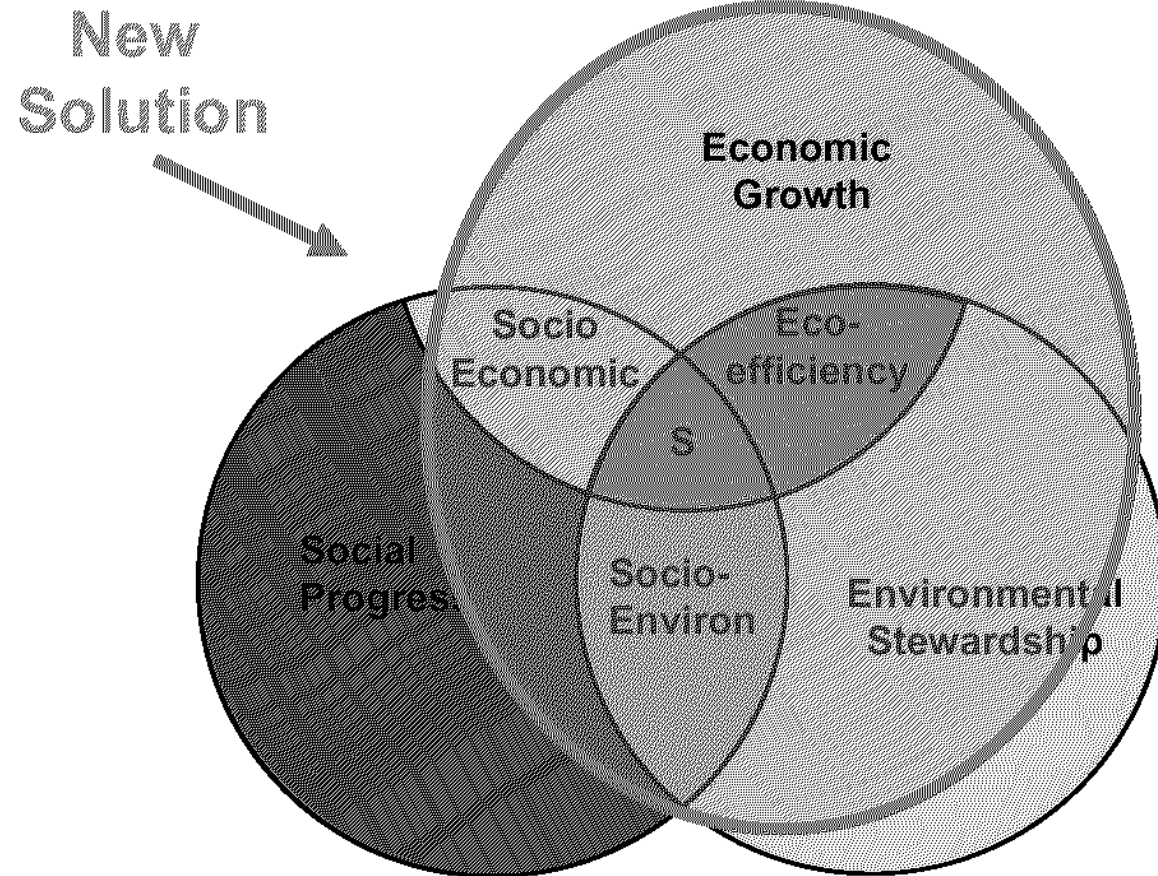


- **World is changing**
 - Inexorably rising population
 - Huge stress on natural world
 - Massive resource demands
 - Species extinctions
 - Changing climate
 - Significant global risks for humanity
- **To meet challenge:**
 - Build in business resilience
 - Facility modification
 - Increase efficiency
 - Reduce Energy Consumption
 - Clean up, reduce emissions
 - Engage stakeholders



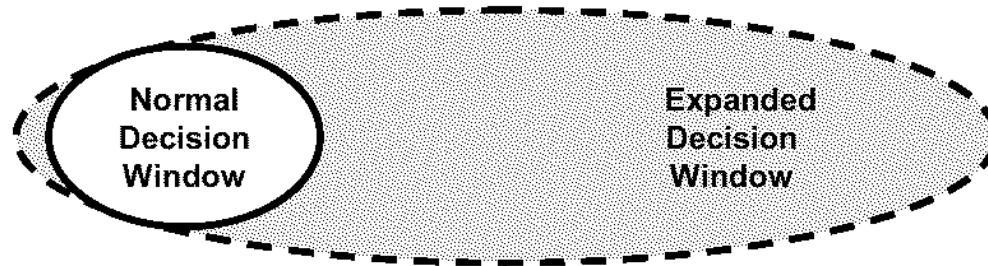
- **World is changing**
 - Increasing energy costs
 - Increasing resource costs (water, etc)
 - Tightening legislation
 - Public opinion and community attitudes changing
 - Increased costs of environmental and social compliance
 - Volatility
- **To meet challenge:**
 - Build in business resilience
 - Facility modification
 - Increase efficiency
 - Reduce Energy Consumption
 - Clean up, reduce emissions
 - Engage stakeholders







Plus.....move the perspective (decision window) out to the future.



<u>Now</u>	<u>Near Future</u>	<u>20 Years</u>	
\$8/T	\$20/T	\$85/T?	Cost of CO ₂ emissions
\$0.1/m ³	\$ 1.0/m ³	\$5/m ³ ?	Cost of Water
\$0.05/KW _{hr}	\$ 0.50/KW _{hr}	\$1/kw _{hr} ?	Cost of Energy
			Cost of Waste Disposal
			Cost of Compliance

Future proofing of projects



- Attraction, development and retention of committed, empowered and technically capable people remains our biggest challenge
- Long term and short term incentive schemes are assisting us in our aspiration to be 'Employer of Choice'
- Continue to recruit heavily for:
 - Graduates
 - Project Management
 - Personnel from related industries
- Starting to see the benefits of workshare
- Operational systems roll out and development will underwrite our success in this area, i.e connect Colt to WorleyParsons world.
- Decision made to implement Oracle financial and human resources systems globally over next 2-3 years



- Our operating profile presents us with a number of unique opportunities
- Our large number of offices close to our clients coupled with hub offices is recognised as a key differentiator and supported by our customers
- Understanding and integrating our capabilities on a global basis is one of the largest opportunities available to us
- Key part is continued client relationship development.



- Macro conditions still supportive of additional acquisition opportunities
- 'Organisational capacity' and 'financial capacity' required
- Cultural fit is fundamental
- Preference for building additional capacity in 'non hydrocarbons' sectors
- Significant number of acquirer of choice opportunities.



- We define risk as the effect of uncertainty on our business objectives, both negative and positive
- Risk Management enables us to make business decisions by taking better account of the uncertainty implicit in our business and the possibility of future events occurring
- Risk Management assists us to realise potential gains whilst avoiding or limiting losses
- Current growth profile place a high requirement on continued development and roll out of our risk management framework:
 - New employees
 - New acquisitions
 - New locations
 - New projects
 - New SYSTEMS
- Risk Management is a fundamental platform enabling our continued and sustained growth





- 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 the second half of 2007
- The acquisition of Colt which was completed on March 12 will add further to earnings from that date
- The company continues to evaluate opportunities for new business growth that will add to our existing capabilities and provide value for our shareholders