



WorleyParsons

resources & energy

12 October 2007

ASX Announcement

WORLEYPARSONS LIMITED (ASX: WOR)

2007 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

Ladies and gentlemen, on behalf of my fellow directors, I would like to welcome you here today. We are extremely pleased you have taken the time to attend and thank you for your interest in and support of WorleyParsons.

I am pleased to stand in front of you again to outline another highly successful year. Your company has delivered another outstanding result characterised by strong performances across all sectors of the business and in each of the regions we service.

It was a year of continued expansion, with the company completing the successful acquisition of the Colt Group of Companies for A\$1.13 billion.

Colt is a leader in the Canadian hydrocarbons market. This acquisition greatly enhances the company's heavy oil, oil sands and cold weather technical capability while giving us access to one of the world's largest and fastest growing hydrocarbons markets.

The rapid and smooth integration of Colt into our business is already beginning to deliver tangible results and helping to extend our position as a tier one service provider to the global hydrocarbons industry. The response from clients and our own people has been extremely pleasing.

As we continue to expand across the globe, an increasing proportion of our total revenue and profit is generated overseas. During the 2007 financial year, we derived 72% of our earnings before tax from our international operations. As we move into new markets via acquisitions and expansion, we expect this trend to continue.

Safety

As you will be aware, safety is our number one priority.

Our people work in difficult and challenging environments due largely to the geographic locations of our clients' operations. We have a clear and unequivocal aim when it comes to the safety of our people: a perfect result with no incidents.

The Group's comprehensive Zero Harm safety program - which constantly seeks new ways to improve safety performance across the group - is the embodiment of this goal.

Although we improved our safety performance this year, and our result compares favourably with international best practice, we remain committed to further improving our performance in the coming year.



Financial performance

This year, the Group has delivered another record financial performance – setting a new profit benchmark through growth in all areas of the business.

All customer sector groups continue to deliver strong performances, driven primarily by on-going demand in the markets we service.

The Board declared a final 2007 dividend of 32.5 cents per share, of which 9.5 cents per share was franked. This brings the full year dividend to 60.5 cents per share. The dividend represents an increase of 47.6% on the dividend paid for the previous year. As I indicated earlier, an increasing proportion of our total revenue and profit is now generated overseas. This has had an impact on the Company's ability to frank dividends and we expect this trend to continue in future years.

The 2007 result was earned on aggregated revenue of \$3.5 billion, an increase of 43.4% on the \$2.4 billion achieved in 2006. Basic earnings per share increased 53.5% to 101.8 cents per share. Net profit after tax rose to \$224.8 million for the full year to 30 June 2007. This represents a 61.6% increase on the previous corresponding period.

Major business developments

While the acquisition of Colt was undoubtedly the standout business development for WorleyParsons this year, the company also made two other significant acquisitions - the acquisition of the remaining 50% interest in its Australian power and water joint venture, Burns and Roe Worley and the acquisition of Houston-based hydrocarbons specialist, Sea Engineering.

More recently, the Company acquired Sydney-based Patterson Britton & Partners and Brisbane-based John Wilson & Partners to increase its water and environmental capability. The combination of the two businesses will provide a step up in our ability to support our clients in the areas of water and environmental services.

As a provider of professional services, WorleyParsons plays an important role in assisting its clients to understand and adapt to constantly changing regulatory environments and the changing demands of the communities in which they operate.

We are acutely aware of the increased demand, from both Government and the community, for improved sustainability outcomes, including lower emissions and a transition to the wider use of alternative energy sources.

Recognising this, the company recently announced a significant new initiative – EcoNomics™.

EcoNomics™ is a new service line which is being rolled out across the group and offered to our clients. It is a service that embeds environmental, social and economic sustainability into all aspects of project delivery, across the asset life-cycle.

The initiative is of relevance to virtually all our clients and follows an extensive internal review of our existing capabilities in this area.

Since this review, we are better placed to clearly articulate our capabilities to clients and assist them in developing strategies to meet their sustainability objectives.



It is an exciting initiative of which the Board and management are rightfully proud. Our CEO, Mr John Grill, will talk in more detail about EcoNomics™ in his report to you.

Employees and management

Highly capable and deeply dedicated people underpin WorleyParsons' success. I have no hesitation in saying that our team of highly skilled people, led by an equally accomplished and committed senior management team.

The outstanding result this financial year is testament to their expertise and commitment. Year after year, our staff continue to deliver outstanding results for our clients.

These superior results are delivered by embedding offices in local markets and offering unique on-the-ground capability to our clients. If required, this capability is supplemented by our global service delivery model, which ensures we can re-allocate work across our network to meet changing priorities. In this way, we are able to remain responsive to our clients' changing priorities, giving them certainty in an environment where skilled workers are in high demand.

Retention is also an important part of the WorleyParsons success story. The Company continues its strong commitment to training and development and to reviewing and revising our remuneration arrangements where necessary to remain competitive – both globally and locally.

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

On behalf of the Board, I would like to extend our sincere thanks to all WorleyParsons personnel worldwide for another successful year.

The Company is confident it has the resources—both people and technical—to ensure it continues to capitalise on business opportunities to the benefit of our clients and shareholders.

Outlook

I confirm the guidance we gave with the release of the 2007 financial results: that we expect the markets for WorleyParsons' services to remain strong. Our key markets and sectors continue to experience positive conditions and the Company is well placed to respond to these opportunities. Subject to conditions remaining favourable in these markets we expect to achieve increased earnings from our existing operations and an additional eight months contribution from the Colt group in 2008. Our ability to support the EcoNomics™ initiative will be a key component of growth in 2008. The Company continues to evaluate opportunities for new business growth that will add to our existing capabilities and provide value for our shareholders.

Before turning to the formal business of the meeting, I would like to spend a few moments updating you on changes to the board and outlining the rationale behind several of the resolutions we are asking shareholders to approve today.

Board Changes

Firstly, changes to the board. In March the Board welcomed Larry Benke as an alternate director for Bill Hall, following the acquisition of Colt. Larry is responsible for our Canadian operations and has an impressive track record leading Colt through a period of substantial growth and expansion.



We also welcomed Catherine Livingstone to the Board in June. Catherine has had a distinguished career, as the Chief Executive Officer of Cochlear Ltd from 1994 to 2000 and then as Chairman of CSIRO from 2001 to 2006. She is currently a director of Macquarie Bank Limited and Telstra Corporation Limited. Catherine brings a strong skill set to the Board with an excellent track record in general management, strategic planning and finance.

In addition to these new appointments, the board has also revised the board sub committees and their memberships as part of its continued review of the governance structure. Most significantly the work of the Nominations and Remuneration Committee has been divided into two separate committees. Going forward, John Green will chair the newly constituted Remuneration Committee. I will chair the newly constituted Nominations Committee.

The Board remains committed to ensuring that WorleyParsons operates to the highest standards of corporate governance. A substantial effort was undertaken this year to ensure our risk and assurance framework remains robust and has kept pace with the rapid growth experienced since listing in 2002.