



WorleyParsons

resources & energy

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ASX Release
WORLEYPARSONS LIMITED
(ASX: WOR)

**Response to press reports in relation to the acquisition of shares in
WorleyParsons**

WorleyParsons Limited ("WorleyParsons" or "the Company") refers to the press reports today in relation to the acquisition of shares in WorleyParsons by Dar Al-Handasah Consultants Shair and Partners Limited, a privately owned consulting group ("Dar Group").

WorleyParsons confirms that it received a confidential, highly conditional, indicative proposal on 14 November 2016 from Dar Group to acquire all of the shares in the Company by way of a scheme of arrangement for cash consideration of A\$11.80 per WorleyParsons share ("the Proposal").

The WorleyParsons Board of Directors ("Board") conducted a thorough assessment of the Proposal, including engaging Merrill Lynch and UBS as its financial advisers and Herbert Smith Freehills as its legal adviser.

Having reviewed the Proposal with the Company's advisers, the Board concluded the Proposal materially undervalued the Company. The Proposal was also highly conditional in relation to financing, due diligence, process, regulatory and other conditions which created significant execution risk and uncertainty for the Company. The Board therefore determined that the Proposal was not in the best interests of shareholders and advised Dar Group accordingly.

The Board's view on value took into account the quality and global platform of the WorleyParsons business, the current low point in oil industry activity, the historical trajectory of previous cyclical recoveries, the cost reduction programme that had not yet been fully reflected in earnings and the low operating risk profile of the WorleyParsons business.

At its recent half year results, WorleyParsons also demonstrated that, despite challenging market conditions, customer sentiment and activity levels continue to improve, demonstrated by the Company's order backlog increasing to \$4.7 billion. Further, the Company announced the continuing progress in its cost reduction program and increased its cost reduction targets to a total of \$450 million. The full impact of the cost reductions and improving market conditions are not reflected in current earnings.

If there are material developments in the future, WorleyParsons will inform shareholders as required under its continuous disclosure obligations.

For further information please contact:

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EcoNomics™

About WorleyParsons: WorleyParsons delivers projects, provides expertise in engineering, procurement and construction and offers a wide range of consulting and advisory services. We cover the full lifecycle, from creating new assets to sustaining and enhancing operating assets, in the hydrocarbons, mineral, metals, chemicals and infrastructure sectors. Our resources and energy are focused on responding to and meeting the needs of our customers over the long term and thereby creating value for our shareholders.

WorleyParsons is listed on the Australian Securities Exchange [ASX:WOR].

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