ASX
AUSTRALIAN STOCK EXCHANGE

MARKET RELEASE

04 November 2002

Worley Group Limited

Worley Group Limited has applied for admission to the official list of Australian Stock Exchange Limited and for quotation of its securities. It has been given a provisional ASX code. Provision of an ASX code and publication of the following information does not mean that the entity will be admitted or that its securities will be quoted.

Pam Ross
Manager Company Announcements Office

Worley

WORLEY

PROSPECTUS

WORLEY GROUP LIMITED ABN 17 096 090 158

This Prospectus is dated 18 October 2002 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission ("ASIC") on that date. This Prospectus expires on 17 November 2003 ("Expiry Date"). Neither ASIC nor Australian Stock Exchange Limited ("ASX") takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus other than as contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Worley Group Limited (the "Company" or "Worley").

The Offer is available to Australian residents in each State and Territory of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who obtain this Prospectus should seek advice on and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or an invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation.

It is important that you read this Prospectus in its entirety before deciding to invest in Worley and, in particular, in considering the prospects for the Company, that you consider the risk factors that could affect the performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest. Some of the risk factors that should be considered by potential investors are outlined in Section 8.

This Prospectus will be made generally available during the Exposure Period by being posted on the Company's Internet site **www.worley.com.au**. Applications for Shares under this Prospectus should not be lodged, and will not be processed until after the expiry of the Exposure Period for this Prospectus under the Corporations Act. If the Exposure Period is extended, Applications will not be accepted until after the expiry of the extended Exposure Period. No preference will be conferred on Applications received during the Exposure Period. The purpose of the Exposure Period is to enable examination of the Prospectus by market participants prior to the raising of funds. That examination may result in identification of deficiencies in the Prospectus and in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Defined terms and abbreviations used in this Prospectus are explained in the Glossary in Section 10.

This Prospectus may be viewed online at **www.worley.com.au**. Applicants using the Application Form attached to the electronic version of this Prospectus must be located within Australia.

Persons who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. A paper copy of this Prospectus will be provided free of charge to any person who requests a copy by contacting Worley, the Lead Manager or one of the Brokers to the Offer, during the Offer period.

Retail Offer and Employee Offer open	9.00 am, 4 November 2002
Employee Offer closes	5.00 pm, 19 November 2002
Retail Offer closes	5.00 pm, 21 November 2002
Institutional Offer opens	26 November 2002
Institutional Offer closes	27 November 2002
Final Price and basis of Share allocation announced	28 November 2002
Trading commences on ASX on a conditional and deferred settlement basis (see below)	29 November 2002
Expected despatch of Shareholder Statements	5 December 2002

This timetable is indicative only. All times are Sydney time. Worley, with the consent of the Lead Manager, reserves the right to vary the dates and times of the Offer, or to accept late Applications, without notifying any recipient of this Prospectus or any Applicants.

Whilst it is hoped that ASX trading will commence on a conditional and deferred settlement basis, discussions with ASX on the initial basis of trading are ongoing and it is possible trading may commence on a different basis and on a different date (refer Section 2.10).

The Offer of 48 million Shares will comprise a Retail Offer, an Institutional Offer and an Employee Offer. Applicants under the Retail Offer will pay a maximum price of $2.00 per Share. The Final Price will be agreed by the Lead Manager and the Company after the close of the Institutional Offer.

Retail Application Price[1]	$2.00 per Share
Indicative Price Range under the Institutional Bookbuild	$1.75 to $2.00 per Share
Shares being offered under this Prospectus	48,000,000
Shares on issue following the Offer	149,356,711
Market capitalisation at the Retail Application Price	$298,713,422
Pro-forma net debt (cash) at 30 June 2002	$(10,423,493)
Enterprise Value	$288,289,929
FY03 EV/EBITA	8.4x
FY03 EV/EBIT	9.3x
FY03 price/earnings (normalised)[2]	11.4x
FY03 dividend yield (fully franked)[3]	5.0%

NOTES:

(1) Applicants under the Retail Offer will pay the lower of the Retail Application Price and the Final Price.

(2) Excludes goodwill and trade name amortisation and net profit attributable to outside equity interests.

(3) Representing a dividend of $0.05 per Share based on the Retail Application Price of $2.00 and annualised for six months of trading on ASX.

Refer generally to Sections 5, 6 and 7 for further detail in relation to pro-forma and forecast financial information.

WORLEY IS A LEADING PROVIDER OF PROFESSIONAL SERVICES TO THE ENERGY, RESOURCE AND COMPLEX PROCESS INDUSTRIES.

LEADING PROVIDER OF PROFESSIONAL SERVICES TO THE ENERGY, RESOURCE AND COMPLEX PROCESS INDUSTRIES.

with a history of profitable growth and a pipeline of secured work and opportunities

International expansion, sector diversification and the trend to outsourcing provide significant growth opportunities

with 37 office locations worldwide strategically located in 14 countries to enable Worley to service its clients across multiple regions

across five sectors in 14 countries. In FY03, no single contract is expected to contribute more than 9% of Aggregated Revenue

Worley's clients include a diverse range of substantial global organisations including Alcoa, BHP Billiton, Chevron Texaco, ExxonMobil, Rio Tinto, Shell and Woodside

Worley has championed an alliance-based approach to contracting, which involves integrating with clients, typically on a long term basis. This allows the client to focus on core competencies while providing Worley with secure cashflows

with leading global and regional organisations including Transfield Services, ABB, Burns and Roe, KBR, Kvaerner, Ranhill and Fluor

Worley

ALLIANCE BASED REVENUE FROM LONG TERM RELATIONSHIPS IS THE FOUNDATION OF THE WORLEY BUSINESS

18 October 2002

Dear Investor

On behalf of the Directors, it gives me great pleasure to offer you the opportunity to invest in Worley Group Limited, a leading provider of professional services for the energy, resource and complex process industries.

Worley's expertise spans a range of sectors including: Oil & Gas; Refining, Petrochemicals & Chemicals; Minerals & Metals, Power & Water; and Industrial & Infrastructure.

Worley provides services to a blue chip client base. These services cover a broad spectrum of the life cycle of a facility – from concept selection through to decommissioning.

The Worley Group commenced operations over 25 years ago and has a resource base in excess of 4,000 people in 37 office locations worldwide. It is well positioned to capture opportunities in the Asia Pacific, Middle East and the Americas.

Worley's growth in recent years has been considerable. Its impressive track record is a testament to the Company's outstanding management and personnel. Worley's Aggregated Revenue has grown from $214.3 million in FY00 to $437.3 million in FY02 and is forecast to reach $495.7 million in FY03.

Alliance-based revenue derived from long term relationships with leaders of the resource and energy sectors is the foundation of the Worley business. In addition Worley has an established track record of successfully executing major projects for its clients, particularly in the oil and gas industry and these opportunities have delivered significant revenue.

Worley is intending to expand the scope of its business to include investment in, and development of, infrastructure projects, such as remote power generation plants and associated natural gas pipelines.

The total proceeds of the Offer are expected to be $95.7 million, comprising $77.0 million from the sale of Existing Shares and $18.7 million from the issue of New Shares, assuming a Final Price of $2.00 per Share. Part of the funds raised by the issue of New Shares will allow Worley to take advantage of opportunities for future growth through acquisitions and infrastructure development.

The Existing Shareholders will retain 68% of the Company after completion of the Offer.

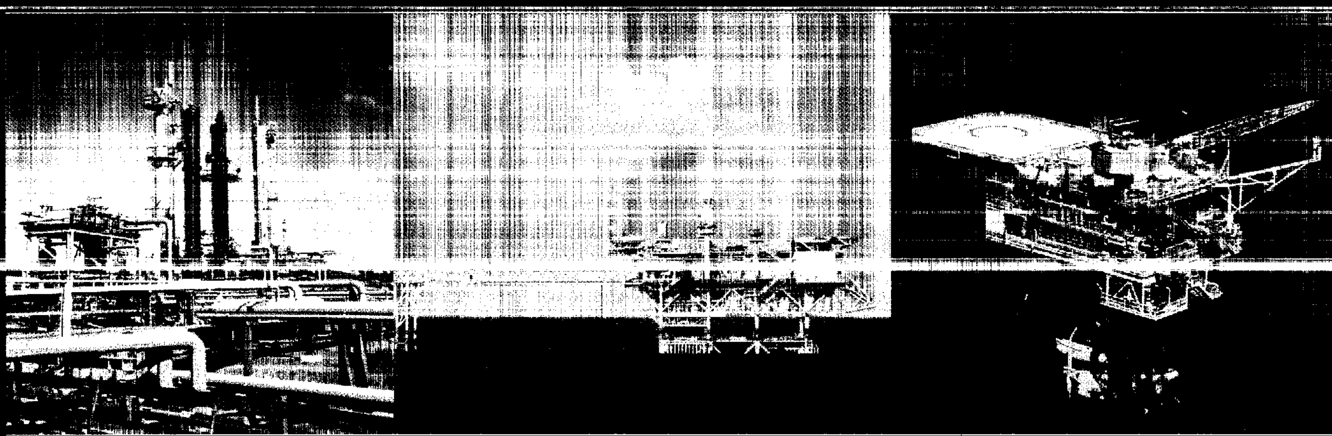
This Prospectus contains detailed information about Worley. Please read it carefully and in full before making your investment decision.

On behalf of my fellow Directors, I am pleased to offer this investment opportunity to you.

Yours faithfully

JM Schubert

John Schubert
Chairman



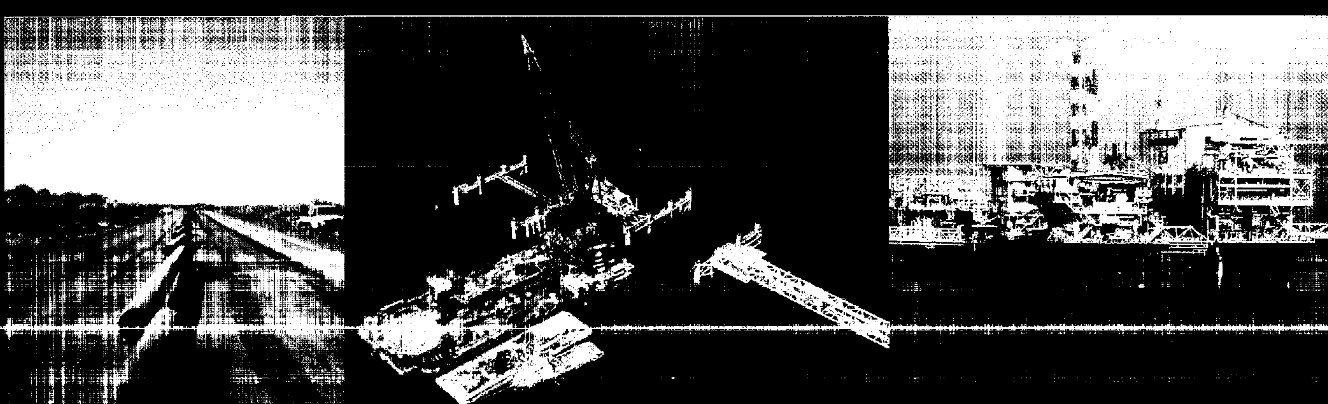
Worley is a leading provider of design and project services to the oil and gas industry in the Asia Pacific and Middle East.

Worley has a [illegible], having executed significant projects such as the Bayu-Undan project in the Timor Sea and floating production projects in Bohai Bay, China.

Worley's Oil & Gas group has championed the use of alliances and integrated service contracts, building on existing client relationships with major oil and gas companies to expand the scope of services offered. Alliance-based contracts are characterised by long term integrated relationships and lower risk, secure cashflows.

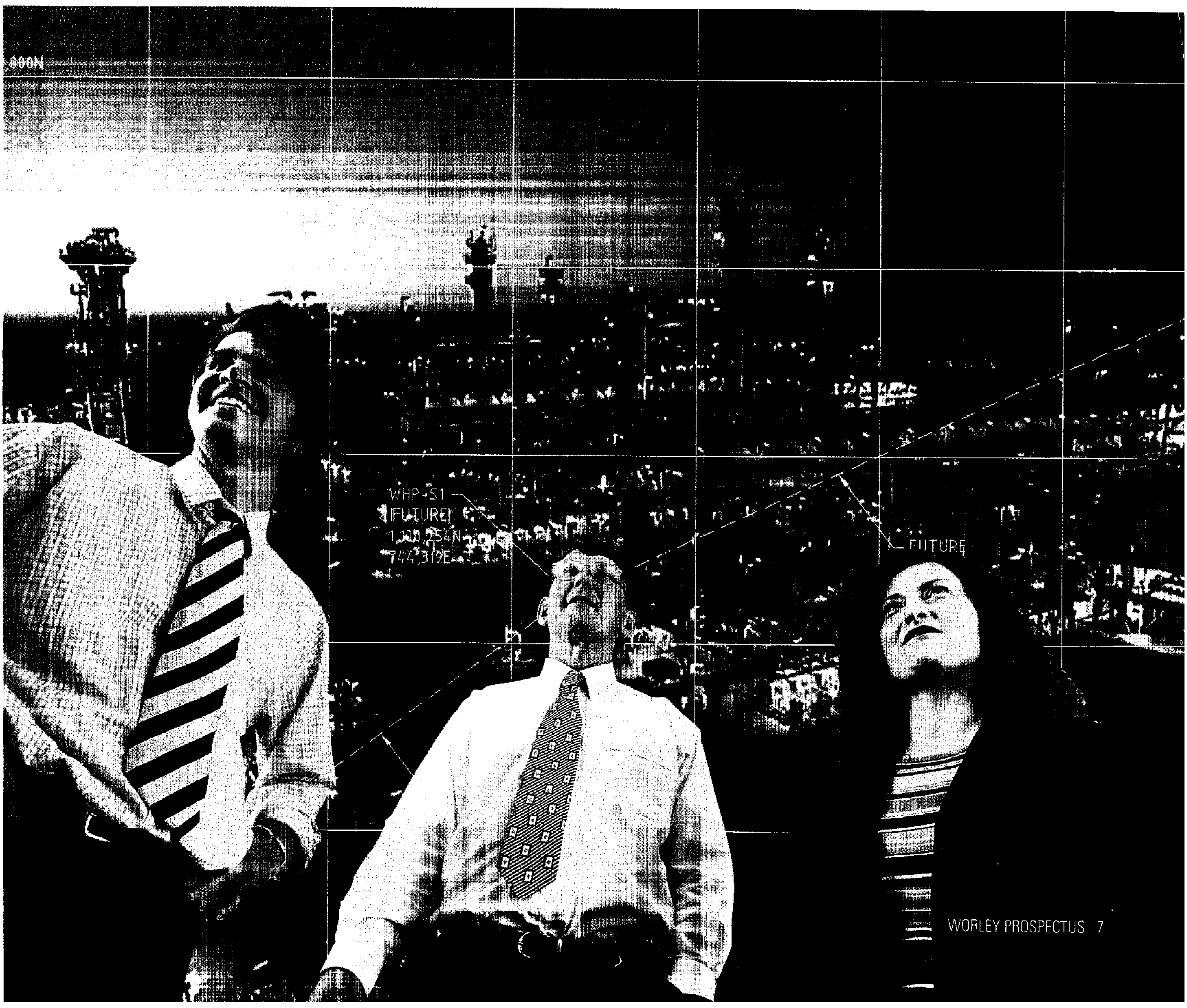
The Worley Group currently has a long term integrated service contract for Woodside's North West Shelf facilities and a contract with Esso for Esso BHPB's Victorian oil and gas facilities.

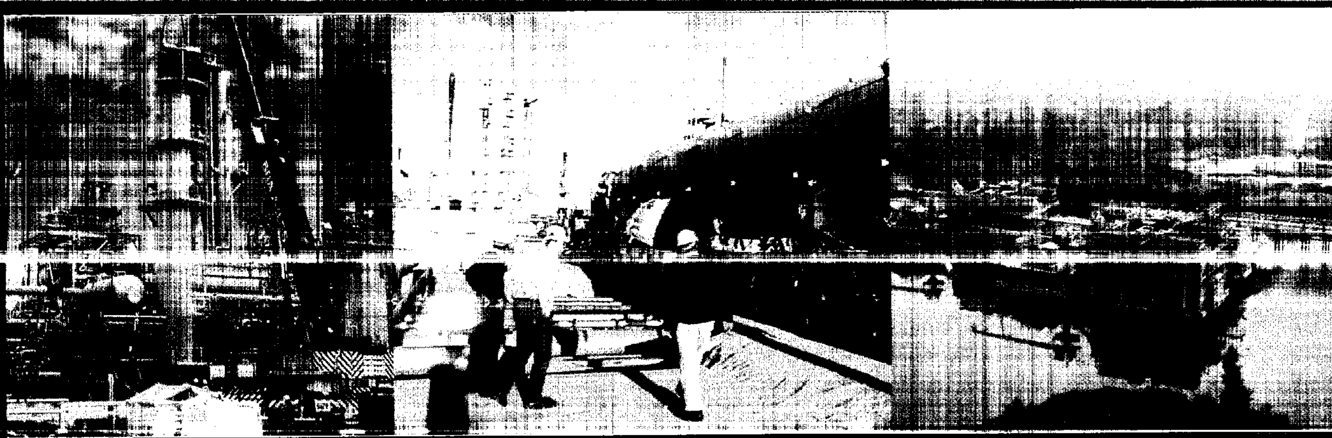
- fixed offshore facilities
- floating production systems
- offshore and onshore pipelines
- onshore gas plants, production facilities and terminals.



Worley's international reach enables it to service global projects including the 860km gas pipeline from Mozambique to South Africa for Sasol.

Worley has designed around 25,000km of pipelines in 17 countries around the world and has leading capabilities in pipelines and terminals design and project services.





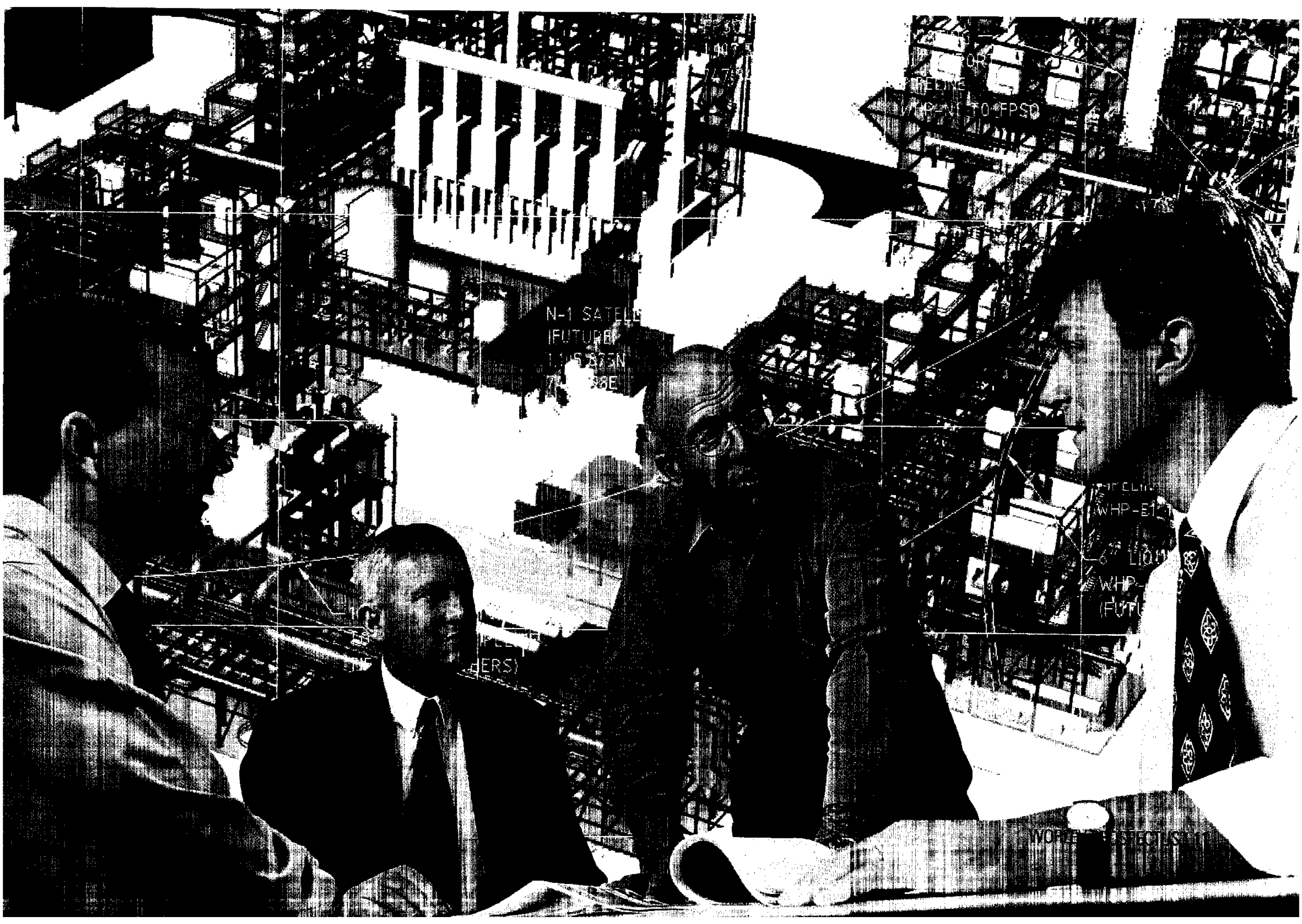
Worley's Refining, Petrochemicals & Chemicals group provides an extensive including business and project consulting, conceptual and front-end studies, detailed design, project management, procurement, upgrade management, operations support and maintenance.

The Refining, Petrochemicals & Chemicals group has a proven ability to execute large scale complex process projects which have included the design of Wesfarmers CSBP's ammonium nitrate project and BP Kwinana's Euro 2/3 clean fuels project.

The Refining, Petrochemicals & Chemicals group has expanded considerably, both geographically and in the scope of services offered. Worley has been successful in establishing alliance and integrated service contracts in this sector with major clients including BP Kwinana, ExxonMobil, Huntsman, New Zealand Refining Company and Qenos.

Australia is one of the global hubs for minerals extraction and processing and Worley has extensive experience in providing a range of services to major industrial and mineral processing plants. These services include project feasibility, design, project management and asset and project optimisation.

Worley has expanded its Minerals & Metals capabilities substantially in recent years and has a strong track record, providing its services to major projects such as the Queensland Alumina refinery expansion and to Leighton Contractors for Australian Magnesium Corporation's Stanwell magnesium project. It is Worley's strategy to further introduce the integrated service approach to the Minerals & Metals group.



Worley's Power & Water expertise is provided through Burns and Roe Worley, a joint venture with specialist power group Burns and Roe. Burns and Roe Worley provides services to power generation, transmission and distribution and water and wastewater treatment clients throughout Australia and South East Asia.

Burns and Roe Worley's assignments can range from front-end studies to highly complex, multi-disciplinary projects that require innovation, disciplined scheduling and strict control.

Burns and Roe Worley has a diverse set of skills in the water industry including specific ion removal systems and water and wastewater process design. Worley's joint venture with Burns and Roe is one of 11 principal joint ventures.

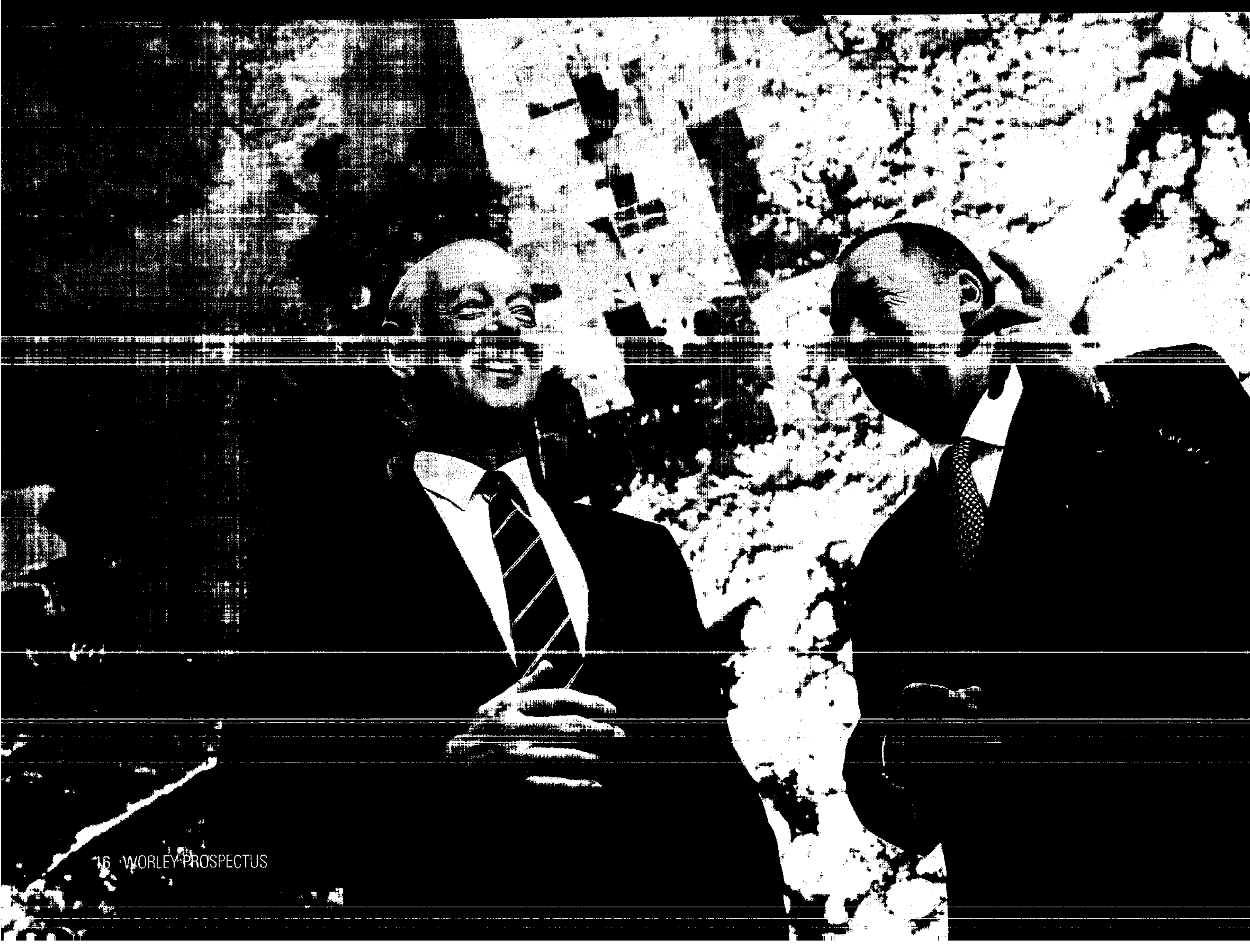
Worley's Industrial & Infrastructure group has been specifically established to meet the needs of [illegible] developments.

Worley offers [illegible] and has developed numerical modelling tools and design capabilities that have enabled it to compete on a global scale in projects relating to [illegible]

Worley's Industrial & Infrastructure group works with the Burns and Roe Worley joint venture in the power and water industries, offering specialist civil and structural support.

Worley, through Burns and Roe Worley, intends to expand its business scope to include direct equity investments in selected infrastructure projects in conjunction with ANZ Infrastructure Services.

Burns and Roe Worley has secured a power purchase agreement for the supply of power to the township of Esperance in Western Australia. Worley, in an integrated approach with Burns and Roe Worley, is taking an equity interest in the power station and associated natural gas pipeline.



SUMMARY OF KEY INFORMATION

1. SUMMARY OF KEY INFORMATION

The following is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. Particular attention is drawn to the sensitivity analysis in Section 5 and the risk factors described in Section 8.

1.1 BUSINESS OVERVIEW

Worley is a leading provider of professional services to the energy, resource and complex process industries. It offers a broad scope of services, from feasibility studies through to design and project services. Through partnership with complementary service providers, the Company also offers fully integrated upgrade and maintenance services to major industrial facilities in these sectors.

Worley has 37 office locations worldwide in the Asia Pacific, Middle East and United States. Its operations are strategically located to ensure it can service major resource centres throughout these regions.

Worley's growth in recent years has been primarily generated by its established operations and market position, augmented by selected acquisitions. It now offers its services in the following five sectors:

- Oil & Gas;
- Refining, Petrochemicals & Chemicals;
- Minerals & Metals;
- Power & Water; and
- Industrial & Infrastructure.

The Company has a successful track record of executing major projects, particularly in the oil and gas industry. Project revenue has been a significant driver of growth. This is complemented by alliance-based revenue, which is underpinned by contracts characterised by longer term relationships with reimbursable costs and performance incentives.

Worley also intends to expand the scope of its business to develop and make direct equity investments in selected infrastructure projects in conjunction with ANZ Infrastructure Services.

1.2 KEY INVESTMENT ATTRACTIONS

STRONG FINANCIAL PERFORMANCE AND HISTORY OF GROWTH

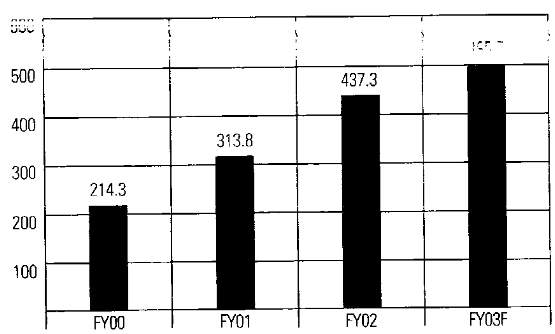
Worley has achieved strong growth in recent years largely as a result of its expanding sector and geographic coverage.

Aggregated Revenue (refer Section 1.3 for differences between statutory revenue and Aggregated Revenue) has grown from $214.3 million in FY00 to $437.3 million in FY02 and is forecast to reach $495.7 million in FY03. Combined adjusted EBIT has grown from $7.2 million in FY00 to $25.9 million in FY02 and is forecast to reach $30.9 million in FY03.

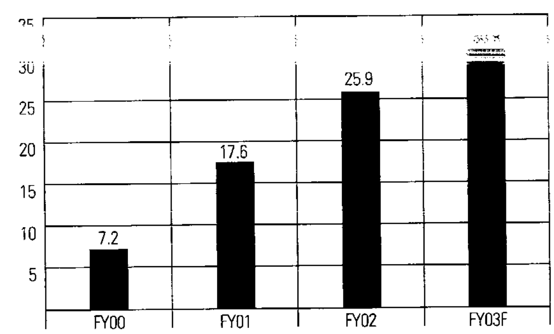
Worley has a strong resource base and sufficient systems to support future growth.

The basis on which the Forecasts have been compiled and further detail surrounding the preparation of the historical financial information is set out in more detail in Sections 5 and 6.

Aggregated Revenue A$m



Combined adjusted EBIT A$m



GROWTH OPPORTUNITIES

Worley believes it has significant growth opportunities driven by factors including:

- further diversification of earnings particularly in relation to Minerals & Metals and Industrial & Infrastructure;
- further international expansion into countries including Trinidad, Bolivia and Iran;
- the growing acceptance of the alliance-based contracting model and the trend to outsourcing generally;
- the growth in global energy demand driving major projects in the Asia Pacific and Middle East, particularly in the Timor Sea, North West Shelf and the Arabian Gulf; and
- potential demand in Australia for small peaking plants and remote power plants providing development and services opportunities.

LEADING CAPABILITIES IN THE AUSTRALIAN MARKET

Worley has a leading market position in the Australian energy, resource and complex process industries. This is demonstrated by Worley's scale, particularly in Perth, Melbourne and Brisbane. Within its wholly owned and joint venture businesses, Worley has access to the services of approximately 1,400 personnel in Perth, 830 in Melbourne and 230 in Brisbane, enabling it to service large scale projects and alliance-based contracts. This Australian-based team provides the Company with a cost advantage relative to United States and European-based competitors.

GLOBAL REACH

Worley's operations span 14 countries, with 37 office locations worldwide in the Asia Pacific, Middle East and United States. These offices are strategically located close to major resource centres. This enables Worley to offer its services efficiently across multiple regions.

Approximately 33% of Worley's direct and joint venture personnel are currently based outside Australia and approximately 41% of Worley's forecast Aggregated Revenue for FY03 is generated from work originating outside Australia and New Zealand.

DIVERSIFIED CONTRACT BASE

Worley operates across five key sectors with a broad client base in the Asia Pacific and Middle East regions. The diversification across geography, client and sector significantly reduces Worley's reliance on individual projects and clients. Approximately 70% of Aggregated Revenue for FY03 is expected to be delivered through existing contracts. No single contract in FY03 is forecast to contribute more than 9% of Aggregated Revenue.

QUALITY CLIENT BASE

Worley has a track record of successful projects and longer term service assignments undertaken for global clients in the energy, resource and complex process industries. Worley's client base includes the following organisations:

Alcoa	Duke Energy	Origin	Saudi Aramco
BHP Billiton	Epic	Petronas	Shell
BP	ExxonMobil	Qenos	Western Power
Chevron Texaco	Huntsman	Rio Tinto	WMC
ConocoPhillips	Oil Search	Santos	Woodside

CONTINUING TREND TO OUTSOURCING

The global energy, resource and complex process industries have undergone significant consolidation and rationalisation over the past decade. Associated with this consolidation has been a trend toward the outsourcing of those services which, while essential to producers' businesses, can be more efficiently provided by other parties. The services being outsourced range from feasibility studies through to detailed design for plant upgrades and new facilities, maintenance activities, operations support and asset management. Worley expects the continuing trend to outsourcing to be a key driver of its growth.

ALLIANCE-BASED CONTRACT LEADERSHIP

Worley has championed the alliance-based contracting approach in the Asia Pacific region. This approach supports the trend toward outsourcing, as clients shift their focus to the management of their core competencies while developing partnerships with key specialist service providers.

Alliance-based contracts (including integrated service contracts) allow Worley's clients to:

- focus on core competencies;
- establish a close working relationship resulting in more efficient project delivery; and
- align their interests with Worley's by sharing in risks and rewards.

Alliance-based contracts are forecast to contribute approximately 28% of Aggregated Revenue in FY03.

KNOWLEDGE-BASED COMPANY

The industries in which Worley operates are characterised by a high degree of technical complexity in both design and scale. The Company has delivered complex and innovative solutions for its clients and has a demonstrated ability to capture and retain the substantial expertise that has underpinned its success. This knowledge is captured centrally in Worley's knowledge management systems.

Worley's systems position it to develop client opportunities by enabling it to rapidly establish offices in new locations.

1. SUMMARY OF KEY INFORMATION CONTINUED

RISK AND SAFETY LEADERSHIP

Worley has a commitment and systematic approach to safety and risk management across its business. The Company has established risk management policies and procedures in areas such as health, safety and the environment, quality management and contract management and has been awarded a number of accolades for its environmental and safety leadership. Worley considers that a commitment to safety and risk management is fundamental to its success.

EXPERIENCED BOARD AND MANAGEMENT

Worley has a highly skilled and experienced Board and executive team. The executive team has a long history of delivering growth, including a proven ability to deliver high standards of service and innovative solutions for Worley's clients.

1.3 AGGREGATED REVENUE

In this Prospectus, the Directors have adopted a style of presentation of revenue that differs from the presentation of revenue under Australian Accounting Standards. The Directors consider that the style of presentation of Aggregated Revenue adopted in this Prospectus more accurately reflects the scale of Worley's business.

The term "Aggregated Revenue" in this Prospectus refers to the aggregate of:

- statutory revenue from entities controlled by the Company adjusted to remove "pass through" procurement services revenue at nil margin ("adjusted statutory revenue" – refer Section 5.13); and
- Worley's proportional interest in the revenue of each incorporated joint venture significantly influenced by the Company, which is equity accounted for statutory reporting purposes ("joint venture entity revenue").

A$m	COMBINED ADJUSTED HISTORICAL		PRO-FORMA FORECAST	
YEAR TO 30 JUNE	FY00	FY01	FY02	FY03
Oil & Gas adjusted statutory revenue	155.3	211.9	284.1	272.0
Oil & Gas joint venture entity revenue	17.4	38.8	57.9	64.5
OIL & GAS AGGREGATED REVENUE	**172.7**	**250.7**	**342.0**	**336.5**
Refining, Petrochemicals & Chemicals adjusted statutory revenue	12.5	15.8	20.3	25.9
Refining, Petrochemicals & Chemicals joint venture entity revenue	–	–	9.3	9.7
REFINING, PETROCHEMICALS & CHEMICALS AGGREGATED REVENUE	**12.5**	**15.8**	**29.6**	**35.6**
Minerals & Metals adjusted statutory revenue	10.0	24.8	29.0	64.8
Minerals & Metals joint venture entity revenue	–	–	–	–
MINERALS & METALS AGGREGATED REVENUE	**10.0**	**24.8**	**29.0**	**64.8**
Power & Water adjusted statutory revenue	–	–	–	–
Power & Water joint venture entity revenue	9.6	10.6	16.2	23.6
POWER & WATER AGGREGATED REVENUE	**9.6**	**10.6**	**16.2**	**23.6**
Industrial & Infrastructure adjusted statutory revenue	9.0	11.0	18.3	31.7
Industrial & Infrastructure joint venture entity revenue	–			
INDUSTRIAL & INFRASTRUCTURE AGGREGATED REVENUE	**9.0**	**11.0**	**18.3**	**31.7**
Developments adjusted statutory revenue	–	–	–	1.5
Developments joint venture entity revenue	–	–	–	0.9
DEVELOPMENTS AGGREGATED REVENUE	**–**	**–**	**–**	**2.4**
Other statutory revenue and intercompany eliminations (net)	(5.9)	(4.0)	(2.2)	(3.8)
Other joint venture entity revenue	6.4	4.9	4.4	4.9
OTHER AGGREGATED REVENUE	**0.5**	**0.9**	**2.2**	**1.1**
TOTAL ADJUSTED STATUTORY REVENUE	**180.9**	**259.5**	**349.5**	**392.1**
TOTAL JOINT VENTURE ENTITY REVENUE	**33.4**	**54.3**	**87.8**	**103.6**
TOTAL AGGREGATED REVENUE	**214.3**	**313.8**	**437.3**	**495.7**

Please refer to Section 5.13 for a reconciliation of total Aggregated Revenue to statutory revenue and Section 5.14 for a Statement of Financial Performance based on combined adjusted historical and forecast statutory revenue.

1.4 AGGREGATED REVENUE AND COMBINED ADJUSTED HISTORICAL AND FORECAST RESULTS

Set out below is a summary of the Aggregated Revenue and combined adjusted historical results for FY00, FY01 and FY02 as well as the Directors' FY03 Aggregated Revenue and results:

A$m	COMBINED ADJUSTED HISTORICAL[1]			PRO-FORMA FORECAST
YEAR TO 30 JUNE	FY00	FY01	FY02	FY03
AGGREGATED REVENUE[2]				
Oil & Gas	172.7	250.7	342.0	336.5
Refining, Petrochemicals & Chemicals	12.5	15.8	29.6	35.6
Minerals & Metals	10.0	24.8	29.0	64.8
Power & Water	9.6	10.6	16.2	23.6
Industrial & Infrastructure	9.0	11.0	18.3	31.7
Developments	–	–	–	2.4
Other	0.5	0.9	2.2	1.1
TOTAL AGGREGATED REVENUE	**214.3**	**313.8**	**437.3**	**495.7**
EBITDA[3] [4]	**13.2**	**24.2**	**33.4**	**38.6**
Depreciation	2.6	3.2	4.1	4.3
EBITA	**10.6**	**21.0**	**29.3**	**34.3**
Amortisation[5]	3.4	3.4	3.4	3.4
EBIT	**7.2**	**17.6**	**25.9**	**30.9**
Net interest expense				0.4
PROFIT BEFORE TAX				**30.5**
Income tax expense				7.7
NET PROFIT AFTER TAX				**22.8**

NOTES:

(1) Worley has made various pro-forma adjustments to the combined historical results. Among other things, the adjustments exclude Worley's 40% interest in Atria Group Pty Limited and expenses related to the development costs of DAD, which are classified as non-recurring. Pro-forma adjustments are detailed in the Historical Financial Information included in Section 6 (Note 2).

(2) Aggregated Revenue does not include "pass through" procurement services revenue at nil margin. This is recorded as revenue for statutory purposes and relates to procurement activities undertaken by Worley for clients at nil margin. Revenue for procurement services for which Worley receives a margin has been included. Aggregated Revenue also includes certain joint venture entity revenue as outlined in Section 1.3.

(3) Worley's share of net profit of associates, which includes its interests in incorporated joint ventures, is included in EBITDA and EBIT. In FY03, this amounts to $6.2 million, FY02 $3.1 million, FY01 $3.1 million and FY00 $1.2 million.

(4) Worley is expensing remuneration costs associated with the Worley Group Limited Performance Rights Plan. The plan provides for the provision of Performance Rights to eligible executives of $1.5 million in aggregate, and is being amortised over the three year vesting period.

(5) Amortisation reflects purchased goodwill and goodwill arising from the fair value uplift on the Restructure in FY02, the acquisition of the outside equity interest in Worley International, Inc. and the Directors' trade name valuation. Adjustment for goodwill and trade name amortisation have been made for periods preceding the Restructure and acquisition.

(6) Further details on the above matters are contained in Sections 5.4 and 5.5.

(7) Refer to Section 5.14 for a Statement of Financial Performance based on combined adjusted historical and forecast statutory revenue.

1. SUMMARY OF KEY INFORMATION CONTINUED

1.5 KEY OFFER STATISTICS

Retail Application Price[1]	$2.00 per Share
Indicative Price Range under the Institutional Bookbuild	$1.75 to $2.00 per Share
Shares being offered under this Prospectus	48,000,000
Shares on issue following the Offer	149,356,711
Market capitalisation at the Retail Application Price	$298,713,422
Pro-forma net debt (cash) as at 30 June 2002	$(10,423,493)
Enterprise Value	$288,289,929
Enterprise Value/EBITA (x)	8.4x
Enterprise Value/EBIT (x)	9.3x
FY03 price/earnings (normalised)[2]	11.4x
FY03 dividend yield (fully franked)[3]	5.0%

NOTES:

(1) Applicants under the Retail Offer will pay the lower of the Retail Application Price and the Final Price.

(2) Excludes goodwill and trade name amortisation and net profit attributable to outside equity interests.

(3) Representing a dividend of $0.05 per Share based on the Retail Application Price of $2.00 and annualised for six months of trading on ASX.

Refer generally to Sections 5, 6 and 7 for further detail in relation to pro-forma and forecast financial information.

1.6 CAPITAL STRUCTURE

The table below sets out the ownership of Shares before the Offer and immediately following the Offer.

	BEFORE THE OFFER		AFTER THE OFFER	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Shares held by Existing Shareholders	139,856,711	100	101,356,711	68
Shares held by new shareholders	–	–	48,000,000	32
Total Shares	139,856,711		149,356,711	

The Lead Manager proposes to enter into agreements with certain Existing Shareholders not to sell their Shares until 24 hours after the release to ASX of Worley's preliminary final report for FY03 without the prior written consent of the Lead Manager. Further details of these arrangements are set out in Section 9.4.13(b).

Conditional on the completion of the Offer and in accordance with a resolution of shareholders certain Directors will be granted Performance Rights under the WPRP as set out in Sections 9.6.3 and 9.8.2.

1.7 DIVIDEND POLICY AND FORECAST DISTRIBUTION

The ongoing dividend policy of Worley is as follows:

- it is the current intention of the Directors to make regular, half-yearly dividend payments to shareholders, subject to available profits, working capital and the level of borrowings; and
- dividends will be franked if franking credits are available.

However, the payment of dividends by the Company in the future, including any dividends for FY03, will be at the complete discretion of the Directors. It will depend upon the availability of distributable earnings, the Company's franking credit position, operating results, available cashflow, financial condition and taxation position, and future capital requirements, as well as general business and financial conditions and any other factors the Directors may consider relevant.

Dividends, if any, will comprise an interim dividend paid in April and a final dividend paid in October of each calendar year.

There will be no interim dividend for the six month period ending 31 December 2002. Subject to the Forecasts being achieved and the considerations outlined above, the Directors intend to declare and pay a final dividend for FY03 in October 2003. It is expected that the final dividend will be a fully franked dividend of $0.05 per Share. This dividend will represent a yield of 5% annualised for six months of trading on ASX, based on the Retail Application Price.

Section 5.12 sets out further information in relation to dividends.

1.8 BUSINESS AND INVESTMENT RISKS

Investments in the Company as described in this Prospectus are subject to both general and specific risks. Some of these risks are described in detail in Section 8. Before deciding to invest in the Company, prospective investors should read the entire Prospectus and, in particular, should consider the Directors' best estimate assumptions underlying the Forecasts, the sensitivity analysis in Section 5 and the risk factors that could affect the future performance of the Company in Section 8.

DETAILS OF THE OFFER

2. DETAILS OF THE OFFER

2.1 THE OFFER

The total size of the Offer is 48 million Shares. If the Final Price is set at $2.00 per Share, the Offer will comprise 46 million Shares at the Retail Application Price of $2.00 per Share and two million Shares at the Employee Application Price of $1.85 per Share. Of these Shares, 9.5 million New Shares are being issued by the Company and 38.5 million Existing Shares are being offered for sale by SaleCo, which holds irrevocable offers to sell these Existing Shares (refer Section 9.4.13(a) for further details).

2.2 PURPOSE OF THE OFFER

The purpose of the Offer is to provide Worley with financial flexibility to pursue future growth opportunities, to enable Existing Shareholders to realise the value of a portion of their investment in Worley, to provide an opportunity for Employees to invest in the Company and to fund Worley's Infrastructure Investments.

The listing of Worley on ASX will provide liquidity for the Shares and enhance Worley's ability to raise equity funding in the future, if required. The Directors believe it will not be necessary to raise additional capital during the Forecast Period. The Company expects to have sufficient working capital from its operations and existing funding sources to fund its stated business objectives.

2.3 USE OF PROCEEDS

There are 9.5 million New Shares being offered. Based on 7.5 million Shares at the Retail Application Price of $2.00 per Share and two million Shares at the Employee Application Price of $1.85 per Share, the gross proceeds of the Offer for the Company under this Prospectus will be $18.7 million, which will be applied as follows:

	A$m
Infrastructure investments	7.5
Working capital, expansion and business development	4.4
Expenses of the Offer	6.8
TOTAL PROCEEDS	**18.7**

This table is intended to be indicative only. The total proceeds of the Offer may be more or less than $18.7 million and will be determined after the close of the Institutional Offer. In the event the Final Price is set at the lower end of the Indicative Price Range, $16.4 million would be raised, which would mean that $2.6 million would be available for working capital, expansion and business development. Worley assesses that this would be sufficient to meet its needs.

The Company will pay the costs of the Offer.

2.4 IMPORTANT DATES

	IMPORTANT DATES
Retail Offer and Employee Offer open	9.00 am, 4 November 2002
Employee Offer closes	5.00 pm, 19 November 2002
Retail Offer closes	5.00 pm, 21 November 2002
Institutional Offer opens	26 November 2002
Institutional Offer closes	27 November 2002
Final Price and basis of Share allocation announced	28 November 2002
Trading commences on ASX on a conditional and deferred settlement basis (see below)	29 November 2002
Expected despatch of Shareholder Statements	5 December 2002
Normal trading commences on ASX	6 December 2002

This timetable is indicative only. All times are Sydney time. Worley, with the consent of the Lead Manager, reserves the right to vary the dates and times of the Offer, or to accept late Applications, without notifying any recipient of this Prospectus or any Applicants.

Whilst it is hoped that ASX trading will commence on a conditional and deferred settlement basis, discussions with ASX on the initial basis of trading are ongoing and it is possible trading may commence on a different basis and on a different date (refer Section 2.10).

2.5 STRUCTURE OF THE OFFER

The Offer will comprise three parts:

- the Retail Offer, which is open to members of the general public and Broker Firm Applicants who are resident in Australia;
- the Institutional Offer, which is open to Australian and certain overseas institutions; and
- the Employee Offer, which is open to Employees.

The Company will, in consultation with the Lead Manager, determine the respective number of Shares to be made available through the Retail Offer, the Institutional Offer and the Employee Offer.

All Shares being offered under this Prospectus rank equally with each other.

2.6 THE RETAIL OFFER

2.6.1 APPLICANTS UNDER THE RETAIL OFFER

The Retail Offer is only open to members of the general public and Broker Firm Applicants who are residents in Australia. Where an Applicant has been offered a firm allocation of Shares by the Lead Manager or a Broker to the Offer, they will be treated as a Broker Firm Applicant under the Retail Offer in respect of this allocation (refer Section 2.6.6).

2.6.2 RETAIL APPLICATION PRICE AND FINAL PRICE

Applicants under the Retail Offer must apply for Shares at the Retail Application Price of $2.00. This is the maximum price payable by Applicants under the Retail Offer.

The price ultimately payable by Applicants under the Retail Offer will be the lesser of the Final Price and the Retail Application Price. The Company and the Lead Manager will agree the Final Price after the close of the Institutional Offer.

If the Final Price is lower than the Retail Application Price, a refund (without interest) of the excess Application Monies, equal to the difference between the Retail Application Price and the Final Price, will be made to successful Applicants under the Retail Offer.

2.6.3 HOW TO APPLY FOR SHARES UNDER THE RETAIL OFFER

Applications under the Retail Offer will only be accepted on the Application Form attached to this Prospectus or downloaded with the electronic version of this Prospectus at **www.worley.com.au**. The Application Form must be completed in accordance with the instructions set out on the Application Form. Applicants are not required to sign the Application Form.

All cheques must be in Australian dollars and drawn on an Australian branch of an Australian bank. Cheques (other than from Broker Firm Applicants) must be made payable to "Worley Group Limited Share Offer" and crossed "Not Negotiable".

Applications under the Retail Offer must be for a minimum of 1,000 Shares and in multiples of 100 Shares thereafter. There is no maximum number of Shares that may be applied for.

Completed Application Forms (other than from Broker Firm Applicants) under the Retail Offer, must be mailed or delivered to the Registry at the following addresses:

If delivered by mail:

Worley Group Limited Share Offer
Computershare Investor Services Pty Limited
GPO Box 7115
Sydney NSW 2001

or

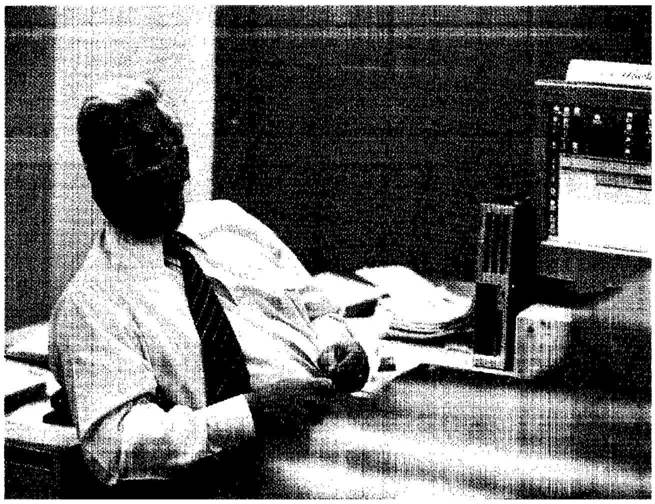
If delivered by hand:
Worley Group Limited Share Offer
Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000.

Broker Firm Applicants should refer to Section 2.6.6 for specific instructions on how to apply for Shares under the Retail Offer.

2.6.4 ACCEPTANCE OF APPLICATIONS AND ALLOCATION POLICY UNDER THE RETAIL OFFER

Regardless of the method of lodgement, all Applications under the Retail Offer must be received by the Registry by no later than 5.00 pm (Sydney time) on 21 November 2002. The Company, with the consent of the Lead Manager, reserves the right to close the Retail Offer early or extend the Retail Offer, or to accept late Applications, without notice. Under the Retail Offer, Employees and other persons may be given preference in the allocation of Shares at the discretion of the Company in consultation with the Lead Manager (see Section 2.6.6 regarding Broker Firm Applicants).

The Company, in consultation with the Lead Manager, reserves the right to reject any Application, including Applications that have not been correctly completed or are accompanied by cheques that are dishonoured, or to allocate to any Applicant a lesser number of Shares than that Applicant applied for, including a number of Shares that is less than the minimum Application for Shares. If the number of Shares applied for in the Retail Offer is greater than the number of Shares available, scale-back arrangements will apply. The method of scale-back will be determined by the Company, in consultation with the Lead Manager, in their absolute discretion. No



Applicant in the Retail Offer has any assurance of being allocated all or any of the Shares applied for (other than any firm allocation of Shares offered to a Broker Firm Applicant by the Lead Manager or a Broker to the Offer).

The Company expects to announce the Final Price on or about 29 November 2002. From that date, Applicants may call the Registry on 1800 880 707 to seek information on their Applications.

2.6.5 DISBURSEMENT OF APPLICATION MONIES

Application Monies received under the Retail Offer will be held in special purpose trust accounts until Shares are allocated to successful Applicants. Investors under the Retail Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the number applied for, will receive a refund (without interest) of all or part of their Application Monies, as applicable. Refunds (without interest) will also be made as described in Section 2.6.2.

2.6.6 BROKER FIRM ALLOCATIONS

If you receive a firm allocation of Shares from the Lead Manager or a Broker to the Offer, the procedures for applying for Shares are as follows:

- your cheque or cheques must be made payable to the Lead Manager or the Broker to the Offer from which a firm allocation of Shares was received (which acts as your agent in connection with your Application); and
- your completed Application Form and cheque or cheques must be mailed or delivered to the offices of the Lead Manager or relevant Broker to the Offer in accordance with their instructions.

Any other requirements will be explained to you by the Lead Manager or Broker to the Offer. If you have a firm allocation of Shares and are in doubt about what action you should take, you should immediately contact the Lead Manager or relevant Broker to the Offer which has made you an offer of a firm allocation of Shares.

Application Forms from Broker Firm Applicants should not be sent to the Registry.

2. DETAILS OF THE OFFER CONTINUED

2.7 THE INSTITUTIONAL OFFER

The Institutional Offer will be conducted as a bookbuild managed by the Lead Manager. The Institutional Bookbuild will be used to determine the Final Price.

The following is a summary of the arrangements that will apply to participants in the Institutional Offer.

2.7.1 INVITATIONS TO BID

The Lead Manager and the Company are inviting bids from Australian and certain overseas institutions to acquire Shares through the Institutional Bookbuild, managed by the Lead Manager. Bids in the Institutional Offer may only be submitted through the Lead Manager.

The Institutional Bookbuild process will be conducted from 26 November 2002 to 27 November 2002. The Company, with the consent of the Lead Manager, reserves the right to vary the dates and/or times of the Institutional Offer without prior notice.

Bids in the Institutional Offer can be amended or withdrawn at any time up to the close of the Institutional Offer. Any bid not withdrawn at the close of the Institutional Offer will be irrevocable and capable of acceptance in whole or in part and, upon acceptance, will give rise to a legally binding contract to procure subscribers or purchasers for the relevant number of Shares.

2.7.2 INDICATIVE PRICE RANGE

Institutions and ASX member organisations participating in the Institutional Offer will bid into the book based on an Indicative Price Range of $1.75 to $2.00 per Share.

Bidders may bid above, within or below the Indicative Price Range.

2.7.3 DETERMINATION OF THE FINAL PRICE

The Final Price will be agreed by the Company and the Lead Manager after the close of the Institutional Offer.

The Final Price will not necessarily be the highest price at which Shares could be sold under the Offer.

The Final Price will be determined based upon various factors, including:

- the level of demand at different prices at which institutions bid for Shares under the Institutional Offer;
- the level of demand for Shares under the Retail Offer; and
- the balancing of the objective of achieving an orderly secondary market for Shares against the objective of achieving the best price for Shares reasonably obtainable for the benefit of Existing Shareholders.

The Final Price may be set above, within or below the Indicative Price Range.

All successful bidders under the Institutional Offer will pay the Final Price.

2.7.4 ALLOCATION CRITERIA

The Lead Manager will determine the allocation of Shares among bidders under the Institutional Offer following consultation with the Company. There is no assurance that any bidder in the Institutional Offer will be allocated the number of Shares for which it has bid.

2.8 THE EMPLOYEE OFFER

The Company will reserve two million of the New Shares for allocation to Employees under the Employee Offer. To the extent that Employees do not apply for these Shares in full, the remaining Shares will be available for the Retail Offer and Institutional Offer.

The Employee Offer is made under and in accordance with the rules of the Worley Group Limited Employee Share Plan ("WESP") (described in Section 9.8.1).

Applicants under the Employee Offer may apply for Shares at the Employee Application Price, which represents a 7.5% discount to the Retail Application Price. In the event that the Final Price is lower than the Retail Application Price, the price paid by Employees under the Employee Offer will be a 7.5% discount to the Final Price and a refund (without interest) of the excess Application Monies will be made to successful Applicants under the Employee Offer.

Applications under the Employee Offer will only be accepted on the blue loose-leaf application form ("Employee Application Form"). Employees may apply for Shares in their own name or in the name of a relation or related company or entity such as a trust. The Employee Application Form must be completed in accordance with the instructions set out on the form.

The Company, in consultation with the Lead Manager, reserves the right to allocate to any Employee Applicant a lesser number of Shares than applied for. If the total number of Shares applied for in the Employee Offer is greater than the number of Shares available, scale-back arrangements will apply. The method of scale back will be determined by the Company, in consultation with the Lead Manager in their absolute discretion. If an Application under the Employee Offer is not accepted, or is accepted in part only, the excess Application Monies will be refunded without interest.

The Board has determined, for the purposes of the WESP, that Shares allocated to Applicants under the Employee Offer will not be subject to any restrictions on sale, transfer or other dealing.

Employees outside Australia should satisfy themselves as to any legal restrictions (including exchange controls) which may apply to their application.

Completed Employee Application Forms must be mailed or delivered to the Employee's human resources representative and must be accompanied by a cheque or cheques equal to the amount of Shares applied for at the Employee Application Price. All cheques must be in Australian dollars and drawn on an Australian branch of an Australian bank. Cheques from Applicants under the Employee Offer must be made payable to "Worley Group Limited Share Offer" and crossed "Not Negotiable".

Applications under the Employee Offer must be for a minimum of 500 Shares and in multiples of 100 thereafter. There is no maximum number of Shares that may be applied for.

2.9 OFFER OF NEW AND EXISTING SHARES

The Shares issued under the Offer will comprise 9.5 million New Shares to be issued by the Company on completion of the Offer and 38.5 million Existing Shares which will, on completion of the Offer, be transferred to successful Applicants by a special purpose vehicle, SaleCo.

Existing Shareholders have executed Deeds Poll under which they make irrevocable offers to sell a portion of their Existing Shares to SaleCo. Further details in relation to these arrangements are set out in Section 9.4.13(a).

The Existing Shares will be transferred free of encumbrances and third party rights.

2.10 ASX LISTING AND CONDITIONAL AND DEFERRED SETTLEMENT TRADING

The Company will apply for admission to the Official List and for official quotation of the Shares on ASX within seven days after the date of this Prospectus.

It is hoped that trading of Shares on ASX will commence initially on a conditional and deferred settlement basis on or about 29 November 2002, the day following settlement of allocations, although discussions with ASX on the initial basis of trading are ongoing and it is possible trading may commence on a different basis and on a different date. Details of the initial basis of trading and date of commencement of trading will be published in newspaper advertisements no later than the date of commencement of trading.

The contracts formed on acceptance of Applications and institutional bids under the Offer will be conditional on ASX admitting the Shares to official quotation and also, if ASX allows conditional trading, on settlement occurring under the Selling Agreement (refer Section 9.4.1). If ASX allows conditional trading, trades on ASX during conditional trading of Shares will be conditional on settlement occurring under the Selling Agreement. In this event, conditional trading will continue until Worley has advised ASX that settlement under the Selling Agreement has occurred, which is expected to be on 3 December 2002. Normal trading is expected to commence on or about 6 December 2002.

There is no guarantee that purchases and sales on ASX made during the "conditional" period will be settled. If settlement does not occur under the Selling Agreement by the date 2 weeks after conditional trading commences on ASX, the Offer will be cancelled and allocations of the Shares made under the Offering will be cancelled and of no effect. In these circumstances, all purchases and sales made through ASX participating organisations during the "conditional" period will be cancelled and of no effect.

If ASX does not allow conditional trading, it is expected that ASX trading would commence on a deferred settlement but unconditional basis, on or about 3 December 2002. Normal trading is expected to commence on or about 6 December 2002.

Details of the initial basis of trading, date of commencement of trading and the basis of Share allocations are expected to be advertised in certain newspapers circulated nationally on or about 29 November 2002. From that date, Applicants may also call the Registry on 1800 880 707 to seek information in relation to Share allocations. It is the responsibility of each Applicant to confirm its holding prior to trading in Shares. Applicants who sell their Shares before they receive confirmation of their allocation will do so at their own risk.

The Company and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their Shareholder Statement (refer Section 2.13 below), whether on the basis of a confirmation of allocation provided by the Company, the Registry or otherwise.

If the Company has not been admitted to the Official List within three months after the date of this Prospectus, all Application Monies will be refunded in full (without interest) within the period prescribed by the Corporations Act.

2.11 BROKERAGE, COMMISSION AND STAMP DUTY

No brokerage, commission or stamp duty is payable by Applicants for Shares under the Offer.

2.12 DISCRETION NOT TO PROCEED

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Offer at any time before the allocation of Shares to successful Applicants or bidders under the Institutional Offer. If the Offer does not proceed, Application Monies will be refunded in full (without interest). The Offer will not proceed if all Shares offered under the Offer are not allocated.

2.13 CHESS

The Company will apply to participate in CHESS and in accordance with the ASX Listing Rules and the SCH Business Rules will maintain an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. These two sub-registers will together make up the Company's principal register of Shares.

Following the allocation of Shares to successful Applicants, shareholders will receive a Shareholder Statement, being an initial statement of holding (similar to a bank account statement) that sets out the number of Shares which have been allocated to them under the Offer. This statement will also provide details of the shareholder's HIN in the case of a holding on the CHESS sub-register or SRN in the case of a holding on the issuer-sponsored sub-register. Shareholders will be required to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the Registry. The Company will not issue certificates to shareholders.

Shareholders will receive subsequent statements soon after the end of any month in which there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules.

Shareholders may request statements at any other time, although the Company retains discretion to charge an administration fee for such a statement.

2.14 TAXATION

The Australian taxation consequences of any investment in Shares will depend upon the investor's particular circumstances. It is an obligation of investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course that you should follow, you should consult your stockbroker, solicitor, accountant or other professional adviser without delay. Section 9.9 sets out further information in relation to tax.

2.15 FOREIGN SELLING RESTRICTIONS

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who obtain this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer or an invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation. It is the responsibility of any Applicants who are citizens or residents of jurisdictions outside of Australia to ensure compliance with all laws of any jurisdiction which are relevant to their Applications.

This Prospectus is not registered in Hong Kong. The Shares may not be offered or sold directly or indirectly in Hong Kong by means of this Prospectus or any other offering material or document other than to persons whose ordinary course of business it is to buy or sell shares or debentures, whether as principal or as agent, except in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance of Hong Kong. Unless permitted to do so by the securities laws of Hong Kong, no person may issue or cause to be issued in Hong Kong this Prospectus or any amendment or supplement thereto or any other information, advertisement or document relating to the Shares other than with respect to such Shares that are intended to be disposed of to persons outside Hong Kong or to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or as agent.

This Prospectus is not registered in Singapore and no Shares may be offered or sold in that jurisdiction by means of this Prospectus except in circumstances which do not constitute an offer to the public within the meaning of applicable securities laws. Unless permitted to do so by the laws of Singapore, no person may issue or cause to be issued in Singapore this Prospectus, any amendment or supplement thereto, or any other document or advertisement with respect to the Offer.

2.16 ENQUIRIES

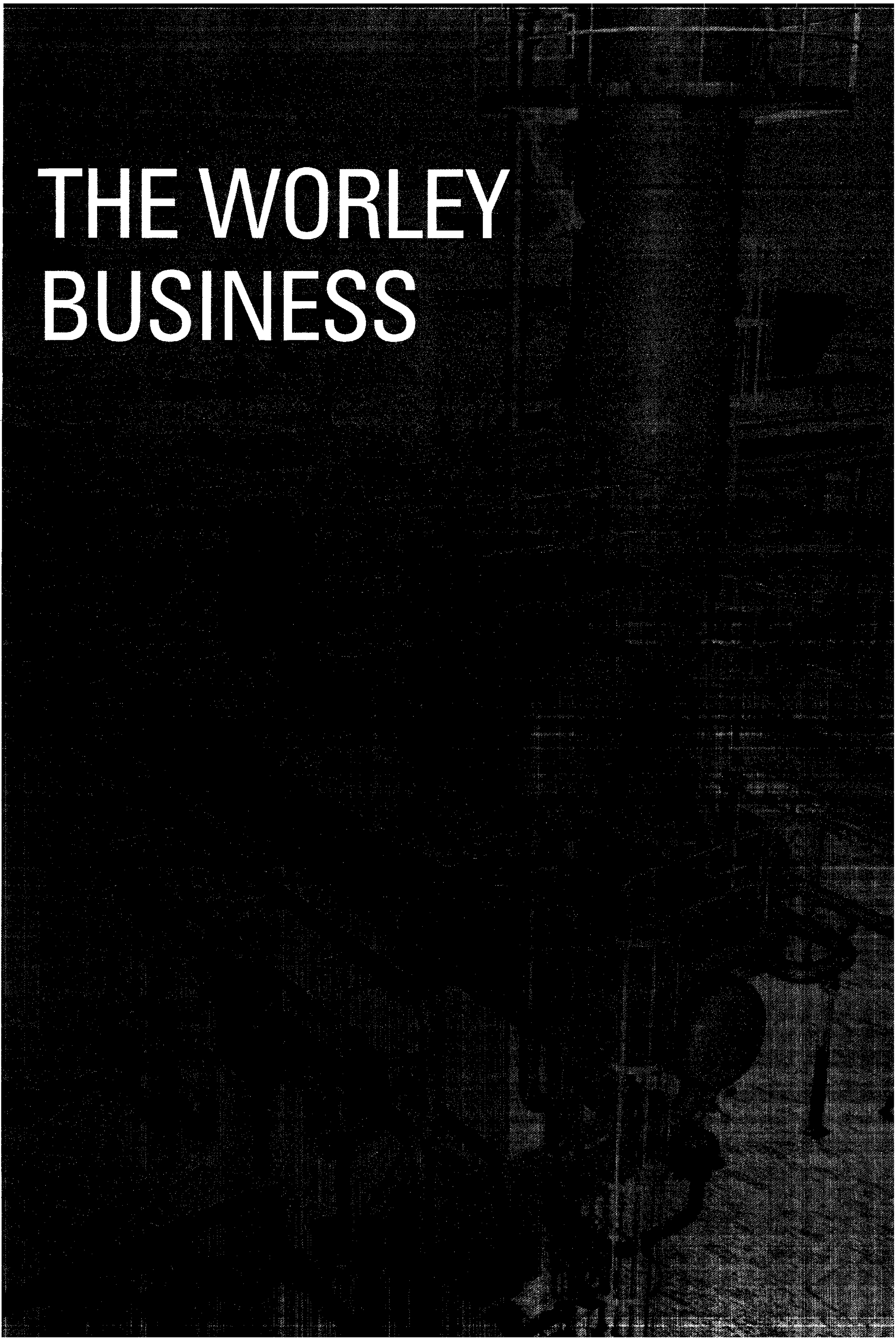
Further information about the Offer can be obtained by contacting the Lead Manager or a Broker to the Offer.

Applicants with questions on how to complete the Application Form should contact the Registry on 1800 880 707 and Applicants with questions on the contents of this Prospectus, should contact the Registry or their stockbroker, solicitor, accountant or other professional adviser.

2.17 EXPIRY DATE

The expiry date of this Prospectus is the date that is 13 months after the date of this Prospectus. No Shares will be offered on the basis of this Prospectus after that date.

THE WORLEY BUSINESS



3. THE WORLEY BUSINESS

3.1 BUSINESS OVERVIEW

Worley is a leading provider of professional services to the energy, resource and complex process industries. It offers a broad scope of services, from feasibility studies to design and project services. Through partnerships with complementary service providers, the Company also delivers integrated upgrade and maintenance services to major industrial facilities.

Worley has 37 office locations worldwide in the Asia Pacific, Middle East and United States. Its operations are strategically located to ensure it can service major resource centres throughout these regions.

Worley's growth in recent years has been primarily generated by its established operations and market position, augmented by selected acquisitions. It now offers its services in the following five industry sectors:

- Oil & Gas;
- Refining, Petrochemicals & Chemicals;
- Minerals & Metals;
- Power & Water; and
- Industrial & Infrastructure.

The strength of Worley's reputation is evidenced by the benchmark projects the Worley Group has been involved in, such as ConocoPhillips' Bayu-Undan project and facilities, and by the high calibre of companies that have partnered with the Worley Group to execute major projects. Project revenue has been a significant driver of growth for Worley, particularly in the oil and gas sector. Worley's project revenue is complemented by revenue generated from alliance-based contracts, where a range of traditionally in-house activities, such as facility design, upgrade and maintenance, are outsourced to the Worley Group and its partners. Alliancing delivers efficiencies for Worley's clients and enables the Company to secure long term reimbursable contracts generating stable cashflows.

Worley intends to expand the scope of its business to develop and make direct equity investments in selected infrastructure projects, in conjunction with ANZIS, with an initial focus on the power and waste management industries.

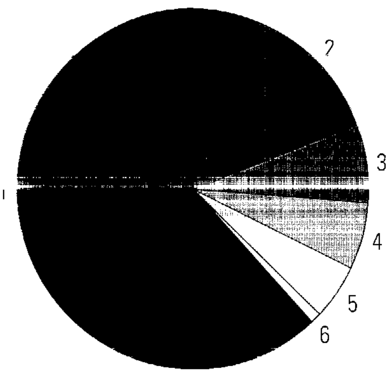
3.2 DIVERSIFIED REVENUE BASE

Worley has a diversified revenue base across five key industry sectors and 14 countries. In FY03, no single contract is expected to contribute more than [illegible]% of Aggregated Revenue. Approximately [illegible]% of Aggregated Revenue forecast for FY03 is expected to be delivered through existing contracts.

Industrial facilities within the energy, resource and complex process industries require a minimum level of ongoing maintenance and upgrade expenditure to ensure efficiency and ongoing safety and reliability. Worley provides services to a range of these existing or brownfield facilities. The provision of services to brownfield facilities delivers a reliable, ongoing revenue stream to the Company, which is less sensitive to market conditions than greenfield developments.

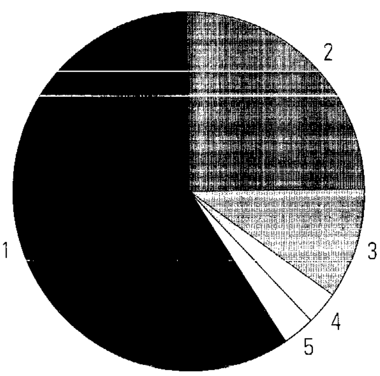
Worley's forecast Aggregated Revenue of $495.7 million in FY03 is comprised as follows:

FY03 Forecast Aggregated Revenue distribution by sector



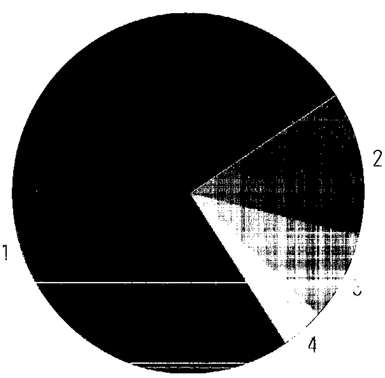
1 Oil & Gas 68%
2 Minerals & Metals 13%
3 Refining, Petrochemicals & Chemicals 7%
4 Industrial & Infrastructure 6%
5 Power & Water 5%
6 Other 1%

FY03 Forecast Aggregated Revenue distribution by geography of project origin



1 Australia and New Zealand 59%
2 Asia 25%
3 Middle East 10%
4 Americas 3%
5 Africa 3%

FY03 Forecast Aggregated Revenue distribution by location where work is performed



1 Australia and New Zealand 75%
2 Asia 13%
3 Americas 8%
4 Middle East 4%

3.3 GLOBAL OPERATIONS

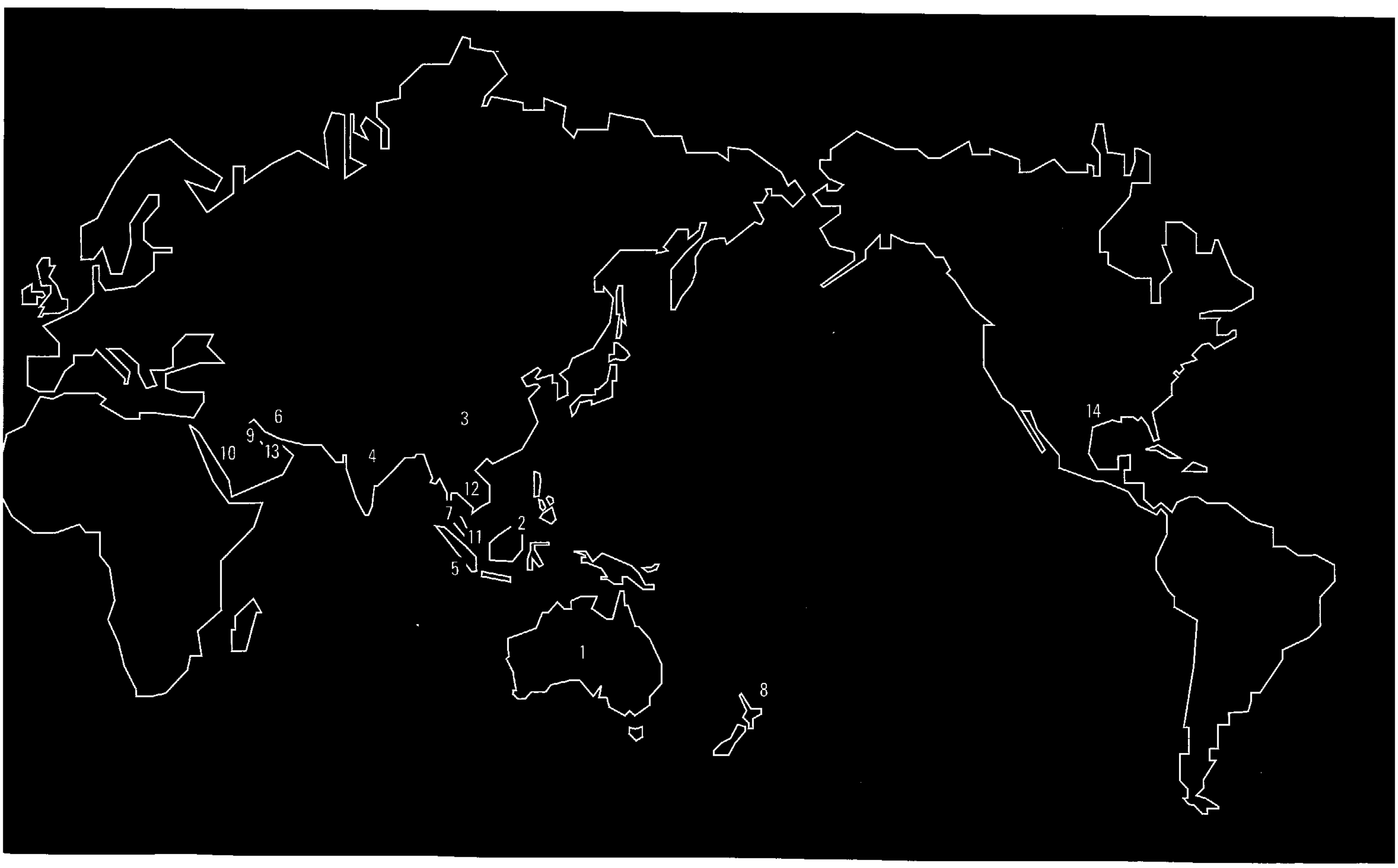
Worley's operations span 14 countries, with 37 office locations worldwide in the Asia Pacific, Middle East and United States. The Worley Group is established globally, having commenced operations in Australia in 1975, expanding to Asia in 1988, the United States in 1991 and the Middle East in 2000.

Strategically located offices close to major resource centres throughout these regions enable Worley to offer its services efficiently. In addition, recent investment in network and systems capability has enhanced the operational effectiveness and integration of Worley's global operations.

Worley's geographic expansion has been facilitated in a number of countries in the Asia Pacific and the Middle East through joint ventures with local businesses. This has proven to be a successful strategy, enabling the Company to combine its major project and design expertise with local knowledge and relationships.

Worley's locations are set out below:

	COUNTRY	LOCATION
1	AUSTRALIA	Adelaide, Balcatta, Brisbane, Bunbury, Gladstone, Kalgoorlie, Karratha, Kwinana, Long Island Point, Longford, Mackay, Melbourne, Newcastle, Perth, Sale, Singleton, Spotswood, Sydney, Townsville
2	BRUNEI	Kuala Belait
3	CHINA	Beijing (Representative office)
4	INDIA	New Delhi (Representative office)
5	INDONESIA	Jakarta
6	IRAN	Tehran
7	MALAYSIA	Kerteh, Kuala Lumpur, Miri
8	NEW ZEALAND	New Plymouth, Whangarei
9	QATAR	Doha
10	SAUDI ARABIA	Al Khobar, Yanbu
11	SINGAPORE	Singapore
12	THAILAND	Bangkok
13	UNITED ARAB EMIRATES	Abu Dhabi, Dubai
14	UNITED STATES OF AMERICA	Houston



3. THE WORLEY BUSINESS CONTINUED

3.4 ALLIANCE AND INTEGRATED SERVICE CONTRACTS

An alliance-based contract typically involves Worley integrating with its clients to broaden its range of services. Such contracts typically entail long or rolling terms, multiple projects and remuneration based on reimbursable costs and performance incentives.

Worley has championed an alliance-based approach to contracting in the energy, resource and complex process industries in the Asia Pacific region.

Alliance-based contracts allow Worley's clients to:

- focus on core competencies;
- establish a close working relationship resulting in more efficient project delivery; and
- align their interests with Worley's by sharing in risks and rewards.

Worley currently has alliance arrangements in place with BP Kwinana, Huntsman and Qenos.

A number of Worley's alliances have developed into integrated service contracts. Whereas an alliance contract will generally relate to a specific and discrete set of services such as design or maintenance, an integrated service contract generally has a more extensive scope and is likely to include design and project services, maintenance, upgrades, as well as reliability and integrity management. Worley partners with complementary service providers such as Transfield Services and ABB to meet the broader range of capabilities required to deliver an integrated service contract.

The Company currently has integrated service contracts with Esso, New Zealand Refining Company, Shell Todd Oil Services and Woodside.

Alliance and integrated service contracts are forecast to contribute approximately 28% of Aggregated Revenue in FY03.

3.5 STRATEGIC RELATIONSHIPS

Worley has been successful in forming strategic relationships, enabling it to expand both the scope and scale of the services it offers and the locations in which it operates.

The Worley Group is involved in 11 principal joint ventures, which are generally established for one of the following reasons:

- complementary skill set;
- geographic presence; and
- project related requirements.

3.5.1 COMPLEMENTARY SKILL SET

Worley has formed joint ventures with parties that have complementary skill sets to enable it to offer a broader range of services:

Transfield Worley

The Transfield Worley joint venture operation was established in 1995 as a 50:50 joint venture between Worley and Transfield Services. Transfield Services is a leading provider of operations and maintenance services in Australia and New Zealand. Transfield Worley has an integrated service contract with Woodside for its North West Shelf facilities. A separate incorporated 50:50 joint venture between Worley and Transfield Services, Transfield Worley (New Zealand), has established long term integrated service contracts with the New Zealand Refining Company and Shell Todd Oil Services.

Worley ABB

Worley ABB is a 50:50 joint venture operation with ABB established in 1996. It was awarded one of three initial contracts to supply design, procurement and construction services on a schedule of rates and reimbursable third party services basis for Esso BHPB's Victorian oil and gas facilities. Worley ABB was awarded one of the two contracts renewed by Esso in 2000. The joint venture has performed the majority of design, procurement and construction services for Esso in Victoria over the last two years, which has primarily involved capital works at Esso BHPB's Longford site both for reconstruction and reliability enhancements and for general capital works.

ABB is one of the largest power and automation companies in the world with around 150,000 employees in over 100 countries. ABB's Oil, Gas and Petrochemicals division employs approximately 13,000 people worldwide. Its maintenance, fabrication, installation and construction skills are complementary to Worley's design and project management skills.

Burns and Roe Worley

Worley's power and water services are provided through Burns and Roe Worley, a 50:50 joint venture entity established in 1995 with Burns and Roe. Burns and Roe Worley delivers services to power generation, transmission and distribution and water and wastewater treatment clients throughout Australia and South East Asia.

Burns and Roe is headquartered in the United States and is a leader in the provision of engineering, procurement and construction management services for the power and energy sectors.

Worley Mamic

Worley Mamic was established in 2001 as a 50:50 joint venture operation between Worley and Mamic. It was established to provide services to WMC Fertilizers' operations at Phosphate Hill (ore processing, ammonia production and granulation), Mt Isa (sulphuric acid plant) and Townsville Port (storage and ship loading facilities).

Mamic is a subsidiary of Maunsell (its parent company being AECOM United States) which specialises in materials handling, materials processing, mining infrastructure and smelting.

3.5.2 GEOGRAPHIC PRESENCE

Worley has formed joint ventures with established local industry participants to leverage local knowledge and relationships and to accelerate the development of its global businesses:

Ranhill Worley

Ranhill Worley, established in 1995, is a joint venture entity 49% owned by Worley and 51% owned by Ranhill. The Ranhill Group is one of the largest engineering corporations in Malaysia. Ranhill Worley, which was expanded in December 2001 through the acquisition of the Malaysian interests of Jacobs Engineering, has approximately 475 personnel and is capable of executing major projects for Worley's Asian and Middle Eastern-based clients.

Worley Arabia

This 50:50 joint venture entity operating in association with Petrocon Arabia was established to undertake work in Saudi Arabia. Petrocon Arabia is a multi-discipline design and project management company based in Saudi Arabia and has been operating since 1979. Worley provides management, specialist resources and project control and management, while Petrocon Arabia provides a strong base of established facilities, local experience and detailed design and drafting resources.

Worley Qatar

Worley provides design and project management services in Qatar through Worley Qatar, in which it has a 40% interest. Worley Qatar has key relationships with local industry participants, including Mannai, a large diversified corporation in Qatar. Through its MidEast Constructors and Mannai Marine businesses, Mannai provides services that complement Worley's design capability for onshore and offshore facilities.

Damit Worley

Damit Worley was formed in 1988 to service the oil and gas industry of Brunei Darussalam. Damit Worley is a 50:50 joint venture operation linking Worley with Damit Bakar Consultants, a local engineering consulting firm.

Ceria Worley

Ceria Worley was established in 1992 and is owned 12.5% by Ceria Worley Utama and 87.5% by Worley. Ceria Worley offers engineering and consulting services to energy, resource and complex process industry clients in Indonesia. Ceria Worley currently has a three year contract with ConocoPhillips to provide services for their offshore West Natuna facilities.

3.5.3 PROJECT RELATED REQUIREMENTS

For large scale projects, Worley, in some circumstances, will form a joint venture operation with a complementary service provider to strengthen its capability platform.

TIGA

The TIGA joint venture was established by Worley and Fluor in 1998 specifically to tender for the preliminary design of the Bayu-Undan project in the Timor Sea. Following TIGA's successful execution of this work, it bid for and won the detailed design and follow-on work. The joint venture is currently providing these follow-on services.

Mg

This 50:50 joint venture was established by Worley and Kvaerner in 2002 for the provision of design services to Leighton Contractors in its capacity as principal contractor for Australian Magnesium Corporation's Stanwell magnesium project. Mg will provide design and project services in relation to Area 30 of the Stanwell magnesium project.

3.6 HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT

Safety in design and of personnel and third parties is a primary consideration in the energy, resource and complex process industries and is a differentiator between companies when bidding for work. Worley is committed to health and safety and the protection of the environment.

Worley's health, safety and environment management system provides the organisation with the appropriate methods and procedures to meet the standards set by Worley and its clients. This system is subject to a continual improvement process.

The Company has received awards for its environmental and safety leadership, including:

- Western Australian Worksafe Award in recognition of an outstanding contribution to safety and health in the workplace (1997);
- Victorian Premier's Commission for Outstanding Contribution to the Worley ABB joint venture in recognition of 10 years of continuous activity in the gas and oil construction industry without a lost time injury (1999);
- BP Clean Fuels Project – Engineering Excellence Award, Institution of Engineers, Australia (2001); and
- Esso Australia Award at the 2002 Contractor Safety Recognition Forum for achievements and ongoing commitment to safety excellence.

3.7 ENTERPRISE RISK MANAGEMENT

Worley has established an enterprise risk management process, covering areas such as contract management, health, safety and environment management and quality management. The risk management systems are based on the Australian Standard AS/NZS 4360:1999.

A key focus of the risk management process is to create and encourage a greater awareness among all managers and personnel of the commercial and technical risks inherent in the operations of the Worley Group. It is Worley's objective to identify and mitigate potential risks prior to tendering and contracting for a project. Additionally, risk management plans are developed and maintained throughout the duration of major projects in order to better control the total risks that may be encountered.

3.8 OIL & GAS (68% OF FY03 FORECAST AGGREGATED REVENUE)

3.8.1 OVERVIEW

Established in 1975, Worley has grown to be a leading provider of design and project services to the oil and gas industry. It has grown organically from an Australian base to a company with offices in the Asia Pacific, Middle East and United States.

The Worley Group's expertise in oil and gas includes the provision of design and project services for the following types of projects and facilities:

- fixed offshore facilities;
- floating production systems;
- offshore and onshore pipelines; and
- onshore gas plants, production facilities and terminals.

The Oil & Gas group provides services throughout the project lifecycle, from identification of the opportunity to the operating phase. This includes onshore and offshore greenfield projects, brownfield projects (in particular, de-bottlenecking and enhancement of production of existing facilities) and long term operations support and maintenance contracts.

The brownfield projects and specialised operations support and maintenance contracts can provide a more secure, ongoing revenue stream than greenfield projects. Industry downturn can often delay greenfield projects. In contrast, brownfield and maintenance capital projects generally proceed as clients are focused on improving the production, cost efficiency and life-of-field asset value.

Worley's Oil & Gas group has championed the use of alliances and integrated service contracts in the Asia Pacific region. It has built on existing client relationships with some of the major oil and gas companies to develop mutually beneficial alliance-based contracts underpinned by lower risk, long term cashflows.

Worley's Oil & Gas group also established a business in 2001 called Worley Select to take advantage of opportunities in the preliminary phases of project development. Worley Select has secured a number of clients including Santos and ONGC (Indian State Oil and Gas Company)

Worley's Oil & Gas strategy is to maintain its focus on the Asia Pacific and Middle East regions, continuing its move into the higher value-adding sectors as highlighted above.

3.8.2 CLIENTS AND PROJECTS

Over the last 25 years, Worley has worked with many of the major oil and gas companies in the Asia Pacific and Middle East regions.

Worley's oil and gas clients include the following:

MAJOR OIL AND GAS COMPANIES	INDEPENDENT OIL, GAS AND PIPELINE COMPANIES	NATIONAL OIL AND GAS COMPANIES
BP	AGL	ADNOC (UAE)
Chevron Texaco	Apache	CNOOC (China)
ConocoPhillips	BHP Billiton	ONGC (India)
ExxonMobil	Duke Energy	Pertamina (Indonesia)
Shell	Kerr-McGee	Petronas (Malaysia)
Total Fina Elf	Oil Search	PTT (Thailand)
	Origin	Qatar Petroleum
	Reliance	Saudi Aramco
	Santos	
	Sasol	
	Unocal	
	Woodside	

Current major oil and gas projects include ConocoPhillips' Bayu-Undan project in the Timor Sea, the long term integrated service contract for Woodside's North West Shelf facilities, Kerr-McGee's CFD 11-1 floating production project in Bohai Bay, China, the 860km gas pipeline from Mozambique to South Africa for Sasol and the front-end engineering and design contract for ADNOC's offshore operating company for the Umm Shaif Injection facilities.

3.8.3 INDUSTRY DYNAMICS

The global oil and gas industry has undergone significant consolidation and rationalisation over the past five years. This has resulted in the emergence of a small number of very large oil and gas companies that, together with the national oil companies of the OPEC nations, control over 40% of the world's oil and gas production.

The Asia Pacific and Middle East regions collectively contain almost 60% of the world's oil and gas reserves and its two most populous countries, China and India, which together are expected to drive a significant proportion of growth in global energy demand.

There has been considerable industry activity in the Asia Pacific and Middle East regions, particularly in Bass Strait, the Timor Sea, the North West Shelf, the Taranaki Basin, Bohai Bay, the Arabian Gulf and the South China Sea. As a part of a strategy to focus on the Asia Pacific and Middle East, Worley has established operations and secured significant contracts in each of these key oil and gas markets.

The Company's international competitor landscape has experienced considerable rationalisation in recent years. This has included the merger of the Norwegian-based Kvaerner and Aker, the acquisition of Mustang Engineering and JP Kenny by the United Kingdom-based Wood Group and the merger of European-based Technip and Coflexip.

3.9 REFINING, PETROCHEMICALS & CHEMICALS (7% OF FY03 FORECAST AGGREGATED REVENUE)

3.9.1 OVERVIEW

The refining, petrochemicals and chemicals industry encompasses processing plants that refine crude oil into fuels, lubricating oils and special petroleum products; petrochemical facilities to produce solvents, monomers, polymers and elastomers; and chemical plants to produce a wide range of bulk and specialist chemical products for commercial and domestic customers.

Worley's Refining, Petrochemicals & Chemicals group delivers a range of services to this industry, including business and project consulting, conceptual and front-end studies, detailed design, project management, procurement, upgrade management, operations support and maintenance services.

Worley has also been successful in introducing the alliance-based contracting model to this sector.

3.9.2 CLIENTS AND PROJECTS

The Refining, Petrochemicals & Chemicals group shares common clients with Worley's Oil & Gas group, enabling it to leverage off existing relationships to accelerate its development in this sector. Worley and its joint venture partners have developed alliance or integrated service contracts with BP Kwinana, ExxonMobil, Huntsman, New Zealand Refining Company and Qenos and have a track record of completing large scale complex process projects. Benchmark projects in this sector include Wesfarmers CSBP's ammonium nitrate project and BP Kwinana's Euro 2/3 clean fuels project.

3.9.3 INDUSTRY DYNAMICS

The refining, petrochemicals and chemicals industry has historically been very competitive, driving the need for ongoing cost reduction programs for major facilities. Worley's clients have made large investments in complex process asset bases and are focused on the operational efficiency of facilities. Achieving greater efficiencies generally requires ongoing expenditure on technology, maintenance and safety. Worley believes this will drive demand for its services in this sector. In addition, the trend towards the introduction of clean fuels is driving brownfield investment in refining facilities.

Given the competitive nature of the industry, there has historically been pressure to execute projects in this sector on a lump-sum basis. Worley has generally performed these types of contract as a specialist subcontractor to reduce its risk exposure. More recently, Worley believes there has been a trend toward lower risk, alliance-based contracts. Worley believes its strong track record in alliance-based contracts positions it well to capture opportunities arising from this trend.

The industry consolidation that has occurred amongst the refining, petrochemicals and chemicals industry participants in recent years has been mirrored by a rationalisation amongst Worley's competitors, including the acquisition by Kvaerner of Davy Corporation and John Brown, the merger of Halliburton and Kellogg Brown & Root to form KBR and the acquisition of Uhde Group by Krupp.

3.10 MINERALS & METALS (13% OF FY03 FORECAST AGGREGATED REVENUE)

3.10.1 OVERVIEW

Worley has expanded the capabilities of its Minerals & Metals group over recent years to ensure it is well positioned to capture anticipated growth in the Australian and Asian markets.

Worley's Minerals & Metals group has a broad range of experience with industrial and mineral processing plants, providing a full range of services to its clients, including project feasibility, design, project management, and asset and project optimisation. Facilities in the minerals and metals industry typically comprise crushing, grinding, smelting, leaching, purification, materials handling systems, furnaces, storage and off-take systems, along with chemical treatment and processing facilities.

Worley's Minerals & Metals group capabilities, and hence the range of services it offers its client base, were enhanced in 2000 through the acquisition of specialist consulting company, Toussaint & Richardson. Toussaint & Richardson contributed experience in the mining and mineral industries, with technical skills in several niche markets including light metals, lime and hydrometallurgical processing.

The Company has traditionally worked on a project-by-project basis in this sector but has recently introduced the alliance-based contracting model, securing several alliances that deliver detailed design, procurement and construction management for sustaining capital works.

Worley has partnerships with complementary service providers and is currently working with those partnerships on major light metal and nickel projects.

3.10.2 CLIENTS AND PROJECTS

Worley provides front-end, detailed design, procurement and engineering management services to major projects such as Queensland Alumina's refinery expansion, WMC's operations and Alcoa's Wagerup alumina refinery and to Leighton Contractors as the principal contractor for Australian Magnesium Corporation's Stanwell magnesium project.

3.10.3 INDUSTRY DYNAMICS

Australia is one of the global hubs for minerals extraction and processing while Asia is of growing importance in the minerals and metals industry, with increasing demand from emerging markets in China and India. Australia is also a leading global source of natural resources such as nickel, bauxite and coal. However, increasingly innovative solutions are required to extract these resources economically.

The minerals and metals industry continues to undergo a period of transformation, with industry rationalisation creating larger companies with lower cost bases, greater economies of scale, more market power and greater geographical diversification. Associated with this rationalisation has been an increasing focus by clients on core activities which may include outsourcing of design and maintenance services.

Recent consolidation activity in Australia has included the merger of BHP and Billiton, Newmont Mining Corporation's merger with Normandy Mining and Goldfields' merger with Delta Gold. The four major international diversified companies in this sector are Anglo American, BHP Billiton, Glencore and Rio Tinto. BHP Billiton, Glencore and Rio Tinto have a strong presence in Australia and Worley has performed work for each of these companies.

3.11 POWER & WATER (5% OF FY03 FORECAST AGGREGATED REVENUE)

3.11.1 OVERVIEW

Worley's power and water expertise is provided through Burns and Roe Worley, a joint venture established in 1995 with specialist power group Burns and Roe. Burns and Roe Worley provides services to power generation, transmission and distribution and water and wastewater treatment clients throughout Australia and South East Asia.

Burns and Roe Worley's power industry capabilities include conventional thermal plants, biomass-fired plants, renewable and alternative energies, simple and combined cycle gas turbine plants, diesel plants, cogeneration plants and hydro projects, power transmission and distribution. Burns and Roe Worley's expertise in the water industry includes specific ion removal systems and water and wastewater process design.

These industry sectors are technically complex and demand reliable performance, specialist skills and broad commercial and technical experience. Burns and Roe Worley's assignments can range from technically unique, front-end studies to highly complex, multi-disciplinary projects that require innovation, disciplined scheduling and strict project control.

Services include conceptual and detailed design, technical due diligence, financial modelling, life extension studies, turnkey project delivery and project management.

Burns and Roe Worley acquired the business of John Thompson in Australia from Rolls Royce in December 2001. With over 50 employees being brought into the Worley Group, this acquisition strengthened Burns and Roe Worley's power and water capability.

3.11.2 CLIENTS AND PROJECTS

Burns and Roe Worley's client base includes power and water authorities, independent power producers, government bodies, financial sponsors and participants in the mining and process, as well as manufacturing and chemical industries with large energy needs.

Burns and Roe Worley has executed projects in the power industry ranging from small cogeneration plants to large central generating stations. Projects have included a 75MW power generator for GE Power Systems, design of a substation for ElectraNet's Pelican Point power station and provision of services for Goldfields Power's Parkeston power station.

In the water industry, Burns and Roe Worley focuses on a few key clients and specialist skill areas. It currently has two contracts in the wastewater industry in joint venture with Transfield Construction and has completed projects for Water Corporation of Western Australia, WMC, Wesfarmers CSBP and South Australia Water.

3.11.3 INDUSTRY DYNAMICS

The Australian power industry has recently undergone a period of corporatisation, with extension to privatisation in some states in recent years. The supply chain in both Victoria and South Australia is now in private ownership. Vertical separation of generation, transmission and retail distribution has been implemented in all states participating in the National Electricity Market. This development has enabled a number of international power and infrastructure companies, such as Singapore Power, China Light and Power, Cheung Kong Infrastructure and TXU to enter the Australian market.

The Australian electricity market is not large enough to allow cost efficient supply of power to customers at pre-determined prices during peak periods. A number of electricity retailers have responded by constructing small to medium sized gas-fired peaking plants, which has created opportunities for Burns and Roe Worley.

Significant new plant is also expected to be commissioned in Australia over the next 10 years as a consequence of government greenhouse policy in Australia. Renewable energy legislation requires 2% of retail power to be from a renewable source by 2010. Worley believes this is likely to take the form of a large number of small renewable power generation facilities.

3.12 INDUSTRIAL & INFRASTRUCTURE (6% OF FY03 FORECAST AGGREGATED REVENUE)

3.12.1 OVERVIEW

Worley's Industrial & Infrastructure group has been specifically designed to meet the needs of major greenfield project developments. The group's capabilities in site selection, government regulations, shared infrastructure and remote location constructability have enabled it to have early involvement in projects which have the potential to deliver significant flow-on work to Worley's other sectors.

Worley provides specialist services in niche markets where it has a technological advantage, including ports and harbours, buildings, rail, ocean outfalls and industrial facilities. The Company has developed numerical modelling tools and design capabilities that have enabled it to compete in these sectors internationally:

- Ports and harbours – Worley provides maritime civil design and project management for port and coastal work throughout Australia and, increasingly, internationally;
- Buildings – Worley provides services from preliminary feasibility studies and cost estimates to detailed design and construction supervision throughout Australia and South East Asia;
- Rail – Worley, through its Williams-Worley business, is one of the leading designers and consultants to the rolling stock industry in Australia;
- Ocean outfalls – Worley has a broad capability and track record in the construction and project management of ocean outfall facilities. World scale projects have been completed in Sydney, Boston and Hong Kong; and
- Industrial facilities – Worley has combined its strong process and infrastructure capabilities to increase its profile in the industrial and manufacturing sectors.

Worley's Industrial & Infrastructure group works very closely with Burns and Roe Worley, providing specialist civil and structural support. This has allowed Worley and Burns and Roe Worley to successfully deliver projects together, both in Australia and South East Asia.

3.12.2 CLIENTS AND PROJECTS

Worley's rail group has provided design services to rolling stock manufacturers, railway owner-operators, regulators and investors and has strong relationships with major industry participants in Australia.

In the ports and harbours sector, Worley has executed projects for both public and private groups, both in Australia and internationally. Key ports and harbours projects have included a port development in the Oakajee River, Western Australia, a boat marina and waterside development in Sebana Cove, Malaysia, and a facility for the reception and transfer of cement vessels in Muara Serasa Port, Brunei.

Worley's clients in the building sector include contractors, government bodies, private development companies and complex process industry companies.

Specialist industrial projects include the Akzo Nobel cellulose derivative plant in Singapore, wineries and dairies in New Zealand and OneSteel's plant in Newcastle.

3.12.3 INDUSTRY DYNAMICS

The industrial and infrastructure industry is characterised by a few major companies, working alongside a very large number of small or niche companies. For the small companies, the market is generally very competitive, with relatively few barriers to entry. This is less so for the larger and niche companies. As a result, Worley has focused on niche areas within this industry which require specialist skills.

The industrial and infrastructure industry sector represents over 50% of the total construction expenditure in Australia. The sector has the potential for strong growth driven by the need to replace ageing infrastructure, and the overall growth in the economy.

In addition, there is an increasing trend in the industrial and infrastructure industry towards private public partnerships for the development of infrastructure such as schools, houses, rail stations and water projects. The Victorian state government has led the way in this initiative with the introduction of the Partnerships Victoria policy and its commitment to spend $2 billion on capital works over the next four years. The New South Wales and Queensland state governments have also announced their intention to allocate parts of their budgets to privately-funded public infrastructure. Worley believes this provides an opportunity for it to introduce its alliance-based approach to contracting in this sector, to team with contractors, financiers and facilities managers and provide an integrated service contract approach.

Given a strongly growing market and a focus on expanding its existing market share, Industrial & Infrastructure is expected to provide significant growth opportunities for Worley.

3. THE WORLEY BUSINESS CONTINUED

3.13 DEVELOPMENTS

Worley is intending to expand the scope of its business to develop and make direct equity investments in infrastructure projects. Worley plans to utilise its specialist expertise and existing relationships to participate in projects in particular industries, including regional and remote power generation and associated natural gas pipelines, and municipal solid waste projects. Upon completion of the development phase, it is Worley's strategy to expand the scope of services it provides to the project to include ongoing design, operation and maintenance services.

To accelerate the development of a portfolio of projects, the Company proposes to enter into an equity alliance with ANZ Infrastructure Services ("ANZIS"). The Company believes that this integrated arrangement will provide a strong combination of lower equity investment levels, specialist skills and access to the relationships of both Worley and ANZIS.

Initially, Worley will focus on pursuing opportunities in power and associated natural gas pipeline, renewable energy and waste management projects.

Worley and Burns and Roe Worley are participating in Western Power's regional power development program and expect to be taking an equity participation in the development of a 33MW gas turbine power station to supply electricity to the Esperance region of Western Australia. Worley, in an integrated approach with Burns and Roe Worley, expects to develop the associated 320km pipeline which will transport natural gas to the power station. The project is underpinned by an 18 year power purchase agreement with Western Power.

The project is expected to reach financial close in January 2003 and will be funded through a combination of equity and non-recourse debt facilities.

The overall cost of the project is expected to be approximately $87 million with ANZIS, Worley and Burns and Roe Worley contributing combined equity of approximately 20%. Construction is expected to commence in second quarter 2003 with completion expected early in 2004.

Burns and Roe Worley has also secured "single preferred bidder" status to supply Western Power's power requirements in the Exmouth region of Western Australia. The Exmouth plant is scheduled to be operational in early 2004.

Worley estimates the capital value of the Exmouth project to be between $20 million and $50 million, depending primarily on whether one or two power stations and an associated natural gas pipeline are built. Worley intends to pursue this opportunity in conjunction with ANZIS.

Burns and Roe Worley and Worley have been shortlisted in the selection process to supply Western Power's power requirements in the West Kimberley region of Western Australia.

The Company will also consider pursuing emerging opportunities in the waste management industry in Australia. Worley has formed a relationship with a supplier of accelerated composting technology and another with a supplier of gasification technology that converts biomass and plastics to synthetic gas for energy recovery. Worley intends to pursue opportunities in [illegible] ANZIS.

3.14 SAFETY AND RISK MANAGEMENT CONSULTANCY

Worley Safety and Risk Management Consultancy is a provider of specialised risk management consultancy services. Using techniques based on proven, structured risk management processes, clients are provided with a range of services including:

- detailed safety and risk engineering of complex process plants, including the development of safety cases for major hazardous facilities;
- development of, and implementation support for, high level health, safety and environment management systems;
- emergency response and emergency management systems and training (including emergency simulation) in those systems;
- crisis management systems; and
- enterprise-wide risk management systems development.

As well as having engineering and project management skills, Worley's consultants in this area have a diverse range of backgrounds including legal, corporate affairs, military, police, security, insurance and finance.

Worley's clients include companies in the energy, resource and complex process industries in Australia, South East Asia and the Middle East.

3.15 TECHNOLOGIES

While providing its services, Worley has developed technologies and applications that create new and better capabilities for its clients and their projects. The Company has developed these technologies and applications alone and in joint venture with other parties.

3.15.1 INCONTROL

InControl is a modular and rapidly deployable management system for complex projects. The InControl system integrates data from different systems and delivers the information necessary to make informed decisions. By applying the principles of cost, time and resource management, processes such as budget preparation, planning, management and reporting, are simplified.

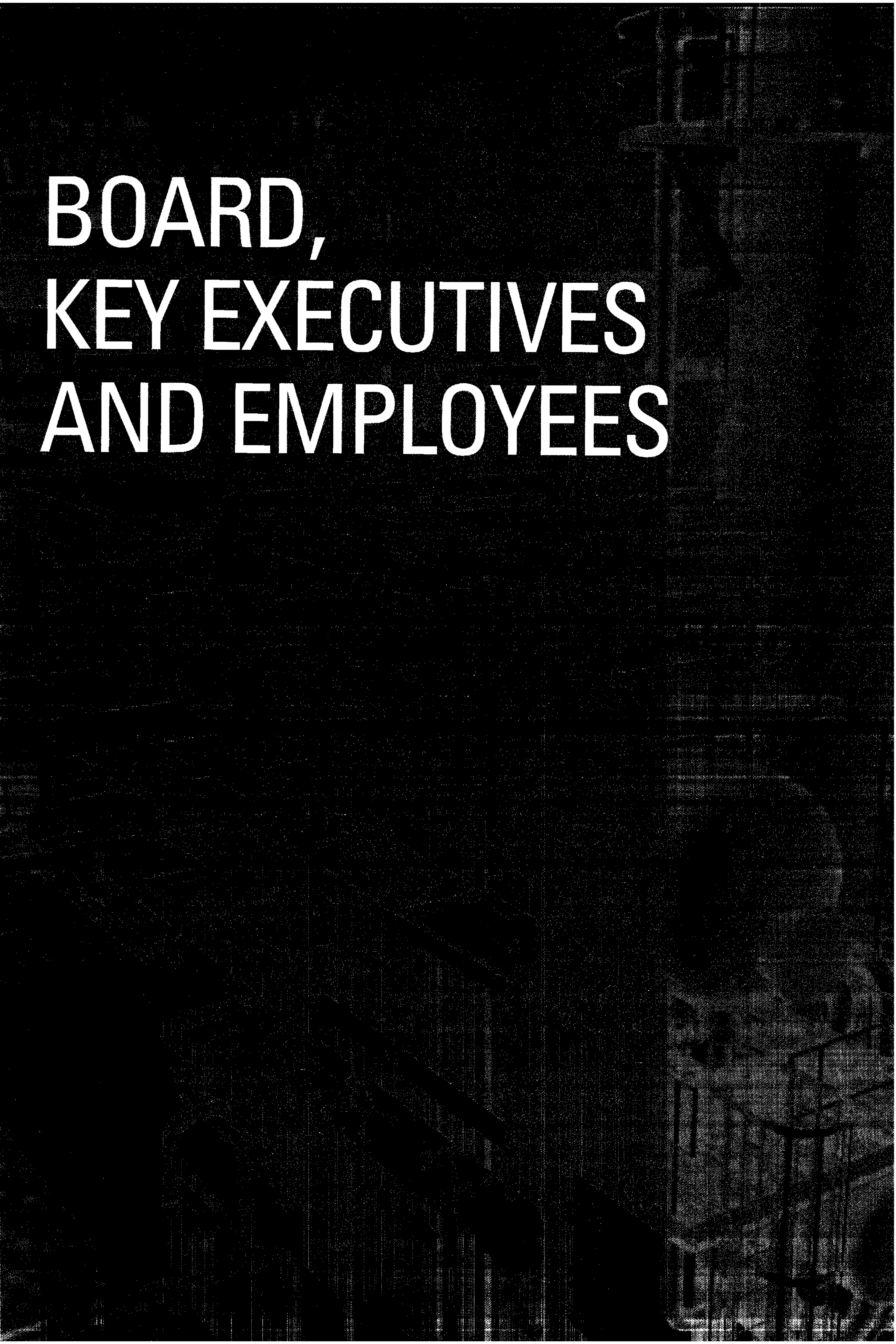
3.15.2 ENERGY CELLS

Worley has developed portable and stationary energy storage systems. These energy cell systems range from 25W to 100kW. Worley is focused on delivering energy cell systems to the oil and gas, military and telecommunication industries.

3.15.3 WORLEY FLEET ANALYSIS

Worley Fleet Analysis provides key information on vehicle and driver performance to the transport industry. Using the internet, GPS and cellular phone-based systems, Worley Fleet Analysis delivers information to the relevant staff in an industry standard form, with minimal effort required by the end user. Information provided by Worley Fleet Analysis includes detailed analysis of driver and vehicle performance.

BOARD, KEY EXECUTIVES AND EMPLOYEES

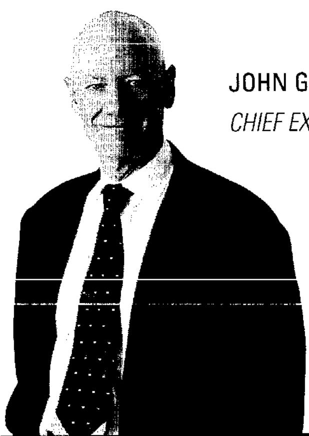


4. BOARD, KEY EXECUTIVES AND EMPLOYEES

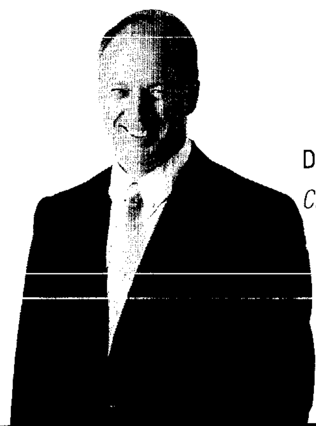
4.1 BOARD OF DIRECTORS

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

DEPUTY CHAIRMAN AND NON-EXECUTIVE DIRECTOR

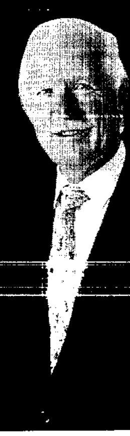


JOHN GRILL
CHIEF EXECUTIVE OFFICER



DAVID HOUSEGO
CHIEF FINANCIAL OFFICER

NON-EXECUTIVE DIRECTOR



NON-EXECUTIVE DIRECTOR

JOHN SCHUBERT

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

John joined the Worley advisory board as Chairman in August 2000. A chemical engineer by training, John commenced his career in 1969 with Esso in Australia. In his 24 year relationship with Esso, John held many positions in Australia and internationally, culminating with his appointment as Chairman and Managing Director in Australia, a position he held for six years. In 1993, John was appointed Managing Director of Pioneer International and led that business to its merger with Hanson plc in May 2000. John is currently a non-executive director of several companies and organisations including Qantas, BHP Billiton, Commonwealth Bank, Hanson, the Australian Graduate School of Management and the Great Barrier Reef Research Foundation. John holds a PhD in Chemical Engineering.

JOHN GRILL

CHIEF EXECUTIVE OFFICER

John joined Esso Australia in 1968, then moved in 1971 to be Chief Executive of the entity that became Wholohan Grill and Partners. This specialised engineering practice acquired the business of Worley Engineering Pty Limited in Australia in 1987. John has personal expertise in every aspect of project delivery. He has acted for all of Worley's major clients and remains closely involved at board level with two of the Company's major joint ventures, Transfield Worley and Worley ABB. John holds a Bachelor Degree in Science and in Engineering.

John is a member of Worley's Executive Committee.

JOHN M GREEN

NON-EXECUTIVE DIRECTOR

John has been a member of Worley's advisory board for nine years, including a period as its Chairman. John is an investment banker at Macquarie Bank where he has been an executive director since 1993. John's prior professional career was in law, including as a partner in law firms Freehill Hollingdale & Page and Dawson Waldron. John is also a non-executive director of The Centre for Independent Studies, a not-for-profit "think tank". Previously, he was a non-executive director of UNSW Press and a member of ASX National Listings Committee and has held a number of positions in the Securities Institute of Australia, of which he is a Fellow. John holds a Bachelor Degree in Jurisprudence and a Bachelor Degree in Law and is a Fellow of the Australian Institute of Company Directors.

RON MCNEILLY

DEPUTY CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Ron is currently the Deputy Chairman of BHP Steel and has over 30 years experience in the steel industry. Ron joined BHP Billiton in 1962 and has held positions with BHP Billiton including Executive Director and President BHP Minerals, Chief Operating Officer, Executive General Manager and Chief Executive Officer BHP Steel, General Manager Transport, General Manager Long Products Division and General Manager Whyalla Works.

Ron is the Chairman of Melbourne Business School, a director and Chairman-elect of Ausmelt, a director of GH Michell & Sons and a former director of QCT Resources and Tubemakers of Australia. Ron is also vice president of the Australia Japan Business Cooperation Committee and a member of the Council on Australia Latin America Relations.

Ron holds a Bachelor of Commerce and an MBA and is a Fellow of CPA Australia.

DAVID HOUSEGO

CHIEF FINANCIAL OFFICER

David Housego joined Worley in July 1999. His finance experience covers business development, mergers and acquisitions, corporate strategic planning, investment evaluation, investor relations and management accounting systems development. Prior to joining Worley, David held senior finance roles with Coca-Cola Amatil in the Business Planning and Development group and as the Manager, Group Reporting and Analysis. Previously, David worked for a number of firms in the United Kingdom and held a variety of accounting positions with AAP Reuters and IBM Australia. David holds a Bachelor of Business and an MBA and is a Fellow of CPA Australia.

David is a member of Worley's Executive Committee.

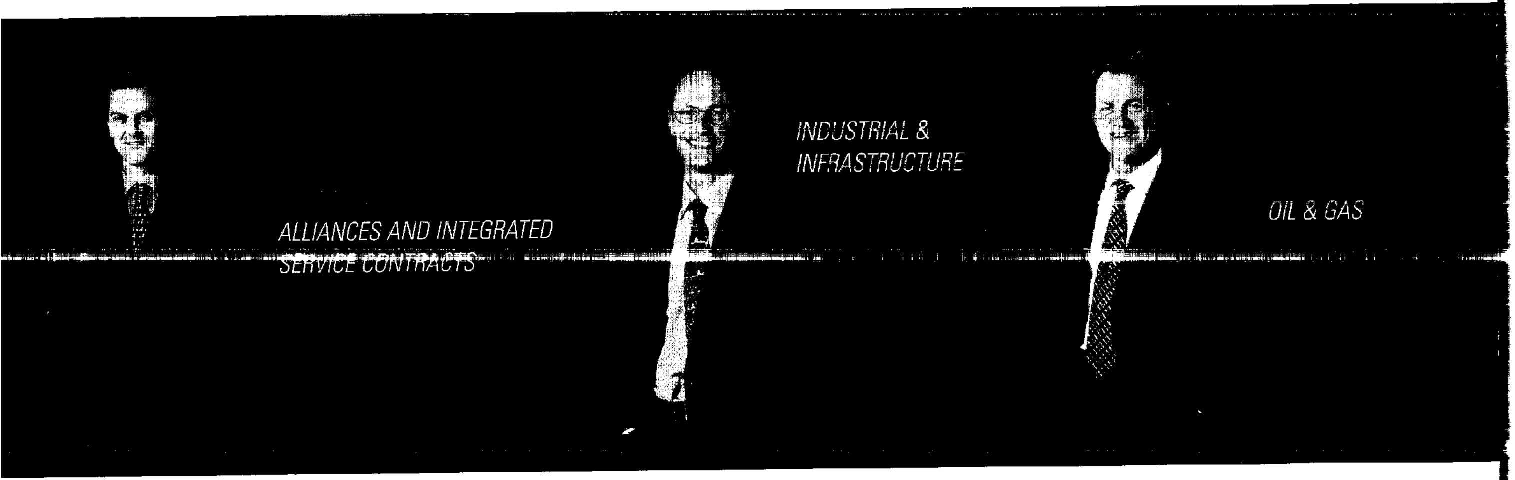
GRAHAME CAMPBELL

NON-EXECUTIVE DIRECTOR

Grahame was Managing Director of CMPS&F from 1987 to 1995, one of the largest engineering and project management groups in Australia. Grahame has over 30 years experience in the management of major Australian and offshore infrastructure projects including oil, gas, road, rail, mining and minerals projects. Grahame is currently a director of State Rail Authority, Iluka Resources and the Macro Engineering Council (Sydney University). Grahame is a past President of the Association of Consulting Engineers in Australia and a member of the Pacific Basin Economic Council. Grahame has been a member of the Worley advisory board since May 1998, has a Bachelor Degree in Engineering and a Masters Degree in Engineering Science and is an honorary Fellow of The Institution of Engineers Australia and a Fellow of the Australian Institute of Company Directors.

4. BOARD, KEY EXECUTIVES AND EMPLOYEES CONTINUED

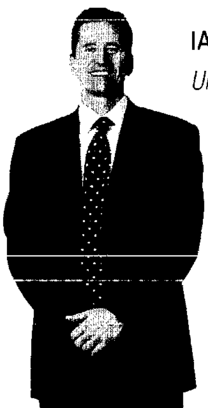
4.2 KEY EXECUTIVES



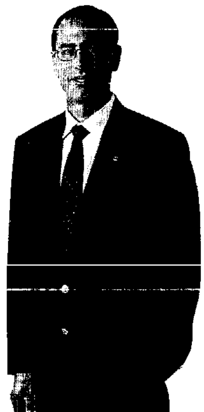
ALLIANCES AND INTEGRATED SERVICE CONTRACTS

INDUSTRIAL & INFRASTRUCTURE

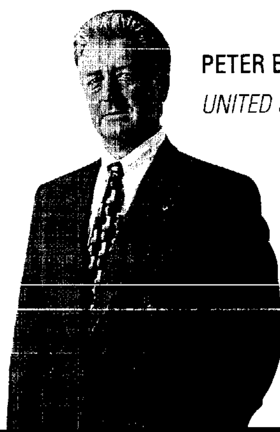
OIL & GAS



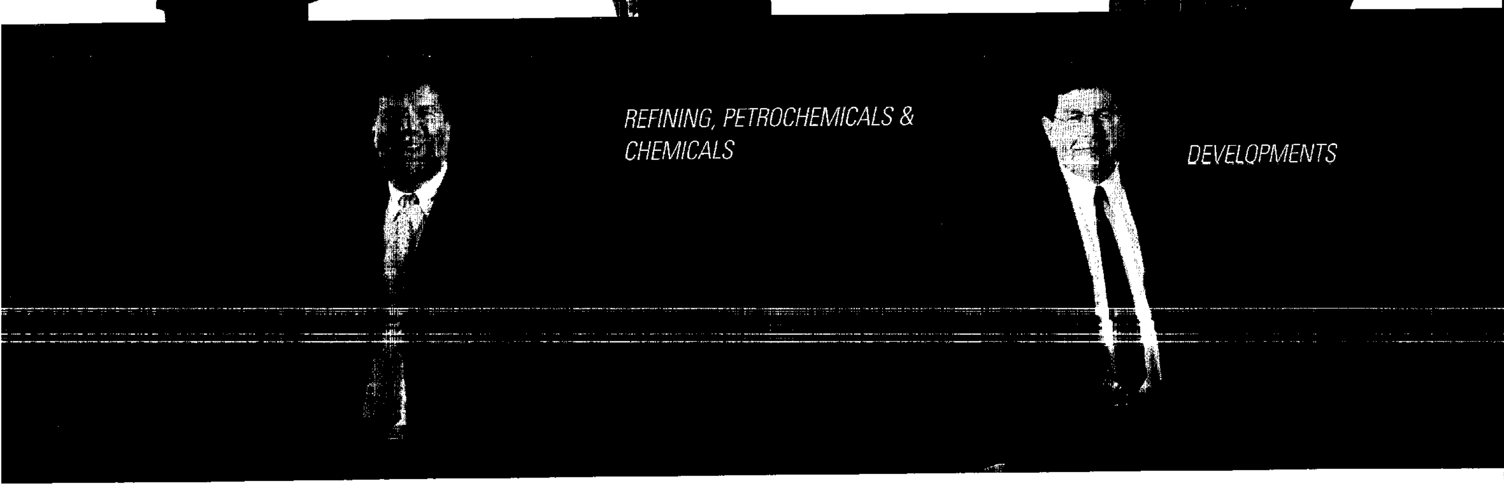
IAIN ROSS
UPSTREAM OIL & GAS



ANDREW WOOD
INTERNATIONAL



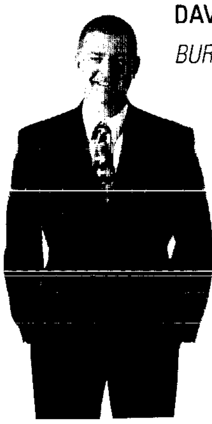
PETER BROOKS
UNITED STATES



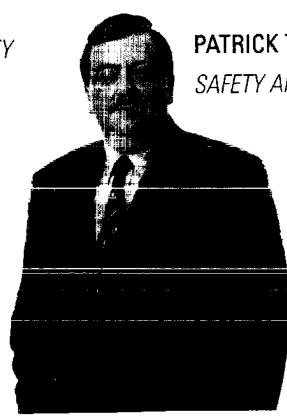
REFINING, PETROCHEMICALS & CHEMICALS

DEVELOPMENTS

DAVID RICHARDSON
MINERALS & METALS



DAVID STEELE
BURNS AND ROE WORLEY



PATRICK TUOHEY
SAFETY AND RISK MANAGEM

PETER MEURS

ALLIANCES AND INTEGRATED SERVICE CONTRACTS

Peter is responsible for spearheading Worley's involvement in alliances and integrated service contracts. Peter joined Worley in 1988 and has been a key contributor to its growth, functioning in a full range of project management and company development roles. Establishing the foundations of Worley's process business, Peter also led the development of Worley's New Zealand office, for which he retains responsibility, and has played a key role in establishing Worley's alliance strategy, including acting as manager of Worley's Woodside alliance. Peter holds a Bachelor Degree in Mechanical Engineering and is a Fellow of The Institution of Engineers Australia and the Australian Institute of Company Directors. Peter is a member of Worley's Executive Committee.

ANDREW WOOD

INTERNATIONAL

Andrew is responsible for Worley's international interests in Asia and the Middle East. Joining Worley in 1993, Andrew was initially a Project Manager with Worley's New Zealand operations. Andrew has over 21 years experience in the oil and gas industry in both technical and management roles and has been responsible for Worley's geographic expansion into Thailand, Saudi Arabia, Qatar, the United Arab Emirates and Iran. Andrew holds a Bachelor Degree in Engineering and Graduate Diplomas in Financial Management and Labour Management Relations and is a Registered Engineer with The Institution of Engineers Australia. Andrew is a member of Worley's Executive Committee.

DAVID MOFFLIN

INDUSTRIAL & INFRASTRUCTURE

David is responsible for Worley's Industrial & Infrastructure group. Following a successful career as an academic in the United States and Canada, David joined Worley in 1988 to manage the Industrial & Infrastructure group. He has also been instrumental in establishing this group's operations in South East Asia and more recently has played a leading role in the growth strategy for the Minerals & Metals group. David holds a Bachelor Degree in Civil Engineering and a PhD, is a Fellow of The Institution of Engineers Australia and is a Chartered Professional Engineer in Australia and Professional Engineer in Singapore. David is a member of Worley's Executive Committee.

PETER BROOKS

UNITED STATES

Peter has held the position of President of Worley's United States operations since 1991. Joining Worley in 1984, Peter has more than 25 years experience in the oil and gas, pipeline and marine related industries. Initially focusing on developing Worley's ocean outfall expertise in Australia and overseas, Peter has been instrumental in establishing Worley's United States operations and expanding Worley's operations into China, South America and West Africa. Peter holds a Bachelor Degree in Engineering and is a Chartered Professional Engineer with The Institution of Engineers Australia.

RUSSELL STALEY

OIL & GAS

Russell heads the Oil & Gas group for Worley. Joining Worley in 1979, Russell has been a key player in developing its strategic growth including establishment of its Perth office, growing its South East Asian operations and consolidating Worley's leadership position in oil and gas. Russell's input has been central to the Worley Group's innovations in alliances and integrated service contracts, strategy development and client relationship management. He is currently chairman of PECA, the Process Engineers and Contractors Association, the key body representing service companies in Worley's industries. With a Bachelor Degree in Civil Engineering, Russell is a member of The Institution of Engineers Australia and a Chartered Professional Engineer. Russell is a member of Worley's Executive Committee.

GRAHAM HILL

REFINING, PETROCHEMICALS & CHEMICALS

Graham is responsible for Worley's Refining, Petrochemicals & Chemicals group. Prior to joining Worley in July 2002, Graham worked with KBC Advanced Technologies in Singapore, a specialist consulting company in oil refining and petrochemicals where he was Vice-President of the Asia Pacific region. Graham has previously worked with Kvaerner Engineering & Construction (Davy John Brown) where he was responsible for the oil and gas/hydrocarbons business. Graham holds a Masters Degree in Chemical Engineering and is a Fellow of the Institute of Chemical Engineers and former Institute Chairman, Victorian Branch.

IAIN ROSS

UPSTREAM OIL & GAS

Iain is currently responsible for the upstream operations of Worley's Oil & Gas group. Iain commenced his career in the UK North Sea in 1983 working for Conoco (UK). Working then for a number of international oil and gas companies including McDermott International Inc, John Brown and Amec Engineering, Iain joined Worley in 1994 initially as the manager of the Brunei office and took over as manager of Worley's Woodside alliance in 1999. With a Bachelor Degree in Mechanical Engineering and a broad technical and geographical skill base, Iain has more than 19 years experience and is an integral member of Worley's Oil & Gas operations. Iain is a member of Worley's Executive Committee.

BRETT JOBSON

DEVELOPMENTS

Brett is responsible for Worley's Developments business and is responsible for the delivery of project-financed infrastructure projects. Joining Worley in 1994, Brett initially assisted in the establishment of Worley's Mobil Adelaide alliance. Brett established Worley's joint venture with Burns and Roe and was Managing Director of Burns and Roe Worley until October 2000. He has over 30 years experience in the planning, design and construction and supervision of major power and industrial engineering projects and has previously been a director with MacDonald Wagner and Sinclair Knight. Brett holds a Bachelor Degree in Electrical Engineering and is a Fellow of The Institution of Engineers Australia.

4. BOARD, KEY EXECUTIVES AND EMPLOYEES CONTINUED

DAVID RICHARDSON

MINERALS & METALS

David is responsible for Worley's Minerals & Metals group. David has built a wealth of experience in the design, construction, operation and maintenance of both brownfield and greenfield minerals processing and chemicals plants. David established Toussaint & Richardson in 1982. Worley acquired Toussaint & Richardson in 2000. David is internationally regarded in the light metals industry and has built strong relationships across the minerals and metals industry. He is a steering committee member for several of Worley's alliances and has been successful in introducing the alliance-based approach to contracting in Worley's Minerals & Metals group. David has an Associateship in Mechanical Engineering and is a member of The Institution of Engineers Australia.

PATRICK TUOHEY

SAFETY AND RISK MANAGEMENT

Patrick is responsible for risk management in Worley and has developed an enterprise risk management process within Worley that ensures business and project risks are identified and controlled. Patrick is also responsible for Worley's Safety and Risk Management group which provides safety and risk management consultancy services to Worley clients. Patrick has significant experience in commercial and contract management positions for major engineering companies including Davy McKee Pacific (now Kvaerner) and Kinhill (now KBR). Patrick holds a Bachelor Degree in Chemical Engineering and a PhD and is a Fellow and member of numerous engineering associations both in Australia and overseas.

DAVID STEELE

BURNS AND ROE WORLEY

As the Managing Director of Burns and Roe Worley, David heads Worley's Power & Water group and has over 20 years experience across a wide range of industries including oil and gas petrochemicals, minerals processing and power generation and transmission. Prior to joining Worley in 1999, David held positions with Rolls-Royce Industrial Power (Pacific) as General Manager, Operations Support and ABB Engineering Construction as General Manager, Maintenance Operations. David holds a Bachelor Degree in Electrical Engineering, and a Masters Degree in Business and is a member of the Institution of Electrical Engineers and a Chartered Professional Engineer.

4.3 PERSONNEL

The management and personnel of Worley are critical to its success. As a design and project services business, the differentiated experience and skill base of Worley's personnel is important for its clients. Worley is focused on recruiting the best people to maintain this competitive advantage and on providing them with opportunities to optimise their potential.

Worley and its joint venture operations currently employ or contract around 4,300 people globally, approximately 67% of whom are located in Australia.

As Worley's international presence has grown, so too has the number of personnel located abroad. In 1998, Worley had just over 500 personnel located in offices outside Australia. Worley and its joint venture operations now employ or contract over 1,400 personnel outside Australia.

4.4 PERFORMANCE INCENTIVES

Worley has a strong track record of attracting and retaining highly skilled and experienced staff. The Company has established three Director and employee Share and Performance Rights plans to assist in attracting and retaining personnel:

- Worley Group Limited Employee Share Plan;
- Worley Group Limited Performance Rights Plan; and
- Worley Group Limited Non-Executive Director Share Plan.

Further information in relation to these plans is set out in Section 9.8.

In addition, the key executives, other than executive Directors, will hold approximately 21% of the Shares on issue after the Offer.

4.5 CORPORATE GOVERNANCE

The Board comprises both executive and non-executive Directors who will be responsible to the shareholders for the governance and performance of the Company, including identifying significant areas of business risk, implementing policies to deal with those risks and considering the strategic direction of the business of the Company.

The Board will approve a Corporate Governance Code setting out the main corporate governance principles it will observe and will report to shareholders on a periodic basis on its observance of those principles.

As part of its commitment to proper standards of corporate governance, the Board will establish two permanent committees, being a nominations and remuneration committee and an audit and risk committee. Further [illegible] out in Section 9.7.

FINANCIAL INFORMATION

5. FINANCIAL INFORMATION

5.1 OVERVIEW

Set out on the following pages is a summary of Worley's:

- combined adjusted historical financial performance for FY00, FY01 and FY02;
- FY03 pro forma forecast financial performance and forecast cashflow summary; and
- pro-forma consolidated financial position as at 30 June 2002.

The summary should be read in conjunction with the Directors' best estimate assumptions on which the Forecasts are based included in Section 5.7 and the risk factors outlined in Section 8. The Independent Accountant's Report on the historical and forecast financial information is set out in Sections 6 and 7 respectively.

5.2 AGGREGATED REVENUE

In this Prospectus, the Directors have adopted a style of presentation of revenue that differs from the presentation of revenue under Australian Accounting Standards. The Directors consider that the style of presentation of Aggregated Revenue adopted in this Prospectus more accurately reflects the scale of Worley's business.

The term "Aggregated Revenue" in this Prospectus refers to the aggregate of:

- statutory revenue from entities controlled by the Company adjusted to remove "pass through" procurement services revenue at nil margin ("adjusted statutory revenue" – refer Section 5.13); and
- Worley's proportional interest in the revenue of each incorporated joint venture significantly influenced by the Company, which is equity accounted for statutory reporting purposes ("joint venture entity revenue").

A$m	COMBINED ADJUSTED HISTORICAL			PRO-FORMA FORECAST
YEAR TO 30 JUNE	FY00	FY01	FY02	FY03
Oil & Gas adjusted statutory revenue	155.3	211.9	284.1	272.0
Oil & Gas joint venture entity revenue	17.4	38.8	57.9	64.5
OIL & GAS AGGREGATED REVENUE	**172.7**	**250.7**	**342.0**	**336.5**
Refining, Petrochemicals & Chemicals adjusted statutory revenue	12.5	15.8	20.3	25.9
Refining, Petrochemicals & Chemicals joint venture entity revenue	–	–	9.3	9.7
REFINING, PETROCHEMICALS & CHEMICALS AGGREGATED REVENUE	**12.5**	**15.8**	**29.6**	**35.6**
Minerals & Metals adjusted statutory revenue	10.0	24.8	29.0	64.8
Minerals & Metals joint venture entity revenue	–	–	–	–
MINERALS & METALS AGGREGATED REVENUE	**10.0**	**24.8**	**29.0**	**64.8**
Power & Water adjusted statutory revenue	–	–	–	–
Power & Water joint venture entity revenue	9.6	10.6	16.2	23.6
POWER & WATER AGGREGATED REVENUE	**9.6**	**10.6**	**16.2**	**23.6**
Industrial & Infrastructure adjusted statutory revenue	9.0	11.0	18.3	31.7
Industrial & Infrastructure joint venture entity revenue	–	–	–	–
INDUSTRIAL & INFRASTRUCTURE AGGREGATED REVENUE	**9.0**	**11.0**	**18.3**	**31.7**
Developments adjusted statutory revenue	–	–	–	1.5
Developments joint venture entity revenue	–	–	–	0.9
DEVELOPMENTS AGGREGATED REVENUE	–	–	–	**2.4**
Other statutory revenue and intercompany eliminations (net)	(5.9)	(4.0)	(2.2)	(3.8)
Other joint venture entity revenue	6.4	4.9	4.4	4.9
OTHER AGGREGATED REVENUE	**0.5**	**0.9**	**2.2**	**1.1**
TOTAL ADJUSTED STATUTORY REVENUE	**180.9**	**259.5**	**349.5**	**392.1**
TOTAL JOINT VENTURE ENTITY REVENUE	**33.4**	**54.3**	**87.8**	**103.6**
TOTAL AGGREGATED REVENUE	**214.3**	**313.8**	**437.3**	**495.7**

Please refer to Section 5.13 for a reconciliation of total Aggregated Revenue to statutory revenue and Section 5.14 for a Statement of Financial Performance based on combined adjusted historical and forecast statutory revenue.

5.3 AGGREGATED REVENUE AND COMBINED ADJUSTED HISTORICAL AND FORECAST RESULTS

Set out below is a summary of the Aggregated Revenue and combined adjusted historical results for FY00, FY01 and FY02 as well as the Directors' FY03 Aggregated Revenue and results:

A$m	COMBINED ADJUSTED HISTORICAL[1]			PRO-FORMA FORECAST
YEAR TO 30 JUNE	FY00	FY01	FY02	FY03
AGGREGATED REVENUE[2]				
Oil & Gas	172.7	250.7	342.0	336.5
Refining, Petrochemicals & Chemicals	12.5	15.8	29.6	35.6
Minerals & Metals	10.0	24.8	29.0	64.8
Power & Water	9.6	10.6	16.2	23.6
Industrial & Infrastructure	9.0	11.0	18.3	31.7
Developments	–	–	–	2.4
Other	0.5	0.9	2.2	1.1
TOTAL AGGREGATED REVENUE	**214.3**	**313.8**	**437.3**	**495.7**
EBITDA[3][4]	**13.2**	**24.2**	**33.4**	**38.6**
Depreciation	2.6	3.2	4.1	4.3
EBITA	**10.6**	**21.0**	**29.3**	**34.3**
Amortisation[5]	3.4	3.4	3.4	3.4
EBIT	**7.2**	**17.6**	**25.9**	**30.9**
Net interest expense				0.4
PROFIT BEFORE TAX				**30.5**
Income tax expense				7.7
NET PROFIT AFTER TAX				**22.8**

NOTES:

(1) Worley has made various pro-forma adjustments to the combined historical results. Among other things, the adjustments exclude Worley's 40% interest in Atria Group Pty Limited and expenses related to the development costs of DAD, which are classified as non-recurring. Pro-forma adjustments are detailed in the Historical Financial Information included in Section 6 (Note 2).

(2) Aggregated Revenue does not include "pass through" procurement services revenue at nil margin. This is recorded as revenue for statutory purposes and relates to procurement activities undertaken by Worley for clients at nil margin. Revenue for procurement services for which Worley receives a margin has been included. Aggregated Revenue also includes certain joint venture entity revenue as outlined in Section 5.2.

(3) Worley's share of net profit of associates, which includes its interests in incorporated joint ventures, is included in EBITDA and EBIT. In FY03, this amounts to $6.2 million, FY02 $3.1 million, FY01 $3.1 million and FY00 $1.2 million.

(4) Worley is expensing remuneration costs associated with the Worley Group Limited Performance Rights Plan. The plan provides for the provision of Performance Rights to eligible executives of $1.5 million in aggregate, and is being amortised over the three year vesting period.

(5) Amortisation reflects purchased goodwill and goodwill arising from the fair value uplift on the Restructure in FY02, the acquisition of the outside equity interest in Worley International, Inc. and the Directors' trade name valuation. Adjustment for goodwill and trade name amortisation have been made for periods preceding the Restructure and acquisition.

(6) Further details on the above matters are contained in Sections 5.4 and 5.5.

(7) Refer to Section 5.14 for a Statement of Financial Performance based on combined adjusted historical and forecast statutory revenue.

5.4 BASIS OF PREPARATION OF HISTORICAL FINANCIAL PERFORMANCE

The historical financial information in this Section is based on the Worley Group statutory accounts and has been prepared as if the Company had controlled all other entities in the Worley Group for the entire period from 1 July 1999 to 30 June 2002. These combined accounts have been adjusted for operations the Directors expect to discontinue and one-off and non-recurring items which are more fully described below.

Prior to January 2002, the Company's business was carried out by Worley Pty Limited and Worley Engineering Pty Limited (under a pegged corporate structure). Following the Restructure, Worley Pty Limited and Worley Engineering Pty Limited were brought under the control of the newly incorporated Worley Group Limited. As part of the Restructure, Worley Engineering Pty Limited acquired the remaining shares in Popran Limited (a company incorporated in Hong Kong and the holding company of certain of the Worley Group's South East Asian subsidiaries). The identifiable assets and liabilities acquired by the Company were attributed a fair value by the Directors. The difference between the fair value of identifiable net assets and the value of the business at the date of reorganisation was treated as goodwill.

5. FINANCIAL INFORMATION CONTINUED

Adjustments to combined historical financial information are as follows:

- amortisation of the goodwill and trade name as if these assets were recognised at 1 July 1999 at the fair values ascribed to them at the reorganisation date of 25 October 2001;
- amortisation of goodwill arising on the acquisition of the remaining 20% outside equity interest in Worley International, Inc. as if this acquisition had occurred prior to 1 July 1999,
- exclusion of the impact on combined earnings of the east coast business of Atria Group Pty Limited which the Directors plan to discontinue and the development costs associated with the DAD business of I&E Systems Pty Limited;
- removal of the one-off effects of the self-insurance provisions reflecting an increased policy deductible limit;
- reallocation of the provision for non-recovery of a loan to a related party to the period the loan became impaired;
- application of a consistent accounting policy for the recognition of revenue reserves on contracts; and
- reallocation of the profit effect of certain provisions of joint venture operations to the periods in which they were created.

5.5 BASIS OF PREPARATION OF FORECAST FINANCIAL INFORMATION

The pro-forma forecast financial information has been prepared for FY03, based on the Directors' assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions which, at the date of the Prospectus, the Directors expect to take place. The Directors' best estimate assumptions are set out in Section 5.7, with a sensitivity analysis set out in Section 5.11 and risk factors which may impact the achievement of the forecasts set out in Section 8.

Forecasts by their very nature are subject to uncertainties and unexpected events, many of which may be outside the control of Worley and its Directors. Also, events and circumstances may not occur as anticipated. Actual results are likely to differ from the forecast financial performance and the differences may be material. Accordingly, the Directors cannot and do not guarantee the achievement of the Forecasts.

FORECAST REVENUE

Worley has categorised forecast revenue into four categories: alliance-based revenue, project revenue, forecast revenue for existing clients and new business.

ALLIANCE-BASED REVENUE represents revenue that is supported by an alliance or integrated service contract which entails long or rolling terms, multiple projects and remuneration based on reimbursable costs and incentives based on performance measures, and includes revenue on such contracts which expire, but are expected to be renewed or extended, in the Forecast Period. Alliance-based revenue represents approximately 28% of FY03 Aggregated Revenue.

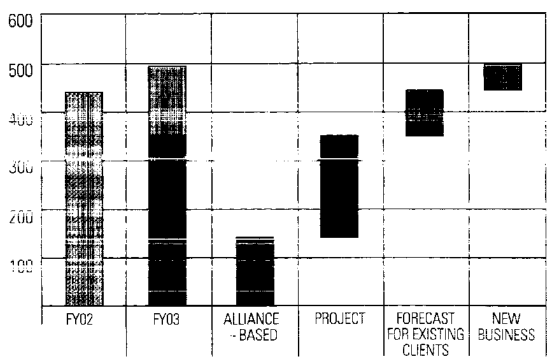
PROJECT REVENUE represents revenue, other than alliance-based revenue, which relates to existing contracts for specific projects. Project revenue represents approximately 42% of FY03 Aggregated Revenue.

FORECAST REVENUE FOR EXISTING CLIENTS represents project or alliance-based work for which Worley has identified additional work or project extensions for existing clients. Forecast revenue for existing clients represents approximately 19% of FY03 Aggregated Revenue.

NEW BUSINESS represents business from new clients or new projects. New business is based on an evaluation by management of tenders currently in progress, targeted prospects and future opportunities as yet undefined. It includes an assessment of Worley's probability of success in winning the tender and the timing of revenue if won. The Directors believe that an appropriate estimate of revenue to be obtained from new business is included in the forecast. New business revenue represents approximately 11% of FY03 Aggregated Revenue.

The chart below shows the composition of total forecast Aggregated Revenue for FY03:

Aggregated Revenue A$m



5.6 MANAGEMENT DISCUSSION AND ANALYSIS OF HISTORICAL AND FORECAST FINANCIAL INFORMATION

YEAR ENDED 30 JUNE 2001 COMPARED TO YEAR ENDED 30 JUNE 2000

Aggregated Revenue increased by $99.5 million or 46% to $313.8 million in FY01 compared to FY00. The increase in Aggregated Revenue in FY01 reflected strong growth, particularly in the Oil & Gas group. This primarily related to major projects including the Bayu-Undan project in the Timor Sea and the Pailin gas project in the Gulf of Thailand. Additionally, the first year of operations in Saudi Arabia and Qatar contributed approximately $10 million in Oil & Gas Aggregated Revenue.

There was significant revenue generated from integrated services contracts particularly relating to Woodside's North West Shelf and Esso BHPB's Longford facilities.

Toussaint & Richardson, which was acquired in May 2000, significantly increased Worley's Minerals & Metals capability and Aggregated Revenue, which grew from $10.0 million in FY00 to $24.8 million in FY01.

The increase in combined adjusted EBIT by $10.4 million to $17.6 million in FY01 is consistent with the increase in Aggregated Revenue and also reflects higher margins arising from:

- a reduction in start-up costs from the Middle East operations;
- the impact of movements in foreign currency exchange rates;
- improved performance of the Asian businesses; and
- the commencement of a number of higher margin projects.

YEAR ENDED 30 JUNE 2002 COMPARED TO YEAR ENDED 30 JUNE 2001

Aggregated Revenue increased by $123.5 million or 39% to $437.3 million in FY02 compared to FY01. The increase in Aggregated Revenue in FY02 reflected the growth in major project and design work for projects such as the Bayu-Undan project, the Pailin gas project, the Rang Dong project, the Dong Fang project and the Chevron Benchamas upgrade project in the Gulf of Thailand. The Houston office generated growth in revenue principally due to execution of projects for Kerr-McGee and Apache in China.

There continued to be significant revenue generated from integrated services contracts including Woodside's North West Shelf and Esso BHPB's Longford facilities.

The Oil & Gas pipelines business generated growth driven by increased work for Saudi Aramco, the United States Navy and Reliance in India.

The increase in combined adjusted EBIT by $8.3 million to $25.9 million in FY02 is consistent with the increase in Aggregated Revenue.

YEAR ENDING 30 JUNE 2003 COMPARED TO YEAR ENDED 30 JUNE 2002

Aggregated Revenue is forecast to increase by $58.4 million or 13% to $495.7 million in FY03 compared to FY02. The tapering off of work from the Bayu-Undan project is expected to be largely offset by other Oil & Gas projects. These include the Umm Shaif gas project, projects for ConocoPhillips expected to be executed by Ceria Worley, projects for Premier Oil and Petronas expected to be executed by Ranhill Worley and new pipeline work for Transredes in Bolivia to be executed by the Houston office. Revenue growth will also be generated by the first full year impact of the acquisition of the Malaysian operations of Jacobs Engineering.

Work for Esso by the Worley ABB joint venture and for Woodside on the North West Shelf facilities by the Transfield Worley joint venture are forecast to continue to contribute significant revenue.

The contribution of Refining, Petrochemicals & Chemicals Aggregated Revenue is forecast to continue to grow in FY03 with work relating to alliances with BP Kwinana, ExxonMobil, Huntsman, New Zealand Refining Company and Qenos.

Minerals & Metals is forecast to achieve significant revenue growth of $35.8 million or 123% in FY03 compared to FY02, which is largely attributable to two key projects: the provision of design services to Leighton Contractors in its capacity as principal contractor for Australian Magnesium Corporation's Stanwell project and to Bechtel for Comalco Alumina Refinery's Gladstone project.

Power & Water's increased Aggregated Revenue is largely attributable to the first full year impact of the acquisition of the business of John Thompson Australia from Rolls-Royce in December 2001.

Industrial & Infrastructure is forecast to continue to grow, with Aggregated Revenue forecast to increase $13.4 million or 73% in FY03 compared to FY02. The key contributor to Aggregated Revenue for Industrial & Infrastructure is forecast to continue to be the computer aided design operations in Singapore.

On the assumption that financial close will be achieved, the costs associated with the feasibility and development of the Esperance power project in FY03 are being capitalised and will be recognised over the life of the project.

5. FINANCIAL INFORMATION CONTINUED

The Company's forecast increase in EBIT by $5.0 million to $30.9 million in FY03 is consistent with the increase in Aggregated Revenue and also reflects the forecast improvement in performance of the Minerals & Metals and the Oil & Gas (pipelines and terminals) sectors and improving margins arising from the benefits of scale of the Asian and Middle East operations.

5.7 ASSUMPTIONS ON WHICH THE FORECASTS ARE PREPARED

The following sets out the Directors' best estimate assumptions on which the forecast financial performance and forecast cashflow summary are based.

GENERAL

- global economic conditions, including base metal and commodity prices and the US$ price for oil, do not fall below a level that would impact developments in regions in which Worley operates;
- no material industrial, economic or political disturbances or material disruptions to developments/projects;
- maintenance of current safety records and standards of business delivery;
- no breaches of existing joint venture agreements or other contractual arrangements by any parties;
- foreign exchange impact on international unhedged operations based on the US$ rate of 0.55 to the A$;
- no significant change in the competition environment in which Worley operates;
- no material costs as a result of industrial or contractual disputes or litigation;
- no material impact from any legislation or fiscal changes;
- no material amendment to the terms of any of Worley Group's material contracts; and
- the Offer is fully subscribed (if it is not, the Offer will not proceed).

REVENUE

- key contracts due for renewal during the Forecast Period will be renewed on materially the same terms and conditions;
- the timing, amount and nature of maintenance, facilities upgrades and other work to be undertaken on behalf of clients under existing contracts are performed as scheduled;
- the ability to win new project work through tenders and other targeting initiatives continues in accordance with historical trends;
- the ability to achieve contract incentive payments and avoid penalties or major reworks continues in accordance with historical trends; and
- timing and duration of project revenue flows do not alter materially.

COSTS

- direct project costs are consistent with historical margins achieved by project, project type and client;
- business unit overhead costs are based on the forecast level of activity and corporate overheads are based upon historical levels, adjusted for future events; and
- depreciation rates are consistent with prior years.

CASHFLOW

- Worley will commit $7.5 million in cash to the Esperance power project at financial close, expected in January 2003;
- the purchase of capital equipment is based on management's planned and contracted expenditure. Additional purchases of information technology equipment are assumed to be funded through finance and operating lease facilities;
- interest received on Australian dollar denominated average cash balances in the consolidated joint venture operations is 3.5%, on the overdraft facility in the Australian wholly owned business is 8.5%, and on the Australian bank bill debt is 6.5%; and
- distributions from subsidiaries and associates including alliances, joint venture entities, joint venture operations and international offices are completed in the normal course of business.

5.8 FORECAST CASHFLOW SUMMARY FOR THE YEAR ENDING 30 JUNE 2003

A summary of the forecast cashflow for FY03 is outlined below:

	PRO-FORMA FORECAST
A$m	FY03
CASHFLOWS FROM OPERATING ACTIVITIES	
Cash receipts in the course of operations	426.0
Cash payments in the course of operations	(400.4)
Dividends and management fees received	2.3
Net interest paid	(0.4)
Income taxes paid	(13.8)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**13.7**
CASHFLOWS FROM INVESTING ACTIVITIES	
Buy-out minority interest	(1.5)
Payments for investments	(7.5)
Payment for plant and equipment	(4.9)
NET CASH USED IN INVESTING ACTIVITIES	**(13.9)**
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from bank loans	(7.5)
New equity funds raised	18.7
Expenses of the Offer	(6.8)
Lease payments	(0.5)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**3.9**
NET INCREASE IN CASH HELD	**3.7**
Cash at the beginning of the financial year	18.0
Proceeds from exercising options	3.6
Dividends paid prior to listing of the Company	(12.0)
CASH AT THE END OF THE FINANCIAL YEAR	**13.3**

NOTES:

(1) Existing Shareholders will be paid a special dividend of $10 million prior to completion of the Offer. A final dividend of $2 million was paid to shareholders on record as at 5 August 2002.

(2) Worley and Burns and Roe Worley will be taking an equity participation in the development of a gas turbine power station and pipeline to supply electricity to the Esperance region in Western Australia. Worley is currently in negotiations with ANZIS to jointly fund the equity components of this project. It is intended that Worley will contribute approximately $7.5 million to the project at financial close, expected in January 2003. If Worley is unsuccessful in achieving financial close in FY03, it is possible that capitalised developments costs of up to $1.8 million would be charged to the statement of financial performance and would not be reimbursed.

5. FINANCIAL INFORMATION CONTINUED

5.9 ACTUAL AND PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

	ACTUAL	ADJUSTMENTS	PRO-FORMA
A$m	30 JUNE 2002		30 JUNE 2002
CURRENT ASSETS			
Cash assets	19.4	1.5	20.9
Receivables	73.5	–	73.5
Inventories	8.3	–	8.3
Other financial assets	0.9	0.5	1.4
TOTAL CURRENT ASSETS	**102.1**	**2.0**	**104.1**
NON-CURRENT ASSETS			
Investments accounted for using the equity method	10.3		10.3
Other financial assets	0.2	–	0.2
Property, plant and equipment	12.3	–	12.3
Intangible assets	63.0	2.7	65.7
Deferred tax assets	8.2	–	8.2
Other	0.4	–	0.4
TOTAL NON-CURRENT ASSETS	**94.4**	**2.7**	**97.1**
TOTAL ASSETS	**196.5**	**4.7**	**201.2**
CURRENT LIABILITIES			
Payables	51.4	–	51.4
Interest bearing liabilities	9.6	–	9.6
Current tax liabilities	8.5	–	8.5
Provisions	12.9	–	12.9
TOTAL CURRENT LIABILITIES	**82.4**	**–**	**82.4**
NON-CURRENT LIABILITIES			
Interest bearing liabilities	0.8	–	0.8
Deferred tax liabilities	8.7		8.7
Provisions	2.5	1.2	3.7
TOTAL NON-CURRENT LIABILITIES	**12.0**	**1.2**	**13.2**
TOTAL LIABILITIES	**94.4**	**1.2**	**95.6**
NET ASSETS	**102.1**	**3.5**	**105.6**
EQUITY			
Contributed equity	94.7	16.0	110.7
Reserves	(0.9)	–	(0.9)
Retained profits/(accumulated loss)	7.3	(12.0)	(4.7)
Equity attributable to members of Worley	101.1	4.0	105.1
Outside equity interests in controlled entities	1.0	(0.5)	0.5
TOTAL EQUITY	**102.1**	**3.5**	**105.6**

5.10 PRO-FORMA ADJUSTMENTS TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The purpose of the pro-forma consolidated statement of financial position as at 30 June 2002 is to set out the effects of the following transactions which have occurred or are expected to occur subsequent to 30 June 2002 as if they had occurred as at that date. The following summarises these transactions:

- the receipt of proceeds of $18.7 million from the issue of 7.5 million Shares based on the Retail Application Price and 2.0 million Shares at the Employee Application Price;
- the payment of $6.8 million of equity raising expenses, treated as a reduction of contributed equity;
- the receipt of proceeds of $3.6 million arising from the exercise of options prior to the Offer;
- subsequent to 30 June 2002, the Company has declared and paid a dividend for the financial period ended 30 June 2002 of $2.0 million;
- subsequent to 30 June 2002, the Company has declared from a combination of 2002 and 2003 profits, a special dividend of $10.0 million that will be paid prior to the allocation of Shares under the Offer;
- the Company has acquired the remaining 20% outside equity interest in Worley International, Inc. for cash consideration of $1.5 million, deferred cash (contingent on performance hurdles of achieving its component of FY03 profit) of $1.2 million and $0.5 million payable in Shares at the time of listing of the Company. On the basis that the contingent consideration is paid, this transaction will result in a further $2.7 million of goodwill on consolidation; and
- under the proposed Worley Group Limited Performance Rights Plan, $500,000 of Shares will be purchased on market after listing and Performance Rights of $1.5 million will be granted to eligible executives at the time of listing. The total cost of the Performance Rights will be amortised over the vesting period of three years.

5.11 SENSITIVITY ANALYSIS

The forecast financial information has been based on certain economic and business assumptions about future events. A summary of the Directors' best estimate assumptions underlying the forecast financial information is set out in Section 5.7.

The Company's forecast net profit after tax is considered to be sensitive to movements in a number of the Directors' best estimate assumptions. A summary of the likely impact of movements in certain of the Directors' best estimate assumptions on the Company's forecast net profit after tax for FY03 is set out below. However, the changes in the key assumptions set out below are not intended to be indicative of the complete range of variations that may occur.

Earnings are influenced by movements in a number of key variables, including:

- the quantum and timing of revenue under contracts;
- the margins achieved;
- the level of overhead expenditure; and
- the Australian dollar exchange rate.

Care should be taken in interpreting this information. This analysis treats each movement in an assumption in isolation from possible movements in other assumptions, which may not be the case. Movements in one assumption may have offsetting or compounding effects on other variables, the effects of which are not reflected in the following analysis. In addition, it is possible that more than one assumption may move at any one point in time, giving rise to cumulative effects, which also are not reflected in this analysis. Typically, the Company's management and Directors would respond to any material adverse change in conditions by taking appropriate action to minimise, to the extent possible, any adverse effect on profits and dividends. The effect of any such mitigating action has also been excluded from the following analysis.

SENSITIVITY	IMPACT ON NET PROFIT AFTER TAX FOR FY03
Aggregated Revenue increase/(reduce) $20 million[1]	Increase/(reduce) $1.1 million
EBITDA margin increase/(reduce) 0.5%	Increase/(reduce) $1.7 million
A$:US$ increase/(reduce) by US$0.01	Increase/(reduce) $0.2 million

NOTE:

(1) It has been assumed that overheads increase/(reduce) in line with turnover. Overheads tend to be more fixed in nature, requiring management intervention to materially alter the cost base. Where an office is successful with a tender or major project such that it is above full capacity (in terms of reimbursability, use of facilities and infrastructure), then overheads would be increased to support the new level of activity. Where an office does not win a tender or major project such that it no longer is at full capacity, then it is unlikely that all overheads would be removed.

5. FINANCIAL INFORMATION CONTINUED

5.12 DIVIDEND POLICY AND FORECAST DISTRIBUTION

The ongoing dividend policy of Worley is as follows:

- it is the current intention of the Directors to make regular, half-yearly dividend payments to shareholders, subject to available profits, working capital and the level of borrowings; and
- dividends will be franked if franking credits are available.

However, the payment of dividends by the Company in the future, including any dividends for FY03, will be at the complete discretion of the Directors. It will depend upon the availability of distributable earnings and the Company's franking credit position, operating results, available cashflow, financial condition, taxation position, and future capital requirements, as well as general business and financial conditions and any other factors the Directors may consider relevant.

Dividends, if any, will be paid twice a year with an interim dividend paid in April and a final dividend paid in October of each calendar year. It is intended that dividends will be franked to the extent possible given available franking credits. Therefore, the Directors can give no assurance regarding the payment of dividends, the level of franking of such dividends or the extent of payout ratios for FY03 or for any future period.

There will be no interim dividend for the six month period ending 31 December 2002. Subject to the Forecasts being achieved and the considerations outlined above, the Directors intend to declare and pay a final dividend for FY03 in October 2003. It is expected that the final dividend will be a fully franked dividend of $0.05 per Share. This dividend will represent a yield of 5% annualised for six months of trading on ASX, based on the Retail Application Price.

FORECAST FOR YEAR ENDING 30 JUNE 2003	
Dividend per Share	$0.05
Franking	100%
FY03 forecast dividend yield[1]	5.0%

NOTE:

(1) Based on the Retail Application Price of $2.00 and annualised for six months of trading on ASX.

5.13 RECONCILIATION OF AGGREGATED REVENUE TO STATUTORY REVENUE

A$m	COMBINED ADJUSTED HISTORICAL			PRO-FORMA FORECAST
YEAR TO 30 JUNE	FY00	FY01	FY02	FY03
STATUTORY REVENUE	**186.5**	**280.7**	**376.6**	**412.0**
Procurement services revenue[1]	(5.6)	(21.2)	(27.1)	(19.9)
Adjusted statutory revenue	180.9	259.5	349.5	392.1
Joint venture entity revenue	33.4	54.3	87.8	103.6
AGGREGATED REVENUE	**214.3**	**313.8**	**437.3**	**495.7**

NOTE:

(1) This relates to procurement activities undertaken by Worley for clients at nil margin. Revenue for procurement services for clients for which Worley receives a margin has been included in adjusted statutory revenue.

5.14 STATEMENTS OF FINANCIAL PERFORMANCE

A$m	COMBINED ADJUSTED HISTORICAL[1]			PRO-FORMA FORECAST
YEAR TO 30 JUNE	FY00	FY01	FY02	FY03
STATUTORY REVENUE	**186.5**	**280.7**	**376.6**	**412.0**
EBITDA[2][3]	**13.2**	**24.2**	**33.4**	**38.6**
Depreciation	2.6	3.2	4.1	4.3
EBITA	**10.6**	**21.0**	**29.3**	**34.3**
Amortisation[4]	3.4	3.4	3.4	3.4
EBIT	**7.2**	**17.6**	**25.9**	**30.9**
Net interest expense				0.4
PROFIT BEFORE TAX				**30.5**
Income tax expense				7.7
NET PROFIT AFTER TAX				**22.8**
Net profit attributable to outside equity interests				0.2
NET PROFIT ATTRIBUTABLE TO MEMBERS OF WORLEY				**22.6**

NOTES:

(1) Worley has made various pro-forma adjustments to the combined historical results. Among other things, the adjustments exclude Worley's 40% interest in Atria Group Pty Limited and expenses related to the development costs of DAD, which are classified as non-recurring. Pro-forma adjustments are detailed in the Historical Financial Information included in Section 6 (Note 2).

(2) Worley's share of net profit of associates, which includes its interests in incorporated joint ventures, is included in EBITDA and EBIT. In FY03, this amounts to $6.2 million, FY02 $3.1 million, FY01 $3.1 million and FY00 $1.2 million.

(3) Worley is expensing remuneration costs associated with the Worley Group Limited Performance Rights Plan. The plan provides for the provision of Performance Rights to eligible executives of $1.5 million in aggregate, and is being amortised over the three year vesting period.

(4) Amortisation reflects purchased goodwill and goodwill arising from the fair value uplift on the Restructure in FY02, the acquisition of the outside equity interest in Worley International, Inc. and the Directors' trade name valuation. Adjustment for goodwill and trade name amortisation have been made for periods preceding the Restructure and acquisition.

(5) Further details on the above matters are contained in Sections 5.4 and 5.5.

5. FINANCIAL INFORMATION CONTINUED

5.15 FINANCING FACILITIES

HSBC has provided the Worley Group with the following facilities under a Debenture Subscription Facility Agreement dated 8 July 2002. Joint venture businesses have their own financing facilities.

FINANCING FACILITIES

A$m	COMMITMENT	PURPOSE
Cash Advance Base Facility	15.0	Manage working capital requirements
Cash Advance Standby Facility	7.0	Acquisition/investment
Project Procurement Facility	5.0	Project procurement
Bank Guarantee/Standby Letter of Credit	24.0	Accommodate performance guarantees and support of office premises leases and facilities maintained by overseas incorporated joint ventures and subsidiaries
Overdraft	5.0	Working capital requirements
	56.0	

The above facilities are secured by fixed and floating charges over certain assets of the Worley Group. HSBC will have the right to review the pricing and terms of these facilities should any person acquire a relevant interest in 20% or more of the Shares.

5.16 FORECAST INCOME TAX RECONCILIATION

The income tax expense for FY03 will differ from the prima facie tax expense assuming a tax rate of 30%. The differences are reconciled as follows:

	PRO-FORMA FORECAST
A$m	FY03
Profit before tax	30.5
Tax rate	30%
Prima facie tax expense	9.2
PROFIT BEFORE TAX PERMANENT DIFFERENCES	
Profit before tax	30.5
Share of associates' net profits	(6.2)
Amortisation	3.4
Research and development claim	(2.5)
Forecast Offer costs	(1.0)
Other non-deductible costs	1.5
Profit adjusted for permanent differences	25.7
TAX EXPENSE	7.7
Effective tax rate	25%

INDEPENDENT ACCOUNTANT'S REPORT AND HISTORICAL FINANCIAL INFORMATION

6.1 INDEPENDENT ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION

ERNST & YOUNG

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Tel 61 2 9248 5555
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18 October 2002

The Directors
Worley Group Limited
Level 7
116 Miller Street
NORTH SYDNEY NSW 2060

Dear Directors

INDEPENDENT ACCOUNTANT'S REPORT

This report has been prepared at the request of the directors of Worley Group Limited for inclusion in the Prospectus dated on or about 18 October 2002 ("the Prospectus") relating to the offer of 48 million fully paid ordinary shares in the Company.

BACKGROUND

Worley Pty Limited, Worley Engineering Pty Limited and Worley Limited (Hong Kong) have developed the business of Worley Group ("the Business") over a number of years. The Business was reorganised on 25 October 2001 with the creation of a new chief entity, Worley Group Limited, directly or indirectly acquiring 100% of the issued shares of those entities.

As a result, the Directors have prepared and presented in Section 6.2 of the Prospectus, combined adjusted statements of financial performance and cashflows for the financial years ended 30 June 2000, 2001 and 2002. The statements are a combination of the audited financial statements of Worley Group Limited, Worley Pty Limited, Worley Engineering Pty Limited and Worley Limited (Hong Kong) adjusted as if Worley Group Limited had owned those entities for the whole of the period presented and for the adjustments detailed in Note 2 of the financial information ("the combined adjusted financial information"). The adjustments have been made to reflect comparability and consistency in application of accounting policies and the ownership structure for the periods under review

The combined adjusted statements of financial performance have only been presented to earnings before interest and tax ("EBIT"). The Directors consider that the inclusion of interest and tax is not relevant to the entity's future prospects because the intended capital structure of Worley Group will vary considerably from its historical basis.

The financial statements of Worley Pty Limited, Worley Engineering Pty Limited and Worley Limited (Hong Kong) for each of the three years ended 30 June 2002 were subject to audit, the purpose of which was to provide an opinion on the individual financial statements of those entities. The audit opinions on those financial statements for each financial year were unqualified.

The financial information presented in Section 6.2 of the Prospectus also includes:

(i) the actual consolidated statements of financial performance and cashflows of Worley Group Limited for the eight months ended 30 June 2002 and the actual consolidated statement of financial position of Worley Group Limited as at 30 June 2002 ("the actual consolidated financial information"); and

(ii) the pro-forma consolidated statement of financial position of Worley Group Limited comprising the actual consolidated statement of financial position of Worley Group Limited as at 30 June 2002 adjusted to incorporate the effect of the transactions stated in Note 3 of the financial information as if they had occurred as at that date.

REPORT ON ACTUAL CONSOLIDATED AND COMBINED ADJUSTED FINANCIAL INFORMATION

The directors of Worley have prepared and are responsible for the financial information including the actual consolidated financial information and the combined adjusted financial information.

We have audited the actual consolidated financial information and the combined adjusted financial information. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the actual consolidated and combined adjusted financial information are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial information, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial information is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with our understanding of the entity's financial position and performance as represented by the results of its operations and cashflows.

We have also considered whether the adjustments as described in Note 2 to the financial information form a reasonable basis for the preparation of the combined adjusted financial information.

Our opinions have been formed on the above basis.

AUDIT OPINION

In our opinion:

(i) the actual consolidated financial information of Worley Group Limited presents fairly the results of the economic entity's operations and its cashflows for the eight months ended 30 June 2002 and its financial position as at 30 June 2002 in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia; and

(ii) the combined adjusted statements of financial performance and cashflows for the financial years ended 30 June 2000, 2001 and 2002 as set out in Section 6.2, present fairly, in accordance with the basis of accounting set out in Note 2 to the financial information, the results and cashflows of the combined entity for the financial years then ended.

REPORT ON PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Directors are responsible for the preparation and presentation of the pro-forma consolidated statement of financial position as at 30 June 2002. We have reviewed that statement in order to state whether on the basis of the procedures described, anything has come to our attention that would indicate that the pro-forma consolidated statement of financial position is not presented fairly in accordance with the measurement requirements of applicable Accounting Standards, as if the pro-forma transactions as set out in Note 3 to the financial information had taken place as at 30 June 2002.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports" and has been limited to inquiries of Worley Group Limited's personnel, analytical procedures applied to the financial data, a reading of contracts and other relevant documents, a reading of minutes of Directors' meetings, ensuring consistency in application of accounting standards and policies, and certain limited verifications supporting the amounts and other disclosures in the statement of financial position. We have also considered whether the pro-forma transactions set out above form a reasonable basis for the preparation of the pro-forma consolidated statement of financial position.

As these procedures do not provide all the evidence that would be required in an audit, the level of assurance provided is less and, accordingly, we do not express an audit opinion on the pro-forma consolidated statement of financial position.

REVIEW OPINION

Based on the scope of our review, which is not an audit, nothing has come to our attention that would require modification to the pro-forma consolidated statement of financial position, as set out in Section 6.2 of the Prospectus, in order for it to present fairly the financial position of Worley Group Limited as at 30 June 2002 in accordance with the measurement requirements of applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, as if the pro-forma transactions as set out in Note 3 to the financial information had taken place.

6.1 INDEPENDENT ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION CONTINUED

SUBSEQUENT EVENTS

Other than the matters dealt with in this report, to the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2002 which require comment or adjustment to the information referred to in this report or which would cause such information to be misleading.

DISCLOSURES

Ernst & Young are the auditors of Worley Group Limited and have provided the Directors with certain valuation and executive remuneration advice over the past two years. Ernst & Young Corporate Finance Pty Limited has prepared a report on the prospective financial information contained in the Prospectus. Ernst & Young will receive a professional fee for the preparation of this report.

No partner in the firm of Ernst & Young has any interest in Worley Group Limited.

Consent for the inclusion of the Independent Accountant's Report in the Prospectus in the form and context in which it appears has been given. At the date of this report, consent has not been withdrawn.

Yours faithfully

Ernst & Young

6.2 HISTORICAL FINANCIAL INFORMATION

STATEMENTS OF FINANCIAL PERFORMANCE

		COMBINED ADJUSTED			ACTUAL CONSOLIDATED
	NOTES	YEAR ENDED 30 JUNE 2000 $'000	YEAR ENDED 30 JUNE 2001 $'000	YEAR ENDED 30 JUNE 2002 $'000	8 MONTHS ENDED 30 JUNE 2002 $'000
REVENUE FROM ORDINARY ACTIVITIES EXCLUDING INTEREST	4	**186,509**	**280,683**	**376,622**	**250,358**
Expenses from ordinary activities					
Staff costs		(118,757)	(179,070)	(238,149)	(158,636)
Reimbursable costs		(26,142)	(39,255)	(54,705)	(36,706)
Depreciation and amortisation expenses	5	(6,060)	(6,617)	(7,530)	(5,059)
Office and administration costs		(15,456)	(16,741)	(27,256)	(18,634)
Other expenses		(14,146)	(24,507)	(26,151)	(14,977)
Investment in associate written down to recoverable amount		–	–	–	(2,500)
Share of net profits of associates accounted for using the equity method	11	1,238	3,115	3,111	1,406
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX AND BORROWING COSTS EXPENSE ("EBIT")		**7,186**	**17,608**	**25,942**	**15,252**
Interest revenue					401
Borrowing costs expense					(669)
Income tax expense relating to ordinary activities	6				(5,269)
PROFIT FROM ORDINARY ACTIVITIES AFTER BORROWING COSTS AND INCOME TAX EXPENSE					**9,715**
Net profit attributable to outside equity interests					(373)
NET PROFIT ATTRIBUTABLE TO MEMBERS OF WORLEY GROUP LIMITED					**9,342**
Pro-forma basic earnings per share (cents per share)	27				6.2
Pro-forma diluted earnings per share (cents per share)	27				6.2

NOTE: The above statements of financial performance should be read in conjunction with the accompanying notes.

6.2 HISTORICAL FINANCIAL INFORMATION CONTINUED

STATEMENTS OF FINANCIAL POSITION

	NOTES	30 JUNE 2002	ADJUSTMENTS NOTE 3	PRO FORMA 30 JUNE 2002
		$'000	$'000	$'000
ASSETS				
CURRENT ASSETS				
Cash assets	7	19,396	1,489	20,885
Receivables	8	73,535	–	73,535
Inventories	9	8,234	–	8,234
Other financial assets	10	905	500	1,405
TOTAL CURRENT ASSETS		**102,070**	**1,989**	**104,059**
NON-CURRENT ASSETS				
Investments accounted for using the equity method	11	10,312	–	10,312
Other financial assets	12	208	–	208
Property, plant and equipment	13	12,306	–	12,306
Intangible assets	14	62,950	2,700	65,650
Deferred tax assets	15	8,287	–	8,287
Other	16	383	–	383
TOTAL NON-CURRENT ASSETS		**94,446**	**2,700**	**97,146**
TOTAL ASSETS		**196,516**	**4,689**	**201,205**
LIABILITIES				
CURRENT LIABILITIES				
Payables	17	51,357	–	51,357
Interest bearing liabilities	18	9,647	–	9,647
Tax liabilities	19	8,494	–	8,494
Provisions	20	12,914	–	12,914
TOTAL CURRENT LIABILITIES		**82,412**	–	**82,412**
NON-CURRENT LIABILITIES				
Interest bearing liabilities	21	815	–	815
Deferred tax liabilities	22	8,747	–	8,747
Provisions	23	2,460	1,200	3,660
TOTAL NON-CURRENT LIABILITIES		**12,022**	**1,200**	**13,222**
TOTAL LIABILITIES		**94,434**	**1,200**	**95,634**
NET ASSETS		**102,082**	**3,489**	**105,571**
EQUITY				
Contributed equity	24	94,660	15,989	110,659
Reserves	25	(929)	–	(929)
Retained profits/(accumulated loss)	25	7,342	(12,000)	(4,658)
Equity attributable to members of Worley Group Limited		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]
TOTAL EQUITY		**102,082**	**3,489**	**105,571**

[illegible]

STATEMENTS OF CASHFLOWS

	NOTES	COMBINED ADJUSTED YEAR ENDED 30 JUNE 2000 $'000	COMBINED ADJUSTED YEAR ENDED 30 JUNE 2001 $'000	COMBINED ADJUSTED YEAR ENDED 30 JUNE 2002 $'000	ACTUAL CONSOLIDATED 8 MONTHS ENDED 30 JUNE 2002 $'000
CASHFLOWS FROM OPERATING ACTIVITIES					
Receipts from customers (inclusive of goods and services tax)		185,207	255,875	401,068	266,761
Payments to suppliers and employees (inclusive of goods and services tax)		(172,698)	(248,113)	(369,438)	(250,086)
		12,509	7,762	31,630	16,675
Dividends and management fees received		1,593	1,106	1,345	1,345
Interest received		580	1,162	602	401
Borrowing costs paid		(714)	(1,686)	(947)	(624)
Income taxes paid		(3,502)	(3,934)	(2,861)	(1,792)
NET CASH INFLOW FROM OPERATING ACTIVITIES	32	**10,466**	**4,410**	**29,769**	**16,005**
CASHFLOWS FROM INVESTING ACTIVITIES					
Payments for purchase of equity and other investments		(7,411)	(2,455)	(653)	(574)
Payments for property, plant and equipment		(2,828)	(6,031)	(5,758)	(2,984)
Proceeds from disposal of property, plant and equipment		184	74	69	70
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(10,055)**	**(8,412)**	**(6,342)**	**(3,488)**
CASHFLOWS FROM FINANCING ACTIVITIES					
Repayment of bank loans		–	(750)	(5,440)	(4,690)
Proceeds from bank loans		4,190	–	9,500	5,500
Lease payments		(600)	(476)	(434)	(296)
Loans made to associates		–	(1,869)	(3,800)	(1,632)
Loans from associates		695	1,475	–	–
Loans from associates repaid		–	–	(1,000)	(1,000)
Dividends paid	28	(2,000)	(2,086)	(3,043)	(2,000)
Distributions by controlled entities to outside equity interests		(49)	(47)	–	–
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		**2,236**	**(3,753)**	**(4,217)**	**(4,118)**
NET INCREASE/(DECREASE) IN CASH HELD		2,647	(7,755)	19,210	8,399
Cash at the beginning of the financial period		4,481	8,691	1,167	–
Cash balances in controlled entities acquired net of overdraft		1,568	–	–	10,469
Effects of exchange rate changes on cash		(5)	231	(2,388)	(879)
CASH AT THE END OF THE FINANCIAL PERIOD	7	**8,691**	**1,167**	**17,989**	**17,989**

NOTE: The above statements of cashflows should be read in conjunction with the accompanying notes.

6.2 HISTORICAL FINANCIAL INFORMATION CONTINUED

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The actual consolidated financial information has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Consensus Views and the *Corporations Act 2001*.

It is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the acquired entities.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial information incorporate assets and liabilities of all entities controlled by Worley Group Limited ("Worley" or "parent entity") as at 30 June 2002 and the results of all controlled entities as at 30 June 2002. Worley Group Limited and its controlled entities together are referred to in this financial report as the consolidated or combined entity. The effects of all transactions between entities in the consolidated or combined entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a financial period, its results are included in the statements of financial performance from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

The consolidated statements of financial performance and cashflows for Worley Group Limited are prepared for the eight month financial period ended 30 June 2002.

(B) TAXES

i Income tax

Tax effect accounting procedures are followed whereby the income tax expense in the statements of financial performance is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or future income tax benefit accounts at rates which are expected to apply when those timing differences reverse.

ii Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

(a) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(b) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cashflows are included in the statements of cashflows on a gross basis and the GST component of cashflows arising from investing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cashflows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(C) FOREIGN CURRENCY TRANSLATION

i Translation of foreign currency transactions

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables at balance date are translated at exchange rates at balance date. Exchange gains and losses are brought to account in determining the profit and loss for the financial period.

ii Specific hedges

Hedging is undertaken to avoid or minimise potential adverse financial effects of movements in foreign currency exchange rates. Gains or costs arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent exchange gains or losses resulting from those transactions are deferred up to the date of the purchase or sale and included in the measurement of the purchase or sale.

If the hedged transaction is not expected to occur as originally designated, or if the hedge is no longer expected to be effective, any previously deferred gains or losses are recognised as revenue or expense immediately.

iii Translation of financial reports of overseas operations

All overseas operations are considered to be self-sustaining as each is financially and operationally independent. Assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while revenues and expenses are translated at the average exchange rates for the financial period. Exchange differences arising on translation are taken to the foreign currency translation reserve.

(D) ACQUISITION OF ASSETS

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as determined by an internal valuation at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where an entity or operation is acquired and the fair value of the identifiable net assets acquired including any liability for restructuring costs exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated. Where, after reducing to zero the recorded amounts of the non-monetary assets acquired, a discount balance remains, it is recognised as revenue in the statements of financial performance.

(E) REVENUE RECOGNITION

Amounts disclosed as revenue are net of returns, trade allowances duties and taxes paid. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

i Engineering design and project services

Contract revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where it is probable that a loss will arise from a contract, the excess of total costs over revenue is recognised as an expense.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

For fixed price contracts, the stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus the percentage of fees earned.

ii Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

iii Dividends

Control of a right to receive consideration for the investment in assets is attained, usually evidenced by approval of the dividend.

(F) RECEIVABLES

All trade debtors are recognised at the original amounts less a provision for any uncollectible debts. The recoverable amount of trade debtors is reviewed on an ongoing basis.

Accrued receivables are stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the client under the terms of the contract and an allocation of overhead expenses incurred in connection with the consolidated entity's activities in general.

(G) INVENTORIES

i Consumables and stores

Consumables and stores are stated at the lower of cost and net realisable value and charged to specific contracts when used.

ii Work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost comprises staff salary costs and direct expenses together with an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less further costs expected to be incurred on completion.

(H) RECOVERABLE AMOUNT

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. In determining the recoverable amount, the expected cashflows have been discounted to their present value using a market determined risk adjusted discount rate.

(I) DEPRECIATION OF PLANT AND EQUIPMENT

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the consolidated entity. The expected useful lives for plant and equipment range from three to 10 years.

(J) LEASEHOLD IMPROVEMENTS

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

(K) LEASES

i Finance leases

Where property, plant and equipment is acquired by means of finance leases, the present value of the minimum lease payments is recognised as an asset at the beginning of the lease term and amortised on a straight line basis over the expected useful life of the leased asset. A corresponding liability is also established and each lease payment is allocated between the liability and finance charge.

ii Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

(L) INTANGIBLES

i Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Goodwill is amortised on a straight line basis over the period of the expected benefit, which has been assessed from the date of gaining control of the entities for substantially all of the goodwill. The period of expected benefit is 20 years for controlled entities and 10 years for associates.

ii Trade name

The Worley trade name in Australia is recognised at its cost of acquisition and amortised over its expected useful life being 20 years.

(M) TRADE AND OTHER PAYABLES

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(N) INTEREST BEARING LIABILITIES

Loans and debentures are carried at their principal amounts which represent the present value of future cashflows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(O) JOINT VENTURES

i Joint venture operations

The proportionate interests in the assets, liabilities and expenses of joint venture operations have been incorporated in the financial statements under the appropriate headings. Details of the joint venture operations have been set out in Note 29.

ii Joint venture entities

The beneficial interest in joint venture entities is carried at the lower of the equity accounted amount and the recoverable amount. The share of profits or losses of the entities is recognised in the statement of financial performance, and the share of movements in reserves is recognised in reserves in the statement of financial position.

Profits or losses on transactions establishing joint venture partnerships and transactions with the joint venturers are eliminated to the extent of the consolidated entity's beneficial interest until such time as they are realised by the joint venture partnerships on consumption or sale. Details of the joint venture entities have been set out in Note 11.

(P) REPAIRS AND MAINTENANCE

Repairs, minor renewals and improvements and the purchase of minor items of tools and equipment are charged to expense as incurred. Major renewals and improvements are capitalised to the respective asset and depreciated.

(Q) EMPLOYEE ENTITLEMENTS

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by the employees up to the reporting date.

Employee entitlement expenses and revenues arising in respect of wages and salaries, non-monetary benefits, leave entitlements and other types of employee entitlements are charged against profits on a net basis in their respective categories.

Under the proposed Worley Performance Rights Plan, Performance Rights over 750,000 Shares will be issued, to eligible executives. These shares will vest over a period of three years subject to the achievement of certain performance hurdles as set out in the plan. These Performance Rights have been valued by the Directors at $1,500,000 as at the proposed grant date. The cost of Performance Rights will be amortised over the three year vesting period.

(R) BORROWING COSTS

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

- interest on bank overdrafts and short term and long term borrowings;
- amortisation of discounts or premiums relating to borrowings; and
- finance lease charges.

(S) SERVICE WARRANTIES

Provision is made for the estimated liability on all products and services still under warranty at balance date. This provision is estimated having regard to prior service warranty experience.

(T) CASH AND CASH EQUIVALENTS

For the purposes of the statements of cashflows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Bank overdrafts are carried at their principal amount.

(U) INVESTMENTS

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under this method, the consolidated entity's share of the post acquisition profits or losses of associates is recognised in the consolidated statement of financial performance, and its share of post acquisition movements in reserves is recognised in reserves in the consolidated statement of financial position. The cumulative post acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

All other non-current investments are carried at the lower of cost or recoverable amount.

(V) CONTRIBUTED EQUITY

Issued and paid up capital is recognised at the fair value of the consideration received by Worley. Any transactions arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(W) EARNINGS PER SHARE

i Basic earnings per share

Pro-forma earnings per share has been calculated in accordance with Accounting Standard AASB 1027 "Earnings Per Share". Basic pro-forma earnings per share has been determined by dividing the combined adjusted net profit attributable to members of Worley Group Limited for the eight months ended 30 June 2002 by the pro-forma number of ordinary shares expected to be outstanding immediately after the public offering.

ii Diluted earnings per share

Diluted pro-forma earnings per share is calculated as net profit attributable to members of Worley Group Limited adjusted for:

(a) costs of servicing equity (other than dividends);

(b) the after tax effect of dividends and interest associated with diluted potential ordinary shares that have been recognised as expenses; and

(c) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares,

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element

(X) INSURANCE PROVISION

Provision for insurance liabilities is recognised in line with actuarial calculations. The provision is based on the aggregate amount of individual claims arising in future financial years that are lower in value than the insurance deductible of the consolidated entity.

2. BASIS OF PREPARATION OF THE COMBINED ADJUSTED STATEMENT OF FINANCIAL PERFORMANCE

The combined accounts are the aggregation of the financial information of Worley Pty Limited, Worley Engineering Pty Limited and Worley Limited (Hong Kong) on the basis that Worley Group Limited had owned the business for the whole of the period. The combined adjusted financial information has been prepared in accordance with the accounting policies set out in Note 1 and as adjusted below. The adjusted earnings before interest and income tax have been amended to eliminate income and expenses not relating to the continuing business of Worley Group [illegible] period and to reallocate revenue and expenses to the most appropriate reported periods. These adjustments can be described as follows:

- amortisation of the goodwill and trade name as if these assets were recognised at 1 July 1999 at the fair values ascribed to them at the reorganisation date of 25 October 2001;
- amortisation of goodwill arising on the acquisition of the remaining 20% outside equity interest in Worley International, Inc. as if this acquisition had occurred prior to 1 July 1999;
- exclusion of the impact on combined earnings of the east coast business of Atria Group Pty Limited which the Directors plan to discontinue and the development costs associated with the DAD business of I&E Systems Pty Limited;
- removal of the one-off effects of the professional indemnity self-insurance provisions reflecting an increased policy deductible limit;
- reallocation of the provision for non-recovery of a loan to a related party to the period the loan became impaired;
- application of consistent accounting policy for the recognition of revenue reserves on contracts; and
- reallocation of the profit effect of the release of certain provisions in joint venture operations to the periods in which they were created.

A reconciliation of the earnings before interest and tax as reported in the audited financial reports to the adjusted combined amounts included in this report is as follows:

	COMBINED ADJUSTED		
	YEAR ENDED 30 JUNE 2000 $'000	YEAR ENDED 30 JUNE 2001 $'000	YEAR ENDED 30 JUNE 2002 $'000
COMBINED EBIT PER AUDITED FINANCIAL REPORTS	8,982	14,819	15,252
ADJUSTMENTS:			
EBIT from 1 July 2001 to 25 October 2001	–	–	5,794
Amortisation of goodwill and trade name	(2,979)	(2,187)	(813)
Effect of discontinued operations	1,232	3,029	6,042
Provision for self-insurance	(233)	(467)	700
Provision for non-recovery of loan	(55)	495	1,131
Consistency in revenue recognition	–	1,800	(1,800)
Reallocation of provisions to appropriate period	239	119	(364)
COMBINED ADJUSTED EBIT	7,186	17,608	25,942

3. BASIS OF PREPARATION OF THE PRO-FORMA STATEMENT OF FINANCIAL POSITION

The purpose of the pro-forma consolidated statement of financial position as at 30 June 2002 is to set out the effect of the following transactions which have occurred or are expected to occur subsequent to 30 June 2002 as if they had occurred as at that date. The following summarises these transactions:

- the receipt of proceeds of $18.7 million from the issue of 7.5 million Shares at the Retail Application Price and 2.0 million Shares at the Employee Application Price;
- the payment of $6 million of equity raising expenses, treated as a reduction of contributed equity;
- the receipt of proceeds of $3.6 million arising from the exercise of options prior to the Offer;
- subsequent to 30 June 2002, the Company has declared and paid a dividend for the financial period ended 30 June 2002 of $2 million;
- subsequent to 30 June 2002, the Company declared from a combination of 2002 and 2003 profits, a special dividend of $10 million that will be paid prior to the allocation of Shares under the Offer;
- the Company has acquired the remaining 20% outside equity interest in Worley International, Inc. for cash consideration of $1.5 million, deferred cash (contingent on performance hurdles of achieving its component of FY03 profit) of $1.2 million, and $0.5 million payable in Shares at the time of listing of the Company. On the basis that the contingent consideration is paid, this transaction will result in a further $2.7 million of goodwill on consolidation; and
- under the proposed Worley Group Limited Performance Rights Plan, $500,000 of Shares will be purchased on market after listing and Performance Rights of $1.5 million will be issued to eligible executives at the time of listing. The total cost of the Performance Rights will be amortised over the vesting period of three years.

The pro-forma consolidated statement of financial position has been prepared in accordance with the accounting policies set out in Note 1 and as adjusted above.

	COMBINED ADJUSTED			ACTUAL CONSOLIDATED
	YEAR ENDED 30 JUNE 2000 $'000	YEAR ENDED 30 JUNE 2001 $'000	YEAR ENDED 30 JUNE 2002 $'000	8 MONTHS ENDED 30 JUNE 2002 $'000
4. REVENUE				
REVENUES FROM OPERATING ACTIVITIES				
Services	180,748	259,447	348,058	229,550
Procurement revenue (nil margin)	5,577	21,162	27,175	19,847
	186,325	**280,609**	**375,233**	**249,397**
REVENUES FROM OUTSIDE THE OPERATING ACTIVITIES				
Dividends	184	–	–	–
Other	–	74	1,389	961
	184	**74**	**1,389**	**961**
REVENUE FROM ORDINARY ACTIVITIES EXCLUDING INTEREST	**186,509**	**280,683**	**376,622**	**250,358**

6.2 HISTORICAL FINANCIAL INFORMATION CONTINUED

5. EXPENSES AND LOSSES/(GAINS)

NET GAINS AND EXPENSES

		COMBINED ADJUSTED			ACTUAL CONSOLIDATED
	NOTES	YEAR ENDED 30 JUNE 2000 $'000	YEAR ENDED 30 JUNE 2001 $'000	YEAR ENDED 30 JUNE 2002 $'000	8 MONTHS ENDED 30 JUNE 2002 $'000
Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:					
Depreciation	13	2,291	3,033	3,609	2,481
Leasehold improvements	13	–	–	157	126
Plant and equipment under finance lease	13	345	194	374	225
TOTAL DEPRECIATION AND AMORTISATION OF PLANT AND EQUIPMENT		**2,636**	**3,227**	**4,140**	**2,832**
Goodwill	14	1,640	1,640	1,640	1,060
Deferred tender costs		34	–	–	–
Trade name	14	1,750	1,750	1,750	1,167
TOTAL AMORTISATION OF INTANGIBLE ASSETS		**3,424**	**3,390**	**3,390**	**2,227**
TOTAL DEPRECIATION AND AMORTISATION		**6,060**	**6,617**	**7,530**	**5,059**
OTHER CHARGES AGAINST ASSETS					
Bad and doubtful debts – trade debtors		321	1,043	380	794
OTHER EXPENSES AND LOSSES					
Operating lease rentals – minimum lease payments		–	–	2,605	1,736
Foreign exchange (gains)/losses		(131)	(1,200)	986	636
Net loss on disposal of property, plant and equipment		62	109	217	217
PROVISIONS					
Employee entitlements		1,115	1,838	3,810	1,907
Insurance		233	467	700	1,400

	8 MONTHS ENDED 30 JUNE 2002 $'000

6. INCOME TAX

The income tax expense for the financial period differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit from ordinary activities before income tax expense	14,984
Income tax calculated at 30%	4,495
Tax effect of permanent differences:	
Share of associates' net profits	(275)
Amortisation of goodwill and trade name	668
Legal and professional expenses	315
Provision for support of related entity	969
Additional allowable tax depreciation	(750)
Dividend received/receivable	(37)
Other	805
Income tax adjusted for permanent differences	6,190
Recognition of previously unbooked tax losses	(185)
Overprovision in previous financial period	(1,057)
International tax rate differential	321
Income tax expense	5,269

The benefit for tax losses will only be obtained if:

(a) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; or

(b) the losses are transferred to an eligible entity in the consolidated entity;

(c) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

(d) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

	NOTES	30 JUNE 2002 $'000
7. CURRENT ASSETS – CASH ASSETS		
Actual cash at bank and on hand		19,396
Pro-forma adjustments:		
Issue of New Shares		18,700
Dividend payments		(12,000)
Acquisition of 20% outside equity interest in Worley International, Inc.		(1,500)
Forecast offer costs		(6,810)
Purchase of Shares for Performance Rights		(500)
Exercise of outstanding share options		3,599
PRO-FORMA CASH AT BANK AND ON HAND		20,885
The above figure is reconciled to cash at the end of the financial period as shown in the statement of cashflow as follows:		
Actual cash at bank and on hand		19,396
Less: Bank overdraft	18	(1,407)
BALANCE PER STATEMENTS OF CASHFLOWS		**17,989**
8. CURRENT ASSETS – RECEIVABLES		
Trade debtors		72,642
Less: Provision for doubtful debts		(9,465)
		63,177
Other receivables		3,433
Deferred foreign exchange gains	41	1,145
Amounts owing by related parties and associates		5,780
		73,535
9. CURRENT ASSETS – INVENTORIES		
Work in progress		8,234
10. CURRENT ASSETS – OTHER FINANCIAL ASSETS		
Prepayments		905
Pro-forma adjustment in relation to the expected Performance Rights issue to senior executives		500
		1,405

ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED 2002 %	CARRYING VALUE CONSOLIDATED 2002 $'000
11. INVESTMENTS IN ASSOCIATES			
(A) DETAILS OF BENEFICIAL INTERESTS IN ASSOCIATES ARE			
Burns and Roe Worley Pty Limited	Power & Water	50	3,333
I&E Systems Pty Limited	Refining & Petrochemicals	50	–
Transfield Worley Limited[1]	Oil & Gas	50	618
Petrocon Arabia Co Limited[2]	Oil & Gas, Refining & Petrochemicals	50	3,495
Worley Arabia Limited	Oil & Gas, Refining & Petrochemicals	50	–
Worley Qatar WLL	Oil & Gas	40	718
Atria Group Pty Limited	Personnel	40	–
Protek Engineers Sdn Bhd	Oil & Gas	50	217
Ranhill Worley Sdn Bhd	Oil & Gas	50	126
Perunding Ranhill Worley Sdn Bhd	Oil & Gas	50	606
Ranhill Worley Engineering Sdn Bhd	Oil & Gas, Refining, Petrochemicals	49	574
Damit Worley Engineering Sdn Bhd	Oil & Gas	50	625
			10,312

NOTES:

(1) Balance date is 31 March.

(2) Balance date is 31 December.

	30 JUNE 2002 $'000
(B) CARRYING AMOUNT OF INVESTMENTS IN ASSOCIATES	
Carrying amount at the beginning of the financial period	–
Investments in continuing associates arising on acquisition of controlled entity	9,052
Addition of new investments	459
	9,511
Share of net profits of associates	1,406
Dividends received	(404)
Amortisation of goodwill	(195)
Movement in foreign currency translation reserve of associate	(6)
Carrying amount at the end of the financial period	**10,312**

	COMBINED ADJUSTED			ACTUAL CONSOLIDATED
	YEAR ENDED 30 JUNE 2000 $'000	YEAR ENDED 30 JUNE 2001 $'000	YEAR ENDED 30 JUNE 2002 $'000	8 MONTHS ENDED 30 JUNE 2002 $'000
11. INVESTMENTS IN ASSOCIATES CONTINUED				
(C) RESULTS ATTRIBUTABLE TO ASSOCIATES				
Revenue	[illegible]	[illegible]	[illegible]	[illegible]
Expenses	(31,837)	(50,723)	(83,693)	(57,731)
Operating profits before income tax expense	1,561	3,562	4,115	1,869
Income tax expense	(323)	(447)	(1,004)	(463)
Operating profits after income tax expense	1,238	3,115	3,111	1,406
(D) RESERVES ATTRIBUTABLE TO ASSOCIATES				
Foreign currency translation reserve:				
Balance at the beginning of the financial period				–
Effect of increase in foreign currency translation reserve during the financial period				6
Balance at the end of the financial period				6
(E) SHARE OF ASSOCIATES' CONTINGENT LIABILITIES				
Performance related guarantees issued				78
(F) SHARE OF ASSOCIATES' EXPENDITURE COMMITMENTS				
Operating lease commitments				2,279
Finance lease commitments				29
				2,308
(G) SUMMARY OF THE FINANCIAL POSITION OF ASSOCIATES				
The consolidated entity's share of aggregate assets and liabilities of associates are:				
Current assets				34,701
Non-current assets				3,752
Current liabilities				(26,831)
Non-current liabilities				(2,350)
Net assets				9,272
Unamortised goodwill at the end of the financial period				1,040
Carrying amount at the end of the financial period				10,312
12. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS				
Other investments				**208**

	30 JUNE 2002 $'000
13. PROPERTY, PLANT AND EQUIPMENT	
LAND	
At cost	498
	498
LEASEHOLD IMPROVEMENTS	
At cost	2,495
Less: Accumulated amortisation	(126)
	2,369
PLANT AND EQUIPMENT	
At cost	10,669
Less: Accumulated depreciation	(2,481)
	8,188
PLANT AND EQUIPMENT UNDER FINANCE LEASE	
At cost	1,476
Less: Accumulated amortisation	(225)
	1,251
TOTAL PROPERTY, PLANT AND EQUIPMENT	**12,306**
14. NON-CURRENT ASSETS – INTANGIBLES	
Goodwill	30,177
Less: Accumulated amortisation	(1,060)
	29,117
Pro-forma adjustment to goodwill in relation to acquisition of outside equity interest in Worley International, Inc.	2,700
	31,817
Trade name	35,000
Less: Accumulated amortisation	(1,167)
	33,833
	65,650
15. NON-CURRENT ASSETS – DEFERRED TAX ASSETS	
Future income tax benefit	**8,287**
16. NON-CURRENT ASSETS – OTHER	
Formation costs	247
Other	136
	383

6.2 HISTORICAL FINANCIAL INFORMATION CONTINUED

	NOTES	30 JUNE 2002 $'000
17. NON-CURRENT LIABILITIES – PAYABLES		
Trade creditors		15,769
Payables to related parties and associates		2,385
Deferred foreign exchange gains	41	1,145
Other creditors and accruals		32,058
		51,357

	NOTES	30 JUNE 2002 $'000
18. CURRENT LIABILITIES – INTEREST BEARING LIABILITIES		
SECURED		
Bank overdraft		1,407
Bank loans[1]		7,500
Lease liability	33	539
Hire purchase liability		42
		9,488
UNSECURED		
Other loans		159
		9,647

NOTE:

(1) Details of the security relating to each of the secured liabilities are set out in Note 30.

	NOTES	30 JUNE 2002 $'000
19. CURRENT LIABILITIES – TAX LIABILITIES		
Income tax payable		**8,494**

	NOTES	30 JUNE 2002 $'000
20. CURRENT LIABILITIES – PROVISIONS		
Employee entitlements	35	7,784
Self-insurance		2,400
Guarantees to discontinued operations		2,730
		12,914

	NOTES	30 JUNE 2002 $'000
21. NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITIES		
Secured		
Lease liability	33	783
Hire purchase liability		32
		815

	NOTES	30 JUNE 2002 $'000
22. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES		
Deferred income tax		**8,747**

	NOTES	30 JUNE 2002 $'000
23. NON-CURRENT LIABILITIES – PROVISIONS		
Employee entitlements	35	2,460
Pro-forma adjustment in relation to the acquisition of 20% outside equity interest in Worley International, Inc		1,200
		3,660

	NOTES	30 JUNE 2002 $'000
24. CONTRIBUTED EQUITY		
Ordinary shares fully paid		94,660
Pro-forma adjustments:		
Issue of New Shares		19,200
Exercise of outstanding share options		3,599
Forecast Offer costs		(6,810)
		110,649
25. RESERVES AND RETAINED PROFITS		
Foreign currency translation reserve		(929)
Retained profits		(4,658)
		(5,587)

(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 self-sustaining foreign operations.

MOVEMENT		
Foreign currency translation reserve:		
Balance at the beginning of financial period		–
Loss on translation of foreign controlled entities and associates		(929)
Balance at 30 June 2002		(929)
(B) RETAINED PROFITS/(ACCUMULATED LOSSES)		
Balance at beginning of financial period		–
Net profit attributable to members of Worley		9,342
Dividends paid or provided for	28	(2,000)
Balance at 30 June 2002		7,342
Pro-forma adjustments in relation to dividends to be paid from 2002 and 2003 profits	28	(12,000)
Pro-forma balance at 30 June 2002		(4,658)

6.2 HISTORICAL FINANCIAL INFORMATION CONTINUED

	30 JUNE 2002 $'000
26. OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES	
Comprises interest in:	
Contributed equity	62
Retained profits	1,103
Reserves	(156)
	1,009
Pro-forma adjustment in relation to acquisition of 20% outside equity interest in Worley International, Inc.	(500)
	509

	PRO-FORMA 8 MONTHS ENDED 30 JUNE 2002
27. PRO-FORMA EARNINGS PER SHARE	
Pro-forma basic earnings per share	6.2¢
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	149,356,711
Pro-forma diluted earnings per share	6.2¢
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	149,356,711

	30 JUNE 2002 $'000
28. DIVIDENDS	
(A) ORDINARY SHARES	
Final fully franked ordinary dividend	2,000
Pro-forma adjustment in relation to dividends paid and proposed subsequent to 30 June 2002	12,000
	14,000
(B) PRO-FORMA FRANKING CREDIT BALANCE	
Franking credits available for subsequent financial years based on a tax rate of 30%	**32,621**

The above amount represents the balance of the franking account at the end of the financial period, adjusted for:

(a) franking credits that will arise from the payment of the current tax liability;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and

(d) franking credits that may be prevented from being distributed in subsequent financial years.

The consolidated amount includes franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

29. INTERESTS IN JOINT VENTURES

Controlled entities have entered into the following joint venture operations:

JOINT VENTURE OPERATION	INTEREST %	PRINCIPAL ACTIVITY
Transfield Worley Joint Venture	50	Integrated engineering and upgrade services
Worley ABB Joint Venture[1]	50	Integrated engineering and upgrade services
TIGA Joint Venture	45	Design of Bayu-Undan condensate field
VRJ Worley Joint Venture	50	Safety and risk management
Worley Mamic Joint Venture	50	Engineering services
Mg Joint Venture	50	Engineering services

NOTE:

(1) Balance date is 31 December.

The consolidated entity's interests in the assets employed in joint ventures are included in the pro-forma consolidated statement of financial position under the following classifications:

	30 JUNE 2002 $'000
ASSETS	
CURRENT ASSETS	
Cash assets	10,309
Receivables	14,484
Other current assets	718
TOTAL CURRENT ASSETS	**25,511**
NON-CURRENT ASSETS	
Property, plant and equipment	1,994
Other non-current assets	94
TOTAL NON-CURRENT ASSETS	**2,088**
TOTAL ASSETS	**27,599**
LIABILITIES	
CURRENT LIABILITIES	
Payables	22,277
Provisions	4,369
Other current liabilities	430
TOTAL CURRENT LIABILITIES	**27,076**
NON-CURRENT LIABILITIES	
Other non-current liabilities	523
TOTAL NON-CURRENT LIABILITIES	**523**
TOTAL LIABILITIES	**27,599**
NET ASSETS	–

30 FINANCING ARRANGEMENTS

The consolidated entity had unrestricted access at balance date to the following lines of credit:

	ACTUAL 30 JUNE 2002 $ 000
SECURED FACILITIES	
Total facilities available:	
Loan facilities	27,630
Overdraft facilities	9,250
Lease facility	4,000
Bank guarantees and letters of credit	25,690
	66,570
Facilities utilised at balance date:	
Loan facilities	7,500
Lease facility	4,000
Bank guarantees and letters of credit	10,350
	21,850
Facilities not utilised at balance date:	
Loan facilities	20,130
Overdraft facilities	9,250
Lease facility	–
Bank guarantees and letters of credit	15,340
	44,720
UNSECURED FACILITIES	
Total facilities available:	
Overdraft facilities	1,000
Performance bonds	10,000
	11,000
Facilities utilised at balance date:	
Bank guarantees and letters of credit	100
	100
Facilities not utilised at balance date:	
Overdraft facilities	1,000
Bank guarantees and letters of credit	9,900
	10,900

The pro-forma financing arrangements set out above represent those in place at 30 June 2002 adjusted for the additional bank facilities subsequently arranged with HSBC.

Secured facilities – The secured bank loan, overdraft, bank guarantees and letters of credit facilities of the consolidated entity are secured by fixed and floating charges over the assets of the following controlled entities: Worley Group Limited, Worley Pty Limited, Worley No. 2 Pty Limited, Worley Engineering Pty Limited, Worley Engineering Securities Pty Limited and Worley Financial Services Pty Limited

	COMBINED ADJUSTED			ACTUAL CONSOLIDATED
	YEAR ENDED 30 JUNE 2000 $'000	YEAR ENDED 30 JUNE 2001 $'000	YEAR ENDED 30 JUNE 2002 $'000	8 MONTHS ENDED 30 JUNE 2002 $'000
31. NON-CASH FINANCING ACTIVITIES				
Acquisition of plant and equipment by means of finance leases	–	**510**	**578**	**578**
32. NOTES TO STATEMENT OF CASHFLOWS				
RECONCILIATION OF COMBINED ADJUSTED EBIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
EBIT	7,186	17,608	25,942	15,252
Interest revenue	537	1,162	602	401
Borrowing cost expense	(718)	(1,686)	(1,023)	(669)
Income tax expense	(3,204)	(4,942)	(7,491)	(5,269)
NET PROFIT	**3,801**	**12,142**	**18,030**	**9,715**
Non-cash items				
Depreciation of non-current assets	2,291	3,033	3,609	2,481
Amortisation of non-current assets	3,769	3,589	3,921	2,578
Investment in associate written down to recoverable amount	–	–	–	2,500
Provision for guarantees to discontinued operations	–	–	–	2,730
Dividends received from associates	1,250	598	404	404
Share of associates' net profits	(1,238)	(3,114)	(3,111)	(1,406)
Net loss on disposal of property, plant and equipment	62	109	217	217
Finance charges on capitalised leases	41	31	75	45
CASHFLOW ADJUSTED FOR NON-CASH ITEMS	**9,976**	**16,388**	**23,145**	**19,264**
CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES DURING THE FINANCIAL PERIOD				
(Increase)/decrease in receivables	(8,013)	(17,826)	(12,770)	(4,048)
(Increase)/decrease in other receivables	(398)	(3,172)	(1,318)	–
(Increase)/decrease in accrued billings	(4,239)	(7,117)	7,151	–
(Increase)/decrease in other assets	443	669	(103)	2,636
Increase/(decrease) in trade creditors and other creditors	11,152	12,613	6,659	(7,232)
Increase/(decrease) in provision for income tax	(2,608)	(648)	8,338	7,552
Increase/(decrease) in provision for deferred income tax	2,568	1,613	(3,707)	(4,076)
Increase/(decrease) in other provisions	1,585	1,890	2,374	1,909
Net cash inflow from operating activities	**10,466**	**4,410**	**29,769**	**16,005**

6.2 HISTORICAL FINANCIAL INFORMATION CONTINUED

	NOTES	30 JUNE 2002 $'000
33. COMMITMENTS FOR EXPENDITURE		
(A) OPERATING LEASES		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year		6,799
Later than one year and not later than five years		13,111
Later than five years		143
Commitments not recognised in the financial statements		**20,053**
(B) FINANCE LEASES		
Commitments in relation to finance leases are payable as follows:		
Within one year		581
Later than one year and not later than five years		828
Minimum lease payments		1,409
Less: Future finance charges		(87)
TOTAL LEASE LIABILITIES		**1,322**
Representing lease liabilities:		
Current	18	539
Non-current	21	783
TOTAL LEASE LIABILITIES		**1,322**
(C) CAPITAL EXPENDITURE AND OTHER COMMITMENTS		
Other commitments in relation to capital expenditure and purchase commitments entered into:		
Within one year		798
Later than one year and not later than five years		397
Later than five years		338
Commitments not recognised in the financial statements		1,533

34. CONTINGENT LIABILITIES

GUARANTEES

The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, joint venture operations, associates and other 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.

	30 JUNE 2002 $'000
Bank guarantees outstanding at balance date in respect of financing facilities	3,451
Bank guarantees outstanding at balance date in respect of contractual performance	4,398
	7,849

The consolidated entity provides joint and several guarantees for the banking facilities of its associates and a number of its joint venture entities. While the facilities are generally denominated in foreign currencies, the Australian dollar equivalent of the maximum exposure under these guarantees is A$20.9 million. The consolidated entity is subject to various actual and pending claims arising in the normal course of business. The Directors are of the view that the consolidated entity is adequately provided in respect of these claims

	NOTES	30 JUNE 2002 $'000

35. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION

EMPLOYEE ENTITLEMENT COMMITMENTS

Employee entitlements

The aggregate employee entitlements liability, including on-costs, is comprised of:

	NOTES	30 JUNE 2002 $'000
Provisions (current)	20	7,784
Provisions (non-current)	23	2,460
		10,244

SUPERANNUATION COMMITMENTS

The consolidated entity does not operate a superannuation fund. The consolidated entity contributes to various superannuation funds at the statutory superannuation guarantee rate.

36. REMUNERATION OF DIRECTORS

	YEAR ENDED 30 JUNE 2000 $	YEAR ENDED 30 JUNE 2001 $	YEAR ENDED 30 JUNE 2002 $	8 MONTHS ENDED 30 JUNE 2002 $
Income paid or payable, or otherwise made available, to directors of Worley Group Limited in office at the date of this report by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities	692,171	796,328	1,083,197	1,347,589

37. REMUNERATION OF EXECUTIVES

Remuneration received or due and receivable, from entities in the consolidated entity and related parties, by Australian-based executive officers whose remuneration was at least $100,000	638,464	1,699,730	2,248,190	1,624,193

38. REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the parent entity or any other entity in the consolidated entity:				
Auditor of the parent entity	173,772	214,495	354,000	252,335
Other auditors of controlled entities	–	34,749	18,836	18,836
	173,772	**249,244**	**372,836**	**271,171**
Amounts received for other services:				
Auditor of the parent entity	40,000	9,038	72,550	72,550
Other auditors of controlled entities	110,000	97,187	26,689	26,689
	150,000	**106,225**	**99,239**	**99,239**
	323,772	**355,469**	**472,075**	**370,410**

39. RELATED PARTIES

(a) Directors: The names of persons who are directors of Worley Group Limited at the date of this report are John Grill, John Schubert, David Housego, John Green, Ron McNeilly and Grahame Campbell.

(b) Transactions of Directors and Director related entities concerning ordinary shares or options over ordinary shares of Worley Group Limited:

6.2 HISTORICAL FINANCIAL INFORMATION CONTINUED

39. RELATED PARTIES CONTINUED

Particulars of Worley Group Limited directors' interests in shares at the date of this report are as follows:

	ORDINARY SHARES (NUMBER OF SHARES)
John Grill	36,521,405
Ron McNeilly	–
John Schubert	1,217,979
David Housego	863,867
John Green	698,527
Grahame Campbell	494,002
Directors' Interests	39,795,780

It is proposed that after the Offer, John Grill and David Housego will be issued with Performance Rights of 90,000 and 45,000 respectively.

Worley Group Limited has provided an unsecured loan of $110,000 to D Housego, payable on demand. Interest is paid monthly at a rate of 8.25% per annum.

(c) At times Directors or Director related entities provide specific advisory services to the consolidated entity when specialist advice is needed and vice versa. These transactions are made on normal terms and conditions and at market rates.

40. SEGMENT INFORMATION

(a) (i) Eight months to 30 June 2002

PRIMARY REPORTING – BUSINESS SEGMENTS

	OIL & GAS $'000	MINERALS & METALS $'000	INDUSTRIAL & INFRASTRUCTURE $'000	REFINING, PETROCHEMICALS & CHEMICALS $'000	OTHER $'000	ELIMINATIONS $'000	CONSOLIDATED $'000
Sales to external customers	206,838	4,768	16,270	13,077	8,444	–	249,397
Inter-segment sales	14,657	4,221	1,785	447	5,667	(26,777)	–
TOTAL SALES REVENUE	**221,495**	**8,989**	**18,055**	**13,524**	**14,111**	**(26,777)**	**249,397**
Share of net profit or (loss) of associates	1,629	–	(227)	–	4	–	1,406
Other revenue	–	–	–		961	–	961
TOTAL SEGMENT REVENUE	**223,124**	**8,989**	**17,828**	**13,524**	**15,076**	**(26,777)**	**251,764**
Segment result	29,062	1,177	1,962	115	(483)	–	31,833
Goodwill and trade name amortisation expense							(2,578)
[illegible]							[illegible]
Profit before income tax expense							14,984
Income tax expense							(5,269)
NET PROFIT							**9,715**
Acquisition of property, plant and equipment, intangible and other non-current assets	2,340	306	150	64	195	–	3,055
Depreciation expense	1,172	135	90	1	587	–	1,985
Unallocated depreciation							496
Total depreciation expense							2,481
Non-cash expenses other than depreciation and amortisation	2,268	55	176	143	–	–	2,642

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

	AUSTRALIA AND NEW ZEALAND $'000	ASIA AND MIDDLE EAST $'000	UNITED STATES $'000	TOTAL $'000
Sales to external customers	227,640	12,554	9,203	249,397

(a) (ii) As at 30 June 2002 – Consolidated actual

PRIMARY REPORTING – BUSINESS SEGMENTS

	OIL & GAS $'000	MINERALS & METALS $'000	INDUSTRIAL & INFRASTRUCTURE $'000	REFINING, PETROCHEMICALS & CHEMICALS $'000	OTHER $'000	ELIMINATIONS $'000	CONSOLIDATED $'000
Segment assets	59,680	7,843	8,378	1,213	3,179	–	80,293
Intangible assets							62,950
Unallocated corporate assets							53,273
CONSOLIDATED TOTAL ASSETS							**196,516**
Segment liabilities	42,287	7,421	3,941	1,206	2,016	–	56,871
Unallocated corporate liabilities							37,563
CONSOLIDATED TOTAL LIABILITIES							**94,434**
Investments in associates included in segment assets	6,979	–	3,333	–	–	–	10,312

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

	AUSTRALIA AND NEW ZEALAND $'000	ASIA AND MIDDLE EAST $'000	UNITED STATES $'000	TOTAL $'000
Segment net assets	75,297	21,976	4,809	102,082

(b) Year ended 30 June 2002 – Combined adjusted

PRIMARY REPORTING – BUSINESS SEGMENTS

	OIL & GAS $'000	MINERALS & METALS $'000	INDUSTRIAL & INFRASTRUCTURE $'000	REFINING, PETROCHEMICALS & CHEMICALS $'000	OTHER $'000	ELIMINATIONS $'000	CONSOLIDATED $'000
Sales to external customers	311,224	28,970	18,258	20,348	3,843	(7,410)	375,233
Inter-segment sales	–	–	3,000	–	4,000	(7,000)	–
TOTAL SALES REVENUE	**311,224**	**28,970**	**21,258**	**20,348**	**7,843**	**(14,410)**	**375,233**
Share of net profit or (loss) of associates	2,318	–	–	187	606	–	3,111
Other revenue	–	–	–	–	1,389	–	1,389
TOTAL SEGMENT REVENUE	**313,542**	**28,970**	**21,258**	**20,535**	**9,838**	**(14,410)**	**379,733**
Segment result	40,905	510	2,158	422	882	–	44,877
Goodwill and trade name amortisation expense							(3,390)
Unallocated corporate expenses							(15,545)
EBIT							**25,942**
Depreciation expense	2,936	273	172	192	36	–	3,609
Non-cash expenses other than depreciation and amortisation	8,068	428	953	468	180	(345)	9,752

40. SEGMENT INFORMATION CONTINUED

(b) Year ended 30 June 2002 – Combined adjusted continued

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

	AUSTRALIA AND NEW ZEALAND $'000	ASIA AND MIDDLE EAST $'000	UNITED STATES $'000	TOTAL $'000
Sales to external customers	319,345	17,480	38,408	375,233

(c) Year ended 30 June 2001 – Combined adjusted

PRIMARY REPORTING – BUSINESS SEGMENTS

	OIL & GAS $'000	MINERALS & METALS $'000	INDUSTRIAL & INFRASTRUCTURE $'000	REFINING, PETROCHEMICALS & CHEMICALS $'000	OTHER $'000	ELIMINATIONS $'000	CONSOLIDATED $'000
Sales to external customers	232,937	24,821	11,010	15,806	3,098	(7,063)	280,609
Inter-segment sales	–	–	1,000	–	3,000	(4,000)	–
TOTAL SALES REVENUE	**232,937**	**24,821**	**12,010**	**15,806**	**6,098**	**(11,063)**	**280,609**
Share of net profit or (loss) of associates	2,541	–	–	–	574	–	3,115
Other revenue	–	–	–	–	74	–	74
TOTAL SEGMENT REVENUE	**235,478**	**24,821**	**12,010**	**15,806**	**6,746**	**(11,063)**	**283,798**
Segment result	24,627	83	841	880	1,135	–	27,566
Goodwill and trade name amortisation expense							(3,390)
Unallocated corporate expenses							(6,568)
EBIT							17,608
Depreciation expense	2,456	262	116	167	32	–	3,033
Non-cash expenses other than depreciation and amortisation	11,637	2,386	478	536	587	(411)	15,213

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

	AUSTRALIA AND NEW ZEALAND $'000	ASIA AND MIDDLE EAST $'000	UNITED STATES $'000	TOTAL $'000
Sales to external customers	253,938	13,255	13,416	280,609

(d) Year ended 30 June 2000 – Combined adjusted

PRIMARY REPORTING – BUSINESS SEGMENTS

	OIL & GAS $'000	MINERALS & METALS $'000	INDUSTRIAL & INFRASTRUCTURE $'000	REFINING, PETROCHEMICALS & CHEMICALS $'000	OTHER $'000	ELIMINATIONS $'000	CONSOLIDATED $'000
Sales to external customers	160,792	10,031	9,048	12,486	1,458	(7,490)	186,325
Inter-segment sales	–	–	–	–	1,000	(1,000)	–
TOTAL SALES REVENUE	**160,792**	**10,031**	**9,048**	**12,486**	**2,458**	**(8,490)**	**186,325**
Share of net profit or (loss) of associates	196	–	–	–	1,042	–	1,238
Other revenue	–	–	–	–	184	–	184
TOTAL SEGMENT REVENUE	**160,988**	**10,031**	**9,048**	**12,486**	**3,683**	**(8,490)**	**186,747**
Segment result	11,535	69	636	835	457	–	13,532
Amortisation of goodwill and trade name expense	–	–	–	–	–	–	(3,390)
Unallocated corporate expenses	–	–	–	–	–	–	(2,956)
EBIT							**7,186**
Depreciation expense	1,902	118	107	147	17	–	2,291
Non-cash expenses other than depreciation and amortisation	10,907	680	614	847	167	6	13,221

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

	AUSTRALIA AND NEW ZEALAND $'000	ASIA AND MIDDLE EAST $'000	UNITED STATES $'000	TOTAL $'000
Sales to external customers	173,639	8,095	4,591	186,325

The consolidated entity's operating companies are organised and managed separately according to the nature of the services they provide, with each group serving different markets. The primary are Oil & Gas (which includes Worley's pipelines and terminals capabilities), Minerals & Metals, Refining, Petrochemicals & Chemicals and Industrial & Infrastructure (including Power & Water). Geographically, the consolidated entity operates in three predominant segments, Australia and New Zealand, Asia and the Middle East, and United States. Outside of Australia, activities are predominantly in the Oil & Gas group.

SEGMENT ACCOUNTING POLICIES

Segment accounting policies are the same as the consolidated entity's policies described in Note 1. Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of receivables and plant and equipment. Segment revenues, expenses and results include transactions between segments incurred in the ordinary course of business. These transactions are priced on an arm's length basis and are eliminated on consolidation.

41. FINANCIAL INSTRUMENTS

(A) DERIVATIVE INSTRUMENTS

The consolidated entity is exposed to exchange rate transaction risk on foreign currency sales and purchases. The most significant exchange rate risk is United States dollar receipts by Australian entities. When required, hedging is undertaken through transactions entered into in the foreign exchange markets. Forward exchange contracts and put option contracts have been used for hedging purposes.

41. FINANCIAL INSTRUMENTS CONTINUED

(A) DERIVATIVE INSTRUMENTS CONTINUED

At balance date, the details of outstanding contracts are:

SELL UNITED STATES DOLLARS	BUY AUSTRALIAN DOLLARS 2002 $'000	AVERAGE EXCHANGE RATE 2002
0 – 6 months	21,875	0.5366

As these contracts are hedging anticipated future receipts and sales, any unrealised gains and losses on the contracts, together with the cost of the contracts, are deferred and will be recognised in the measurement of the underlying transaction provided the underlying transaction is still expected to occur as originally designated. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related hedged transaction is still expected to occur as designated.

The following gains and losses have been deferred at balance date:

	30 JUNE 2002 $'000
Unrealised gains	1,148
Less: Unrealised losses	(3)
Net gains	1,145

(B) CREDIT RISK EXPOSURES

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

(C) INTEREST RATE RISK EXPOSURES

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods are set out in the following table:

	WEIGHTED AVERAGE INTEREST RATE (% PA)	FLOATING INTEREST RATE $'000	FIXED INTEREST MATURING IN: 1 YEAR OR LESS $'000	OVER 1 YEAR TO 5 YEARS $'000	MORE THAN 5 YEARS $'000	NON-INTEREST BEARING $'000	TOTAL $'000
Financial assets:							
Cash and deposits	3.2	19,396	–	–	–	–	19,396
Receivables		–	–	–	–	73,535	73,535
Other financial assets		–	–	–	–	208	208
TOTAL FINANCIAL ASSETS		19,396	–	–	–	73,743	93,139
Financial liabilities:							
Bank overdrafts and loans	5.81	1,407	7,500	–	–	–	8,907
Other interest bearing liabilities		–	740	815	–	–	1,555
Trade and other payables						51,357	51,357
TOTAL FINANCIAL LIABILITIES		1,407	8,240	815	–	51,357	61,819
NET FINANCIAL ASSETS							31,320

Reconciliation of Net Financial Assets to Net Assets

	30 JUNE 2002 $'000
Net financial assets as above	31,320
Non-financial assets and liabilities:	
Inventories	8,234
Property, plant and equipment	12,306
Other assets	83,982
Provisions	(16,519)
Other liabilities	(17,241)
Net assets per statement of financial position	102,082

INDEPENDENT ACCOUNTANT'S REPORT ON FORECAST FINANCIAL INFORMATION

7. INDEPENDENT ACCOUNTANT'S REPORT ON FORECAST FINANCIAL INFORMATION

ERNST & YOUNG CORPORATE FINANCE PTY LIMITED

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18 October 2002

The Directors
Worley Group Limited
Level 7
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NORTH SYDNEY NSW 2060

Dear Directors

INDEPENDENT ACCOUNTANT'S REPORT ON FORECAST FINANCIAL INFORMATION

We have prepared this Independent Accountant's Report (report) on the forecast financial information of Worley Group Limited and controlled entities (Worley) for the financial year ending 30 June 2003 for inclusion in a prospectus dated on or about 18 October 2002 (the Prospectus) relating to the offer of 48 million fully paid ordinary shares in the Company to the public.

Expressions defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can be given only by an entity which holds a Dealer's Licence under the *Corporations Act*. Ernst & Young Corporate Finance Pty Limited holds the appropriate Dealer's Licence.

SCOPE

You have requested Ernst & Young Corporate Finance Pty Limited to prepare a report covering the following information:

(a) forecast financial performance of Worley for the year ending 30 June 2003 as set out in Section 5.14 of the Prospectus; and

(b) forecast cashflow summary for the year ending 30 June 2003 as set out in Section 5.8 of the Prospectus (referred to collectively as the Forecasts).

The Directors are responsible for the preparation and presentation of the Forecasts, including the best estimate assumptions, which include the pro-forma transactions, on which they are based. The Forecasts have been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the Forecasts to which it relates for any purposes other than for which it was prepared.

REVIEW OF DIRECTORS' BEST ESTIMATE ASSUMPTIONS

Our review of the best estimate assumptions underlying the Forecasts was conducted in accordance with the Australian Auditing and Assurance Standard AUS 902 "Review of Financial Reports". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary. These procedures included discussion with the Directors and management of Worley and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that:

(a) the best estimate assumptions do not provide a reasonable basis for the preparation of the Forecasts;

(b) in all material respects, the Forecasts are not properly prepared on the basis of the best estimate assumptions; and

(c) the Forecasts are not presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of Worley disclosed in Section 6 of the Prospectus so as to present a view of Worley which is not inconsistent with our understanding of Worley's past, current and future operations.

The Forecasts have been prepared by the Directors to provide investors with a guide to Worley's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of the Forecasts. Actual results may vary materially from those Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the Risk Factors set out in Section 8 of the Prospectus and Sensitivity Analysis set out in Section 5 of the Prospectus.

Our review of the Forecasts, that is based on best estimate assumptions, is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecasts included in the Prospectus.

CONCLUSION

Based on our review of the Forecasts as set out in Sections 5.8 and 5.14 of the Prospectus, which is not an audit, and based on an investigation of the reasonableness of the Directors' best estimate assumptions giving rise to the prospective financial information, nothing has come to our attention which causes us to believe that:

(a) the Directors' best estimate assumptions set out in Section 5 of the Prospectus do not provide a reasonable basis for the preparation of the Forecasts; and

(b) the Forecasts are not properly compiled on the basis of the Directors' best estimate assumptions and are not presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Worley disclosed in Section 6 of the Prospectus as applied in Australia for presenting pro-forma forecast information in prospectuses.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of Worley and the Directors. If events do not occur as assumed, actual results achieved and distributions provided by Worley may vary significantly from the Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Forecasts, as future events, by their very nature, are not capable of independent substantiation.

SUBSEQUENT EVENTS

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

INDEPENDENCE OR DISCLOSURE OF INTEREST

Ernst & Young Corporate Finance Pty Limited does not have any interest in the outcome of the Offer. Ernst & Young Corporate Finance Pty Limited will receive a professional fee for the preparation of this report. Ernst & Young is the appointed auditor of Worley and will receive a professional fee for the preparation of the Independent Accountant's Report on Historical Financial Information.

Worley has agreed to indemnify and hold harmless Ernst & Young Corporate Finance Pty Limited and its employees from any claims arising out of misstatement in or omission from any material or information supplied by the Directors to Ernst & Young Corporate Finance Pty Limited.

Yours faithfully

Ernst & Young Corporate Finance Pty Limited

Bryan Zekulich

Director

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RISK FACTORS

8. RISK FACTORS

This Section identifies the areas that are believed to be the major risks associated with an investment in Worley.

The Worley business is subject to risk factors, both specific to its business activities and of a general nature. Individually, or in combination, these might affect the future operating performance of Worley and the value of an investment in the Company. There can be no guarantee that Worley will achieve its stated objectives or that any forward looking statements or forecasts will eventuate. An investment in the Company should be considered in light of the risks, both general and specific. Each of the risks set out below could, if they eventuate, have a material adverse impact on Worley's operating and financial performance.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for Worley, should consider the assumptions underlying the prospective financial information and the risk factors that could affect the financial performance of Worley.

Potential investors should specifically consider the factors contained within this Section in order to fully appreciate the risks associated with an investment in the Company. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest.

8.1 GENERAL RISKS

8.1.1 SHARE MARKET INVESTMENTS

Prior to the Offer, there has been no public market for the Shares. It is important to recognise that once the Shares are quoted on ASX, the price of the Shares might rise or fall and the Shares might trade at prices below or above the share price at the time of listing of the Company. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price the Shares are traded on ASX could include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and the rate of inflation, the announcement of new technologies, success in winning and retaining contracts and variations in general market conditions or market conditions which are specific to a particular industry. In addition, the security prices of many listed entities are affected by factors that might be unrelated to the operating performance of the relevant entity. Such fluctuations might adversely affect the price of the Shares.

8.1.2 GENERAL ECONOMIC CONDITIONS

Worley's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

8.2 RISKS SPECIFIC TO AN INVESTMENT IN THE COMPANY

In addition to the general market and economic risks noted in Section 8.1, investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

8.2.1 COMPETITION

Increased competition could result in price reductions, under-utilisation of personnel, reduced operating margins and loss of market share. Any of these occurrences could adversely affect the Company's operating and financial performance. Despite Worley's demonstrated ability to compete effectively in the markets in which it operates, the competitive nature of the services industry necessarily implies that there can be no assurance that the Company will be able to compete successfully against current or future competitors.

8.2.2 SENSITIVITY OF EARNINGS TO PROJECT REVENUE

Worley's revenue comprises revenue from alliance-based contracts, which tends to extend over multiple years at relatively stable levels, and project revenue, which relates to specific projects and is earned over finite and relatively short periods, with a greater potential to vary between years.

The Aggregated Revenue for the Forecasts is based on assumptions of utilisation for Employees which are considered appropriate, but which provide capacity for additional project revenue, should this be won. Worley's financial performance in any future period is sensitive to increases or decreases in utilisation rates driven by project activity levels.

8.2.3 SUSTAINABILITY OF GROWTH AND MARGINS

Worley has achieved strong growth in revenue and profits. The sustainability of this growth and the level of profit margins from operations is dependent on a number of factors outside of the Company's control. Industry margins in all sectors of the Company's activities are likely to be subject to continuing but varying margin pressures. There is no assurance that the historical performance of the Company is indicative of future operating results. However, the Company's business strategies and its diversification across a range of sectors assist in reducing the impact of short term margin pressures that can occur as new entrants attempt to secure positions in an individual industry sector.

8.2.4 FINANCING

Worley's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities, develop new ideas or otherwise respond to competitive pressures.

8.2.5 THE MARKETS IN WHICH WORLEY IS INVOLVED ARE CYCLICAL

Worley's financial performance is sensitive to the level of activity within the industries in which it operates. The level of activity in its sectors is cyclical and sensitive to a number of factors outside of the Company's control, including the level of gross domestic product in the markets in which it operates, oil and other commodity prices and the US$ relative to the A$. Worley's presence in multiple industry sectors partially offsets its exposure to cyclical factors affecting any individual industry. However, Worley is not able to predict the timing, extent or duration of the activity cycles in the markets in which it operates.

8.2.6 COUNTRY RISK

Worley operates in 14 countries, including a number of countries in the Middle East and South East Asia with developing legal, regulatory and political systems, which are subject to dynamic change. The profitability of each of Worley's foreign operations and its ability to maintain and repatriate funds from them may be adversely impacted by:

- changes in the fiscal or regulatory regimes applying in the relevant jurisdictions (some of which may involve a greater degree of administrative discretion than Australia);
- changes in, or difficulties in complying with, the local laws and regulations of different countries, including tax, labour and foreign investment laws;
- nullification, modification or renegotiation of, or difficulties or delays in enforcing, contracts with clients or joint venture partners which are subject to local law; and
- reversal of current political, judicial or administrative policies encouraging foreign investment or foreign trade, or relating to the use of local agents, representatives or partners in the relevant jurisdictions.

In addition, some countries, particularly in Asia and the Middle East, may be susceptible to greater political and social instability than Australia. In the past, Worley has not suffered materially as a result of such instability and indeed has on occasion been able to capitalise on adverse political and social sentiment affecting some of its competitors. Worley's exposure to country risk is further limited by the use of systems that allow it to perform its services from off-site locations. However, sustained periods of instability in a particular country may affect Worley's operating and financial performance, either in terms of securing new work or because of the impact of such instability on its clients.

8.2.7 OPERATIONAL RISK

The long term profitability of Worley's business will be subject to the Company's continued performance under its various contracts and joint venture agreements. Failure to adequately perform contractual obligations may result in loss of earnings, termination of the particular contracts and/or litigation.

8.2.8 PERSONNEL RISK

Whilst every effort is made to retain key employees and contractors and to recruit new personnel as the need arises, loss of a number of key personnel may adversely affect the Company's earnings or growth prospects. In addition, demand for skilled engineers is presently high and growth and profitability may be limited by the scarcity of professional personnel or by potential increases in compensation costs associated with attracting or retaining such personnel.

8.2.9 MANAGEMENT OF GROWTH

Worley has experienced rapid growth in the number of personnel, the scope of its operating activities, financial systems and the geographic area of its operations. This growth has resulted in an increased level of responsibility for both existing and new management personnel. To manage this growth effectively, the Company will need to maintain efficient control and supervision of its operating and financial systems and continue to expand, train and manage its employee and contractor base. In periods of peak demand for Worley's services, this may lead to an increase in overhead costs.

8.2.10 IMPORTANCE OF KEY RELATIONSHIPS

In some of the countries in which Worley has operations, relationships with individual nationals are important to provide access to key clients, markets and opportunities. The loss or deterioration of these relationships may affect Worley's performance in the future.

8.2.11 REVENUE RISKS – CLIENT DELAYS

Worley has a number of contracts where the amount of revenue may fluctuate from year to year based on a number of factors outside the Company's control, such as changes in clients' requirements, the timing of major capital works and market conditions. While the Forecasts have been based on information available as at the date of this Prospectus, there can be no assurance that contract or project delays will not adversely affect forecast revenues and financial performance.

8.2.12 INFORMATION TECHNOLOGY RISK

Worley has invested significantly in the development of information systems designed to assist the Company in monitoring individual contracts and maximising profits, whilst allowing loss making situations to be identified and rectified. While the Company will make every effort to ensure that these systems are maintained and improved to best meet the demands of the market, system failures may negatively impact on the Company's performance.

8.2.13 LIABILITY RISK

The provision of services by Worley carries with it the risk of liability for losses arising from defective work, including indirect or consequential losses suffered by third parties. Generally, Worley seeks to limit or exclude liability for consequential losses in its contracts and to maintain appropriate levels of professional indemnity insurance. However, Worley's insurance and contractual arrangements may not adequately protect it against liability for all losses, including environmental losses, property damage or losses arising from business interruption. Worley may also be unable to maintain insurance at levels of risk coverage or with deductibles that it considers appropriate or guarantee that every contract contains and has properly incorporated adequate limitations on liability. Worley has identified some underinsured risks and proposes to take steps to manage these risks within acceptable parameters. Any losses falling outside the scope of insurance or contractual limits may adversely affect Worley's earnings and cashflows.

8. RISK FACTORS CONTINUED

8.2.14 RISK RELATED TO JOINT VENTURES

Worley is involved in 11 principal joint ventures, mostly in which Worley does not have a controlling interest. The governing arrangements of some of these joint ventures provide that key matters and decisions require the agreement of Worley's joint venture partners. Worley may be unable to reach agreement with its joint venture partners concerning these matters, or may only be able to do so on less favourable terms than would otherwise be the case if it had a controlling interest, and this may affect the operating and financial performance of the Worley Group generally. In addition, in some cases Worley provides guarantees or indemnities covering joint and several liabilities. These guarantees may be called upon as a result of conduct by certain joint venture parties over which the Company has no control. However, Worley does not believe there are any unusual exposures under these arrangements.

8.2.15 NEW BUSINESS RISKS

The proposed Development business, as outlined in Section 3.13, represents a new business for the Worley Group. As is the case with any new venture, the absence of specific experience in this business may expose Worley to additional business and operational risks.

In addition, in December 2001, Burns and Roe Worley (in which Worley has a 50% interest) acquired the John Thompson Engineering business from Rolls-Royce Australia. That entity undertakes some work on an "engineer, procure, construct" basis, which may entail contractual risks in addition to those normally undertaken by the Worley Group. It is proposed that John Thompson Engineering undertake construction of the Esperance Power station.

8.2.16 IMPACT OF IRAQ HOSTILITIES

The impact on the Worley Group of an escalation of hostilities involving Iraq (if any) may be either positive or negative. As noted elsewhere in Section 8.2, Worley's financial performance is sensitive to general economic conditions and the oil price, both of which may be impacted positively or negatively by military action in the Gulf region, depending on a number of factors, including the scale, duration and outcome of such action. Accordingly, the Directors do not believe it is possible to predict the impact, if any, which these matters would have on the Worley Group.

8.2.17 FOREIGN EXCHANGE RISK

The revenues, profits, assets and liabilities of Worley are exposed to exchange rate fluctuation.

In addition, Worley's ability to compete against international companies may be adversely affected by movements in the exchange rate that would reduce Worley's relative competitiveness.

8.2.18 OUTSOURCING RISK

The robustness of Worley's business prospects (rather than its contracted revenue) depends to a large extent on the continuation of the trend towards outsourcing of non-core functions by potential clients. If this trend does not continue or reverses, this may limit Worley's prospects for growth.

ADDITIONAL INFORMATION

9. ADDITIONAL INFORMATION

9.1 INCORPORATION

Worley was incorporated as a shelf company in New South Wales on 2 March 2001. Worley has a financial year end of 30 June.

9.2 RESTRUCTURE

Prior to September 2001, the business now conducted by the Worley Group was operated under two holding companies, Worley Pty Limited and Worley Engineering Pty Limited. On 7 September 2001, those and certain other entities of the Worley Group entered into an Implementation Deed for the purposes of effecting the Restructure. The Restructure resulted in Worley becoming the beneficial owner of all the units in the Worley Limited Trust (the beneficial holder of all the shares in Worley Pty Limited) and (directly and indirectly through its wholly owned subsidiary, Worley No. 2 Pty Limited) Worley Engineering Pty Limited and thereupon becoming the holding company of the Worley Group.

9.3 RIGHTS ATTACHING TO SHARES

Worley has only one class of shares, fully paid ordinary shares ("**Shares**"). As at the date of this Prospectus, Worley has 139,856,711 Shares on issue. At the completion of the Offer, Worley will have 149,356,711 Shares on issue. The rights attaching to Shares are:

- set out in the Constitution, a copy of which is available for inspection at the place and times set out in Section 9.14; and
- in certain circumstances, regulated by the Corporations Act, ASX Listing Rules, the SCH Business Rules and the general law.

The following is a summary of the principal rights of the holders of Shares.

9.3.1 VOTING

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll every member present has one vote for each Share held. On a poll, partly paid shares confer a fraction of a vote pro rata to the amount paid up on the shares. Voting at any meeting of shareholders is by a show of hands unless a poll is demanded in the manner described in the Constitution.

The quorum required for a meeting of shareholders is two members or if only one member is entitled to vote, that member. In the case of an equality of votes upon any proposed resolution, the chairperson of the meeting, in addition to his or her deliberative vote, has a casting vote.

9.3.2 GENERAL MEETINGS

Each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of Worley and to receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

9.3.3 DIVIDENDS

The Directors may from time to time pay dividends to members out of the profits of Worley. The payment of a dividend does not require any confirmation by a general meeting.

Subject to any special terms and conditions of issue, all dividends must be paid to members in proportion to the number of, and the amounts paid on, shares held.

The Constitution contains a provision allowing the Directors to implement a dividend reinvestment plan and a dividend selection plan on such terms as they think fit.

9.3.4 ISSUE OF SHARES

The Directors may (subject to the restrictions on the issue of shares imposed by the Constitution and ASX Listing Rules) issue or grant options in respect of, or otherwise dispose of, shares to such persons, for such price, on such conditions, at such times and with such preferred, deferred or other special rights or special restrictions, whether with regard to dividend, voting, return of capital, participation in the property of Worley on a winding up or otherwise, as the Directors think fit.

9.3.5 TRANSFER OF SHARES

Subject to the Constitution, Shares are freely transferable. Holders of Shares may transfer them by an instrument in writing in any usual or common form, or in any other form that the Directors approve and, while Worley is a listed company, Shares may be transferred electronically in accordance with the business rules of the SCH operated by ASX.

The Directors may decline to register an instrument of transfer where the transfer is not in registrable form or the refusal to register the transfer is permitted under the ASX Listing Rules. Subject to the ASX Listing Rules and SCH Business Rules while Worley is a listed company, the Directors may suspend the registration of transfers at such times and for such periods, not exceeding in total 30 days in any year, as they think fit.

9.3.6 PROPORTIONAL TAKEOVER PROVISIONS

The Constitution contains provisions which prohibit the registration of any transfer of voting shares giving effect to an offer made under a proportional takeover scheme (ie an offer for some but not all of the shares in Worley) until the members holding the shares in the class for which the offer is made under the takeover have passed a resolution approving it. To remain effective, these provisions must be renewed by Worley in general meeting every three years.

9.3.7 LIQUIDATION RIGHTS

Shares all rank equally in the event of liquidation. Subject to the Constitution and to the rights attaching to any shares or classes of shares, a liquidator in winding up may, with the sanction of a special resolution of the members, distribute among the members the whole or any part of the property of Worley.

9.3.8 DIRECTORS

The minimum number of Directors is three and the maximum number of Directors is to be fixed by the Directors, but must not be more than 12 unless Worley in a general meeting determines otherwise. Except in the case where there are only two Directors, the chairperson of the meeting, in addition to his or her deliberative vote, has a casting vote. Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present and voting. The Constitution provides that Directors are entitled to such remuneration as the Directors determine, but the remuneration of non-executive Directors may not exceed in aggregate $600,000 in any financial year or such other amount as may be determined in general meeting. Please refer to Section 9.6 – Directors' Interests.

9.3.9 DIRECTORS' INDEMNITY

Worley must, subject to certain exceptions set out in the Constitution, indemnify each of its officers on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the officer as an officer of Worley (including all liabilities incurred where the officer acts as an officer of any other body corporate at the request of Worley), including a liability for negligence and a liability for reasonable legal costs.

9.3.10 ALTERATIONS OF CONSTITUTION
The Constitution can only be amended by a special resolution passed by at least three-quarters of members present and voting at a general meeting of Worley.

9.3.11 SHARE BUY-BACKS
Worley may buy back Shares in itself in accordance with the provisions of the Corporations Act.

9.4 SUMMARY OF MATERIAL CONTRACTS

The Directors consider that the following contracts are significant or material to Worley ("**Material Contracts**"):

The main provisions of the Material Contracts are summarised in this Section. As this Section only contains a summary, the provisions of each Material Contract are not fully described.

1. Selling Agreement

2. Transfield Worley Joint Venture
(a) Transfield Worley Joint Venture Agreement with Transfield Services (Australia) Pty Limited
(b) Integrated Services Alliance Contract with Woodside Offshore Petroleum Pty Limited

3. Worley ABB Joint Venture
(a) Worley ABB Joint Venture Agreement with ABB Service Pty Limited
(b) Contract for provision of Retrofit and Construction services to Esso BHPB's Victorian oil and gas facilities

4. Burns & Roe Worley Joint Venture
(a) Burns & Roe Worley Shareholders' Agreement with Burns and Roe Enterprises, Inc.

5. TIGA Joint Venture
(a) Association Agreement relating to the Bayu-Undan Upstream Project with Fluor Daniel Pty Limited and Aker Oil & Gas Pty Limited
(b) Engineering and Procurement Services Contract relating to the Bayu-Undan Upstream Project

6. Mg Joint Venture
(a) Joint Venture Agreement with Kvaerner E&C Australia Pty Limited
(b) Arrangements with Leighton Contractors Pty Limited relating to the Stanwell Magnesium Project

7. PT Ceria Worley Joint Venture
(a) Joint Venture Agreement with PT Ceria Worley Utama
(b) Agreement with Conoco Indonesia, Inc.

8. Worley International, Inc.
(a) Share Purchase Agreement with Ronald Peter Brooks
(b) Engineering Services Agreement with Kerr-McGee China Petroleum Limited

9. Transfield Worley Group Limited (New Zealand)
(a) Integrated Service Contract with The New Zealand Refining Company Limited
(b) Integrated Service Contract with Shell Todd Oil Services Limited

10. Engineering Services Agreements
(a) Agreement with Abu Dhabi Marine Operating Company
(b) Engineering and Project Services Agreement with Chevron Offshore (Thailand) Limited

11. Infrastructure Asset Agreements
(a) Esperance Power Purchase Agreement with Western Power Corporation
(b) Wind Power Purchase Agreement with Western Power Corporation
(c) Esperance Gas Transportation Agreement
(d) Power Purchase Agreement with The Esperance Port Authority
(e) Heads of Agreement between Burns and Roe Worley Pty Limited, Worley Group Limited and ANZ Infrastructure Services Limited

12. Petrocon Arabia Limited
(a) Contract for General Services with Saudi Arabian Oil Company

13. Sell Down Agreements
(a) Deeds Poll
(b) Escrow Deeds.

9.4.1 SELLING AGREEMENT
Description: By this agreement dated 18 October 2002 between Worley Group Limited ("**Worley**"), Ocelas Pty Limited ("**SaleCo**") and UBS Warburg Australia Limited ("**UBSWA**"), Worley and SaleCo appoint UBSWA on a sole and exclusive basis as manager and bookrunner of the Offer.

UBSWA must use reasonable endeavours to procure offers to subscribe for or to purchase the Offer Shares and to achieve sufficient shareholder spread.

UBSWA must allocate all the Shares to be transferred or allotted pursuant to the Institutional Offer. UBSWA must pay, or procure payment, to SaleCo and Worley of the gross proceeds of the Shares allocated under the Institutional Offer by the date on which Shares are to be issued or transferred to successful Applicants ("**Settlement Date**").

Representations, warranties and undertakings: Customary and usual warranties are given by the parties in relation to matters such as their respective status as companies limited by shares, their legal capacity and power to enter into this agreement, and their respective corporate authority.

Customary and usual warranties are given by Worley and SaleCo in relation to matters such as compliance with all applicable laws and obligations that apply to this Prospectus and other material published in relation to the Offer, their conduct in relation to the issue of this Prospectus or the Offer, the number of copies of the Prospectus to be printed, the completeness and accuracy of all information provided or to be provided to UBSWA, the proper implementation and continuation of due diligence relating to this Prospectus and the verification of its contents, their financial position and solvency, there being no material contravention of their constitutions or any applicable law, no event described in section 652C of the Corporations Act occurring, the status and disclosure of material contracts and whether Worley and SaleCo are involved in litigation.

SaleCo gives further warranties relating to the arrangements entitling it to become the legal owner of the Existing Shares sold to it and its ability to sell and deliver title to those Shares free of any encumbrances.

Worley gives further warranties relating to restrictions on further issues of securities (except issues contemplated in this Prospectus) until 30 June 2003, the carrying on of its business in the ordinary course and the continued validity of licences, permits and authorisations required for it to conduct business.

Indemnities: Worley gives certain indemnities to UBSWA and its related parties in relation to losses suffered by, or claims made against, UBSWA or its related parties in connection with the appointment of UBSWA.

Fees, costs and expenses: Worley will pay to UBSWA a management fee of $200,000, a settlement underwriting fee of 3% of the gross proceeds of the Offer and a selling fee of 0.5% of the gross proceeds of the Offer. An incentive fee of 0.25% will be payable if certain pricing thresholds, judged in relation to certain market comparables, are achieved.

Worley may also pay, in its sole discretion, to UBSWA a contingency fee of 0.5% of the gross proceeds of the Offer if it is satisfied with the outcome of a number of factors relating to the Offer, including institutional coverage at the time of the allotment. If paid, the contingency fee will be paid by Worley to UBSWA four months after the Settlement Date.

In addition, Worley is required to pay various incidental and out-of-pocket expenses incurred by UBSWA in relation to the Offer.

Termination by Worley: Worley may, at any time prior to the opening of the Institutional Offer (on its behalf and on behalf of SaleCo), terminate the obligations of Worley and SaleCo under the agreement and not proceed with the Offer by giving notice to UBSWA.

Worley may by giving notice to UBSWA, prior to 10.00 am on the day after the close of the Institutional Offer (on its behalf and on behalf of SaleCo), terminate the obligations of Worley and SaleCo under the agreement and not proceed with the Offer if any of the following events occur:

(a) the Final Price is not anywhere within the range of $1.75 to $2.00 (inclusive) ("**Bookbuild Range**"); or

(b) even if the Final Price is within the Bookbuild Range, the enterprise value of Worley (as calculated based on the Final Price) represents a multiple of Worley's forecast earnings before interest, tax and amortisation for the year ending 30 June 2003 ("**Forecast EBITA**") which is 25% or more below the average of the multiples of Forecast EBITA for certain comparable companies.

Termination by UBSWA: UBSWA may, at any time prior to 10.00 am on the Settlement Date, terminate its obligations under this agreement by giving notice to Worley and SaleCo if any of the following events occur:

(a) the S&P/ASX 200 or the Dow Jones Industrials Average Index closes on two consecutive trading days at a level that is 10% or more below its level on the business day prior to the date of the agreement ("**Starting Level**") or closes on a day which is less than two business days before the Settlement Date at a level which is 10% or more below its Starting Level and closes at that or a lower level on each subsequent trading day until and including the Settlement Date;

(b) ASIC issues an order under section 739(1) of the Corporations Act or an interim order under section 739(3) of the Corporations Act;

(c) a supplementary prospectus or a replacement prospectus is, in the reasonable opinion of UBSWA, required under section 719(1) of the Corporations Act, or a person (other than UBSWA) gives notice to SaleCo or Worley under section 730 of the Corporations Act;

(d) unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of UBSWA, have a material adverse effect on the success of the Offer) by ASX for the admission to the official list of ASX of Worley and for official quotation of the Shares is refused, or is not granted before the Settlement Date (or such later date agreed in writing by UBSWA), or is withdrawn on or before the Settlement Date;

(e) Worley fails to lodge the Prospectus with ASIC on or before 18 October 2002 (or such later date agreed in writing by UBSWA);

(f) there is a material adverse change in the financial position, results of operations or prospects of Worley;

(g) if any person whose consent to the issue of the Prospectus is required by section 720 of the Corporations Act who has previously consented to the issue of the Prospectus withdraws such consent or any person otherwise named in the Prospectus with their consent (other than UBSWA) withdraws such consent;

(h) any event specified in the timetable is delayed for more than three business days;

(i) without the prior written consent of UBSWA, which consent shall not be unreasonably withheld, Worley (or any of its subsidiaries) alters its share capital or its constitution in any material respect;

(j) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a government agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a government agency that such a law or regulation will be introduced or policy adopted (as the case may be) which could reasonably be expected to have a material adverse effect on the success of the Offer;

(k) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, any member state of the European Union, Indonesia, Japan, Russia or the People's Republic of China, or a significant terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries;

(l) a contravention by SaleCo or Worley of any provision of their constitutions, the Corporations Act or any requirement of ASX or any other applicable law (except to the extent that compliance with any applicable law has been waived, or an exemption granted, by a government agency having authority to do so);

(m) a Director is charged with an indictable offence relating to any financial or corporate matter or any regulatory body commences any public action against the Director in his or her capacity as a director of the Company or announces that it intends to take any such action or is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;

(n) SaleCo or Worley fail to perform or observe any of their material obligations under this agreement and that failure is not remedied to the reasonable satisfaction of UBSWA prior to the Settlement Date;

(o) a representation or warranty made or given or deemed to have been made or given by SaleCo or Worley under this agreement proves to be, or has been, or becomes, untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the reasonable satisfaction of UBSWA prior to the Settlement Date;

(p) trading in all securities quoted on ASX, New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for one business day (or substantially all of a business day); or

(q) a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries and remains in force for two consecutive business days, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries which remains in force for two consecutive business days.

The rights to terminate in paragraphs (c), (i) to (q) (inclusive) are only able to be exercised if UBSWA, in its reasonable opinion, believes that the event has, or is likely to have, a material adverse effect on the success or settlement of the Offer or could give rise to a liability for UBSWA under the Corporations Act or any other applicable law.

9.4.2 TRANSFIELD WORLEY JOINT VENTURE

(a) Transfield Worley Joint Venture Agreement with Transfield Services (Australia) Pty Limited

Description: Under this agreement dated 7 April 1995, Transfield Services (Australia) Pty Limited (pursuant to novation by Transfield Pty Limited) and Worley Pty Limited formed an unincorporated 50:50 joint venture to provide engineering, maintenance and modification services to Woodside Energy Limited ("**Woodside**") for the North West Shelf Gas Project facilities.

Term and termination: The agreement will continue until the occurrence of a prescribed event. The joint venture will terminate in certain circumstances. Upon termination, the non-defaulting party may complete the Integrated Services Alliance Contract (described at 9.4.2(b) below).

Income and liabilities: Each party is liable for all costs which it incurs in the provision of resources or services to the joint venture. The surpluses earned or deficits incurred in carrying out the services are to be shared in proportion to the parties' joint venture interests. The parties are jointly and severally responsible for the performance of the services to Woodside.

Funding: The parties must make additional funds available in proportion to their joint venture interests.

Management: An Executive Committee will co-ordinate the actions of the parties and determine the overall policy for and supervise the management of the joint venture. The Executive Committee is constituted by two representatives appointed by each party. A management team is responsible for the day-to-day management of the services.

Indemnities: Each party indemnifies the other (and its directors, officers and employees) in respect of negligent acts, breaches of the agreement and unauthorised acts, contracts and obligations. Neither party is liable for consequential loss.

Assignment: Neither party may assign the agreement without the prior written consent of the other party.

(b) Integrated Services Alliance Contract with Woodside Offshore Petroleum Pty Limited

Description: Under this contract dated 27 July 1995 between Woodside Energy Limited ("**Woodside**"), Worley Pty Limited and Transfield Services (Australia) Pty Limited (pursuant to novation by Transfield Pty Limited) (together "**Contractor**"), the Contractor is engaged to provide Woodside with certain capital works programs and maintenance services for the North West Shelf Gas Project facilities.

Term and termination: The contract continues until terminated.

Income and fees: Woodside must pay to the Contractor the prescribed fees, including management fees, a plant and equipment fee and reimbursement of costs.

Indemnities: Under the agreement, the Contractor provides Woodside with limited indemnities.

Assignment: The Contractor may not assign the agreement or any part of it without Woodside's consent.

9.4.3 WORLEY ABB JOINT VENTURE

(a) Worley ABB Joint Venture Agreement with ABB Service Pty Limited

Description: Under this agreement, ABB Engineering Construction Pty Limited (now ABB Service Pty Limited) ("**ABB**") and Worley Pty Ltd formed an unincorporated 50:50 joint venture for the purposes of executing and completing work on projects for Esso Australia Pty Limited.

Term and termination: Unless previously terminated, the agreement will continue in force for the duration of any contracts which may be awarded to the joint venture and any tenders submitted by the joint venture are resolved. The agreement will terminate if the parties so agree, or if specified events occur.

Indemnities: Each joint venture partner indemnifies the other for claims resulting from a breach of the agreement or the carrying on of works under it.

Income and liabilities: The net profits of the joint venture are shared equally between the joint venturers. The obligations of the joint venture partners are joint and several.

Funding: Worley Pty Limited and ABB must contribute equally to the costs, expenses and liabilities of the joint venture and all liabilities of the joint venture must be borne and paid for in proportion to their interest in the joint venture.

Management: The affairs of the joint venture are managed by a Committee. Each joint venture partner is entitled to appoint two representatives to the Committee.

Assignment: No joint venture partner may, without the consent of the other joint venture partner, assign its rights, duties or obligations, or any part thereof, under the agreement.

Change of control: If substantial changes occur in the ownership of either party, then the other may, at its sole discretion, terminate the agreement and the joint venture.

(b) Contract Number 37001113 with Esso Australia Pty Ltd

Description: This agreement dated 1 March 2001 between Esso Australia Pty Ltd ("**Esso**"), Worley Pty Limited and ABB Service Pty Limited ("**ABB**"), sets out the terms and conditions on which Esso will engage the services of the Worley ABB Joint Venture in relation to Esso BHPB's Gippsland facilities.

Term and termination: The agreement will continue until 31 December 2002 or until the request for service is completed, whichever is the later. Esso has an option to extend the agreement for a further period of one year.

Esso may terminate the agreement at any time for cause or on 10 days prior written notice without cause.

Income and fees: Esso must pay Worley ABB Joint Venture the prescribed fees which consist of reimbursable third party costs, costs resulting from the application of a schedule of rates for labour and/or lump sums, as set out in the agreement.

Liability and indemnities: Worley Pty Limited and ABB indemnify Esso, Esso Australia Resources Pty Ltd and BHP Petroleum (Bass Strait) Pty Limited against, amongst other things, all claims relating to death or injury of personnel or damage or destruction of materials or equipment or property (the latter up to a cap of US$25 million except where such damage, loss or destruction is caused by the gross negligence or wilful misconduct of Esso's senior supervising personnel). No party will be liable to any other for consequential damages.

Assignment: Neither Worley nor ABB may assign the agreement without Esso's prior consent.

9.4.4 BURNS AND ROE WORLEY JOINT VENTURE

(a) Burns and Roe Worley Shareholders' Agreement with Burns and Roe Enterprises, Inc.

Description: Under this agreement, Burns and Roe Worley Pty Limited ("**BRW**"), Burns and Roe Enterprises, Inc. ("**Burns and Roe**") and Worley Engineering Pty Limited agreed to conduct the power business and the water business of BRW and such other activities, operations or business as the board of BRW may from time to time resolve to conduct.

Term and termination: The agreement continues until terminated. The agreement will terminate on any date agreed in writing by Burns and Roe and Worley Engineering Pty Limited or on the occurring of specified events. Pre-emptive rights may apply on termination.

Income and liabilities: Unless otherwise resolved by the board, BRW must in respect of each financial year pay dividends of 30% of the after tax profits for that financial year.

Funding: BRW may only raise funds by permitted issue of shares or by permitted borrowing from shareholders.

Management: Management of BRW is vested in the board. Worley Engineering Pty Limited and Burns and Roe may each appoint two directors to the board. All resolutions must be passed by a special majority. The Chairman does not have a casting vote.

Assignment: A party may only dispose of, declare a trust over or otherwise create an interest in, its rights under the agreement with the consent of the other shareholder.

Change of control: If a change of control of either of Worley Engineering Pty Limited or Burns and Roe, or an entity that controls either Worley Engineering Pty Limited or Burns and Roe, occurs, then the change of control party (ie either Worley Engineering Pty Limited or Burns and Roe, as appropriate) must immediately give notice of that fact to the other ("damaged party"), and may be required to make an offer to acquire the damaged party's shares at fair market value. A change of control will not be triggered by the Offer.

9.4.5 TIGA JOINT VENTURE

(a) Association Agreement relating to the Bayu-Undan Upstream Project with Fluor Daniel Pty Limited and Aker Oil & Gas Pty Limited

Description: Under this agreement dated 11 December 1998, Fluor Daniel Pty Limited ("**Fluor Daniel**"), Worley Pty Limited and Aker Oil & Gas Pty Limited ("**Aker**") agreed that the TIGA Joint Venture (ie Fluor Daniel and Worley Pty Limited), in association with Aker, would prepare a bid proposal in relation to the provision of engineering and procurement services for the Bayu-Undan Upstream Project.

Term and termination: The agreement will terminate on the earliest of the date that Fluor Daniel and Worley Pty Limited have completely performed all of their obligations in relation to the Bayu-Undan upstream project or if the parties agree in writing to terminate the agreement.

Income and fees: The parties share the profits of the association as follows: Worley Pty Limited (45%), Fluor Daniel (45%) and Aker (10%).

Liability: The obligations and liabilities of each of Fluor Daniel, Aker and Worley Pty Limited are limited to the extent of their participating interest and are not joint or several. No party shall be liable to any other for indirect or consequential loss or damages.

Indemnities: Each party indemnifies the others from all liability incurred which exceeds that party's participating interest or which arises as a result of a breach of the agreement or an unauthorised act of another party.

Assignment: A party may not, without the prior written consent of the other parties, sell, transfer, assign or otherwise convey or declare any trust in relation to its participating interest to a third party.

(b) Engineering and Procurement Services Contract relating to the Bayu-Undan Upstream Project

Description: Under this agreement, Phillips Petroleum (91-12) Pty Limited ("**Phillips**"), Fluor Daniel Pty Limited ("**Fluor Daniel**") and Worley Pty Limited agreed the terms and conditions on which Fluor Daniel and Worley Pty Limited will (as joint venture partners) provide services to Phillips in relation to the Bayu-Undan upstream project.

Term and termination: The agreement will continue until the occurrence of specified events. Phillips may terminate the agreement at any time by giving 21 days written notice.

Income and fees: Phillips agrees to pay Fluor Daniel and Worley Pty Limited a contract sum which is comprised of a lump-sum or fixed fee portion and a further sum based on agreed hourly rates and reimbursement of any reimbursable costs.

Liability: Neither party will be liable to the other for any indirect loss or damage except as specified in the agreement. The total liability of Fluor Daniel and Worley Pty Limited under the agreement is limited in the aggregate to an amount equivalent to 20% of the contract sum provided this limit will not apply in respect of certain provisions of the agreement.

Indemnities: Fluor Daniel and Worley Pty Limited indemnify Phillips against various liabilities. Fluor Daniel or Worley Pty Limited, on the one hand, and Phillips on the other, indemnify each other against any claims of whatsoever nature in respect of personal injury to or death of any of their employees, servants or agents for loss or destruction of property. Phillips agrees not to hold the joint venturers liable for certain sub-surface or resultant damage including loss from blow-out.

Assignment: Worley Pty Limited and Fluor Daniel (as joint venturers) may not assign their rights, interests, obligations or liabilities under the agreement without Phillip's prior written approval.

9.4.6 Mg JOINT VENTURE

(a) Joint Venture Agreement with Kvaerner E&C Australia Pty Limited

Description: Under this agreement dated 18 July 2002 between Worley Pty Limited and Kvaerner E&C Australia Pty Limited, the parties agreed to form a 50:50 joint venture for the provision of engineering services to Leighton Contractors Pty Limited ("**Leighton**") in relation to the Stanwell magnesium project.

Term and termination: The agreement will continue until 31 December 2005 or until the joint venture has completed its contractual obligations to Leighton.

Income and liabilities: The Management Committee may from time to time authorise the distribution to the parties of income derived from the performance of the services. The rights and obligations of each party to Leighton are joint and several. Liability for indirect or consequential loss or damages is expressly excluded.

Term and termination: The agreement will terminate if Leighton cancels or abandons the Stanwell magnesium project or gives notice to the parties that their involvement is no longer required. The agreement will also terminate on the occurrence of an insolvency event of any party to the agreement or if a party breaches its obligations under the agreement.

Funding: The parties must provide all funds required to perform the services and fulfil the obligations of the joint venture under the contract with Leighton in proportion to their joint venture interests.

Management: The joint venture is managed by a Management Committee, consisting of two representatives appointed by each party. All decisions of the Management Committee must be by unanimous consent.

Indemnities: Each party agrees to indemnify the other from all liability that the other may suffer in performing the contract with Leighton or providing the services which exceeds that party's proportionate share.

Assignment: Neither party may assign, sell or otherwise transfer its interests under the agreement without the written consent of the other party, which consent may not be unreasonably withheld.

(b) Arrangements with Leighton Contractors Pty Limited relating to the Stanwell Magnesium Project

Kvaerner E&C Australia Pty Limited and Worley Pty Limited are in the final stages of negotiations for the creating of a binding contract pertaining to engineering services for Area 30 of the Stanwell magnesium project and are presently providing services to Leighton under a monthly reimbursement arrangement pending conclusion of the formal contract.

9.4.7 PT CERIA WORLEY JOINT VENTURE

(a) Joint Venture Agreement with PT Ceria Worley Utama

Description: Under this agreement, Worley Engineering International Limited (now Worley Limited (Hong Kong)) ("**WLHK**") and PT Ceria Worley Utama ("**PTCW**") agreed to establish a joint venture company, PT Ceria Worley, to conduct business activities in the field of engineering consulting services. The agreement provides that PT Ceria Worley will be owned 25% by PTCW and 75% by WLHK. WLHK has since increased its shareholding in PT Ceria Worley to 87.5%.

Term and termination: The agreement will continue in effect for so long as WLHK and PTCW hold shares in PT Ceria Worley. The agreement is terminable immediately by written notice in certain limited circumstances.

Income and liabilities: The shareholders will determine the amount of any dividend in general meeting in accordance with any recommendation of the board of PT Ceria Worley. The board of directors may, with the approval of an extraordinary general meeting of shareholders, declare interim dividends prior to the close of the financial year if the financial position of the company so permits.

Management: PT Ceria Worley is managed by the board of directors. WLHK is entitled to appoint two directors and PTCW is entitled to appoint one director.

Assignment: Neither the agreement nor any of the rights and obligations under it may be assigned or transferred by any party without the prior written consent of the other.

(b) Agreement with Conoco Indonesia, Inc.

Description: This agreement dated 1 February 2000, between Conoco Indonesia Inc ("**Conoco**") and PT Ceria Worley sets out the terms and conditions for the performance of engineering work by PT Ceria Worley to Conoco.

Term and termination: The agreement will continue until 1 February 2003, or upon completion of the work in progress at such time, unless terminated earlier by Conoco in accordance with the terms of the agreement. Conoco may terminate the agreement by giving 30 days advance written notice to PT Ceria Worley.

Income and fees: Conoco must pay PT Ceria Worley in accordance with the agreed pricing of each service order.

Liability: Except to the extent caused by gross negligence, fraud or wilful misconduct, neither party will be liable to the other for consequential damages.

Indemnities: PT Ceria Worley indemnifies Conoco from loss or liability including reasonable legal fees and expenses arising from various events, subject to specified limits. The parties indemnify each other for any loss or liability arising from injury or death of the employees of the other.

Assignment: PT Ceria Worley must not assign the agreement or any portion of the services without the prior written consent of Conoco.

9.4.8 WORLEY INTERNATIONAL, INC.

(a) Share Purchase Agreement with Ronald Peter Brooks

Description: Under this agreement dated 5 August 2002, Worley acquired the remaining 20% interest in Worley International, Inc. from Ronald Peter Brooks.

Consideration: The maximum consideration payable by Worley will be $3.2 million depending on the net profit after tax achieved by Worley International, Inc. for the financial year ending 30 June 2003. If Worley is admitted to the Official List by 30 June 2003, a portion of the total consideration (up to $500,000) will be paid in Shares on the date of listing.

(b) Engineering Services Agreement with Kerr-McGee China Petroleum Limited

Description: Under this agreement dated 17 April 2001 between Kerr-McGee China Petroleum Limited ("**Kerr-McGee**") and Worley International Inc, Kerr-McGee engaged Worley International, Inc. to provide engineering services relating to the Bohai Bay development in the People's Republic of China.

Term and termination: Kerr-McGee may at its sole discretion, terminate the agreement upon written notice to Worley International, Inc.

Income and fees: Kerr-McGee must pay Worley International, Inc. compensation on a time and materials basis as provided for in the agreement.

Indemnities: Worley International, Inc. indemnifies Kerr-McGee against certain property damage and all liability caused or contributed to by Worley International, Inc.'s negligence or wilful misconduct in performance of the work, but only to the extent of such negligence or wilful misconduct.

Assignment: Worley International, Inc. may not assign the agreement or subcontract any part of the work or assign any monies due under the agreement without the prior written consent of Kerr-McGee.

9.4.9 TRANSFIELD WORLEY LIMITED (NEW ZEALAND)

(a) Integrated Service Contract with The New Zealand Refining Company Limited

Description: Under this agreement dated 5 March 2001, between The New Zealand Refining Company Limited ("**NZRC**") and Transfield Worley Limited ("**TWL**"), NZRC engaged TWL to carry out engineering, construction and maintenance services.

Term and termination: The agreement is to continue until it is terminated in accordance with its terms. Either NZRC or TWL may terminate the agreement by giving the other party 12 months notice in writing.

Income and fees: NZRC must pay TWL in accordance with the rates and the costs specified in the agreement. The contract rates are comprised of contractor incentive labour rates, subcontractor fixed labour rates, subcontractor incentive labour rates, subcontractor plant rates, mobilisation and materials.

Liability: Performance guarantees are given to NZRC by the TWL shareholders. Neither party shall be liable to the other for indirect losses except to the extent of any liquidated damages provided for in any work order.

Indemnities: TWL indemnifies NZRC from liabilities arising out certain events, including all claims arising out of loss or destruction to property or arising out of personal injury except to the extent that a breach of duty by NZRC's nominees caused or contributed to such property damage or personal injury. TWL also indemnifies NZRC against all claims for loss or expenses arising out of environmental damage resulting from petroleum products in TWL's control.

Assignment: TWL may not assign the contract without the prior approval in writing of NZRC. NZRC may assign all or any part of its rights and obligations under the contract.

(b) Integrated Service Contract with Shell Todd Oil Services Limited

Description: Under this agreement dated 16 July 1999, between Shell Todd Oil Services Limited ("**Shell**") and Fitzroy Worley Limited (now Transfield Worley Group Limited) ("**TWGL**"), Shell engaged TWGL to provide engineering, construction and maintenance services.

Term and termination: The agreement is to continue until it is terminated in accordance with its terms. Either party may terminate the contract by giving the other party six months written notice.

Income and fees: Shell must pay to TWGL the prescribed rates, including subcontractor fixed labour rates and plant rates, as well as rewards for above-average performance and reimbursement of costs.

Liability: Liability for indirect loss is expressly excluded.

Indemnities: The parties indemnify each other against all claims arising out of personal injury to the other's contractors, employees or agents and against damage to property of the other's nominees and against all claims relating to contamination or pollution from property of the other

9.4.10 ENGINEERING SERVICES CONTRACTS

(a) Agreement with Abu Dhabi Marine Operating Company

Description: Under this agreement between Petrocon Arabia Limited ("**Petrocon**") and Abu Dhabi Marine Operating Company ("**Adma Opco**"), Petrocon agreed to provide front-end engineering and design services in relation to the Umm Shaif gas injection project in Abu Dhabi, United Arab Emirates. Performance of this contract has been contracted to Worley Engineering Pty Limited.

Term and termination: Adma Opco may terminate the agreement for cause or at any time, without cause or reason, by giving Petrocon notice in writing. Adma Opco may not exercise this right unreasonably.

Income and fees: Under the agreement, Petrocon shall be reimbursed the contract price including of all staff and labour costs, equipment and the like. The contract provides for incentives for cost savings.

Liability: Petrocon's liability in respect of any loss or damage which arises out of or in connection with performance or non-performance of the contract is limited to liability, caused by negligence or default and to satisfactory performance or re-performance of the work by Petrocon to the exclusion of all other liability capped at 10% of the contract value. Liability for consequential loss or damage is expressly excluded.

Indemnities: Petrocon indemnifies Adma Opco against all claims for infringement of third party intellectual property rights. Petrocon is required to provide a performance guarantee for an amount equal to 10% of the contract value.

Assignment: Petrocon may not assign or sublet the whole or any part of its responsibilities under the agreement.

(b) Engineering and Project Services Agreement with Chevron Offshore (Thailand) Limited

Description: Under this agreement dated 22 May 2000 between Worley Pty Limited and Chevron Offshore (Thailand) Limited ("**Chevron**"), Worley Pty Limited agreed to provide engineering and project support services for ongoing and future capital projects to Chevron in Thailand.

Term and termination: This agreement continued in effect until 21 May 2001 and was extended until 19 September 2002. This agreement is expected to be extended until May 2003. Chevron may terminate the agreement for cause or without cause by giving Worley Pty Limited 30 days notice at any time.

Income and fees: Under the agreement, Chevron agreed to pay Worley Pty Limited a contract price comprised of hourly and daily labour rates, reimbursement for all information technology support and facilities, business travel and any approved materials and office consumables.

Liability: Claims for indirect or consequential loss or damages suffered by either party are expressly excluded.

Indemnities: Worley Pty Limited provides a number of indemnities, including against loss to Chevron's property (limited to US$1 million per occurrence) and third party property (limited to US$5 million per occurrence) and an indemnity against pollution damage arising from its error, omission or negligence.

Assignment: Worley Pty Limited may not assign any of its rights and obligations under the agreement without the prior written consent of Chevron.

9.4.11 INFRASTRUCTURE ASSET AGREEMENTS

(a) Esperance Power Purchase Agreement with Western Power Corporation

Description: Under this agreement dated 11 July 2002 between Western Power Corporation ("**WPC**") and Burns and Roe Worley Developments Pty Limited ("**BRWD**"), BRWD undertook to supply electricity to WPC in the Esperance region from the power station which BRWD intends to design, construct, own and operate. The agreement is conditional upon, among other things, BRWD obtaining specified finance for the construction of the power station.

Term and termination: The operating period will continue for 18 years from the date on which WPC issues a certificate specifying the satisfaction of operation tests. WPC may extend the operating period by a further period of six years or such other period as may be negotiated in good faith between WPC and BRWD. The agreement may be terminated if either WPC or BRWD commits any default in performing or observing any of the material terms of the agreement. If the power station becomes technically obsolete, WPC may terminate the agreement, subject to BRWD's right to submit an alternative proposal. If BRWD commits a financial default or an insolvency default, then WPC may terminate the agreement or exercise a purchase right to acquire all the assets required to operate the power station.

Income and fees: Under the agreement, WPC agrees to pay to BRWD the contract charges specified and calculated in accordance with the terms of the agreement.

Liability: Under the agreement, BRWD will bear all costs and risks associated with the electricity until the electricity has been delivered to WPC. Liquidated damages are payable if BRWD does not achieve the commercial operations date before the target commercial operations date and for failures in supply during the operating period. Damages for indirect or consequential loss are expressly excluded.

Indemnities: BRWD indemnifies WPC against any loss or claim by any third party in connection with performance or non-performance of its obligations under the agreement except to the extent that the loss or claim arose due to a negligent act or breach by WPC.

Assignment: Neither party may assign the agreement or their rights under it without the prior written consent of the other party, which consent must not be unreasonably withheld.

(b) Wind Power Purchase Agreement with Western Power Corporation

Description: Under this agreement dated 11 July 2002 between Western Power Corporation ("**WPC**") and Burns and Roe Worley Developments Pty Limited ("**BRWD**"), WPC undertook to supply electricity generated by wind farms to BRWD. The agreement is subject, among other things, to the Esperance power purchase agreement becoming unconditional and WPC obtaining all requisite authorisations.

Term and termination: The operating period will continue until the expiry of the operating period under the Esperance power purchase agreement. If WPC exercises its option to extend the operating period under the Esperance power purchase agreement, then, unless otherwise agreed by the parties, the operating period will be extended for an equivalent period and will continue until the expiry of the operating period under the Esperance power purchase agreement.

WPC or BRWD may terminate the agreement if either of them commits a financial or non-financial default which is not cured within the relevant period. The agreement will also terminate if the Esperance power purchase agreement is terminated for any reason.

Income and fees: BRWD must pay the charges specified in the agreement.

Liability: Liability for indirect or consequential loss or damages is expressly excluded.

Assignment: Assignment by WPC to a purchaser of the wind farms is permitted provided that such purchaser is financially and technically competent and able to comply with the obligations of WPC under the agreement. BRWD requires WPC's consent in order to assign the agreement except where BRWD assigns the agreement to a party who takes an assignment of BRWD's rights and obligations under the Esperance power purchase agreement. Assignments to related bodies corporate are permitted without the consent of the other party to the agreement.

(c) Esperance Gas Transportation Agreement

Description: Under this agreement dated 3 July 2002 between Esperance Pipeline Co Pty Limited ("**EPCPL**"), a wholly owned subsidiary of Worley, and Burns and Roe Worley Developments Pty Limited ("**BRWD**"), EPCPL agreed to design, construct, own and operate a lateral extension to the Goldfields gas pipeline to transport gas to the Esperance power station (Worley expects EPCPL to subcontract its construction obligations to a suitable contractor). The agreement is subject to the satisfaction of certain conditions precedent, which include the receipt of all necessary approvals and the Esperance power purchase agreement becoming unconditional on or before 6 January 2003.

Term and termination: The agreement will continue for 18 years and three months unless earlier terminated. BRWD may, in certain circumstances, extend the term of the agreement for a maximum period of six years beyond the original term.

EPCPL may terminate the agreement in certain circumstances, including BRWD's failure to pay any amount due to EPCPL under the agreement or if the Esperance power purchase agreement is terminated. BRWD may terminate the agreement if EPCPL is in breach of any of its material obligations under the agreement or becomes subject to an insolvency event.

Income and fees: Under the agreement, BRWD agrees to pay EPCPL a fixed monthly charge which is subject to adjustment or escalation in accordance with the terms of the agreement.

Liability: Liability for damages is limited to direct loss and neither party will in any circumstances be liable to the other for any consequential, incidental, indirect, special or punitive damages in connection with the provision of the services to BRWD.

Indemnities: Each party indemnifies and keeps the other indemnified against any loss or claim by a third party and loss to the other party's property arising out of, or in connection with, the other party's performance or non-performance of its obligations under the agreement.

Assignment: A party may not, without the prior written consent of the other party (which consent must not be unreasonably withheld) assign or novate its rights and obligations under the agreement.

(d) Power Purchase Agreement with The Esperance Port Authority

Description: Under this agreement dated 4 July 2002 between Burns and Roe Worley Developments Pty Limited ("**BRWD**") and The Esperance Port Authority ("**EPA**"), EPA agreed to purchase electricity generated at the power station BRWD proposes to develop. The agreement is subject to the satisfaction of certain conditions precedent, which include the Esperance power purchase agreement becoming unconditional and binding, the conclusion of a lease between BRWD and EPA for the site of the power station, and BRWD agreeing to purchase and assume the operation and maintenance of EPA's existing power station.

Term and termination: The agreement will continue for 18 years or until terminated in accordance with its terms. EPA may extend the term of the agreement for a further six years or for the same term for which the Esperance power purchase agreement has been extended.

Either EPA or BRWD may terminate the agreement in certain circumstances, including the other's failure to pay any amount due under the agreement or to perform any of its material obligations or if an insolvency event occurs in respect of BRWD or EPA, as the case may be.

Income and fees: Under the agreement, EPA agrees to pay BRWD a monthly tariff payment calculated in accordance with a defined formula.

Liability: Neither party is liable to the other party for any loss arising from any breach of the agreement other than for loss resulting directly from that breach and which at the date of the agreement was reasonably foreseeable in respect of physical damage to property of the other. The agreement expressly excludes liability for indirect or consequential loss.

Assignment: A party may not, without the prior written consent of the other party (which consent must not be unreasonably withheld) assign its rights under the agreement.

(e) Heads of Agreement between Burns and Roe Worley Pty Limited, Worley Group Limited and ANZ Infrastructure Services Limited

Description: Burns and Roe Worley Pty Limited ("**BRW**"), Worley and ANZ Infrastructure Services Limited ("**ANZIS**") have executed a heads of agreement containing the key terms for the formation of an equity consortium to develop the Esperance power station and associated gas pipeline. ANZIS will take the lead role in arranging debt and equity finance and Worley/BRW will take the lead role in providing engineering and technical analysis and project management.

Termination: The parties will negotiate with a view to concluding definitive agreements regulating their relationship. The agreements may be terminated by BRW, ANZIS or Worley in the event of a failure by ANZIS to obtain the required debt finance and will be subject to a number of conditions precedent, including execution of an Investment and Development Agreement covering the development by the consortium members of all eligible projects, including the subject of the heads of agreement.

Income and fees: BRW and Worley will be reimbursed at financial close all reasonable internal and external costs incurred developing the project as set out in the project business case. BRW and Worley will be paid a project development fee subject to achievement of specified equity returns. ANZIS will be paid debt and equity arranging fees based on total debt raised for the project. Distributions will be made to the parties as specified in the agreement.

Equity structure: Subject to various conditions, ANZIS will subscribe for between 50% and 62.5% of equity required at financial close, and will grant the other consortium members a two year option from financial close to move to 50% ownership at a pre-dete[illegible] equity internal rate of return. Worley and BRW may also earn out-performance returns where this threshold is exceeded.

Funding: The estimated total funding required for the project is approximately $87 million (being approximately $70 million of debt and $17 million of equity), with final amounts to be finalised prior to financial close.

Construction: The consortium will enter into an EPC contract with a subsidiary of BRW for the construction of the power station and with a bankable third party for the construction of the pipeline.

Assignment: The parties may not sell their interest (including their shares) in the project prior to the second anniversary of the operations date without the consent of the other shareholders. Worley and BRW must hold a minimum equity stake while they retain primary responsibility for the operation and maintenance of the project. Each party has pre-emptive rights over the shares of the other.

Worley expects to conclude further contracts in relation to the Esperance project, including operations and maintenance and funding agreements, prior to the close of the Offer.

9.4.12 PETROCON ARABIA LIMITED

(a) Contract for General Services

Description: Under this agreement dated 1 July 2001 between Saudi Arabian Oil Company ("**Saudi Aramco**") and Petrocon Arabia Limited ("**Petrocon**"), Petrocon agreed to perform design and other engineering related services as directed from time to time by Saudi Aramco.

Term and termination: The agreement is expressed to endure until 30 June 2007. Saudi Aramco may, at any time and at its sole discretion, terminate the agreement by giving written notice to Petrocon.

Income and fees: Saudi Aramco shall pay Petrocon all reasonable costs necessary to accomplish the work as specified in the agreement.

Liability: Petrocon is obliged to perform remedial work (at its own expense) for any work not performed in accordance with the agreement for up to two years after the date of project completion. Neither party shall be liable to the other for any loss of use, profit or product whether or not the claim is based upon any negligent act or omission of a party.

Indemnities: Petrocon must defend and indemnify Saudi Aramco against all claims arising from specified events.

9.4.13 SELL DOWN AGREEMENTS

(a) Deeds Poll

Existing Shareholders have executed Deeds Poll in favour and for the benefit of SaleCo and Worley under which they have irrevocably offered to sell a specified portion of their Existing Shares to SaleCo free of encumbrances and third party rights conditional on quotation of the Shares on ASX. The price payable by SaleCo to the Existing Shareholders for the Existing Shares sold to it will be the higher of $1.70 or the Final Price.

(b) Escrow Deeds

The Lead Manager intends to enter into Escrow Deeds with the Directors (excluding Ron McNeilly) and certain Existing Shareholders, namely Peter Meurs and Russell Staley (or relevant affiliates) under which those shareholders would be prevented, following completion of the Offer, from dealing with their Shares without the consent of the Lead Manager until 24 hours after the release to ASX of Worley Group's preliminary final report for FY03. This prohibition would cease to apply if a scheme of arrangement is [illegible] respect of which acceptances are received are not subject to this prohibition.

In aggregate, Existing Shareholders holding 36% of the Shares on issue after the Offer will be subject to this restriction.

9.5 LEGAL MATTERS

9.5.1 MATERIAL PROCEEDINGS

Members of the Worley Group are, from time to time, engaged in disputes with third parties, some of which involve legal proceedings. However, to the knowledge of the Directors neither Worley nor any of its subsidiaries is involved in any litigation which the Directors believe has or is likely to have a material adverse effect on its business operations or those of its subsidiaries. The Directors are not aware of any circumstances that might reasonably be expected to give rise to any such litigation.

9.5.2 TRADEMARK REGISTRATION

Worley is presently in the process of applying for registration of the Worley name and logo under trademark legislation in Australia and certain foreign jurisdictions. The Directors are not aware of any reason why registration should not be granted in Australia in due course.

9.5.3 I&E SYSTEMS PTY LIMITED

Worley is presently in negotiations with third parties regarding its 50:50 joint venture, I&E Systems Pty Limited, the developer of DAD utilised by a number of Worley's clients. Those negotiations may lead to a rearrangement of the basis upon which Worley participates in the development of, or has rights in, DAD in the future. This may provide the Worley Group with both opportunities and risks, including the risk of disputes over rights in, or the support of, DAD.

9.5.4 FOREIGN COMPLIANCE

Worley has operations in a number of foreign jurisdictions with legal requirements which impact directly or indirectly on the operation, ownership or management of the relevant Worley Group entity in those jurisdictions. In preparing for the Offer, Worley has identified some instances of technical non-compliance with those requirements. Worley does not believe that these matters will have a material adverse effect on the financial performance of the Worley Group. However, Worley intends to take additional steps over time to ensure that these matters are addressed and that the Worley Group's foreign operations are fully compliant with local laws and regulations.

9.5.5 BURNS AND ROE

Burns and Roe, a shareholder in Burns and Roe Worley Pty Limited, is currently in the process of asbestos related reorganisation under "Chapter 11" of the US Bankruptcy Code. The reoganisation procedure may require Burns and Roe to seek court approval in the US for certain decisions. Worley has not experienced any material organisational disruption from this situation and will take appropriate advice in terms of minimising its impact (if any) on the Worley Group. Worley has not budgeted on any equity contribution from Burns and Roe during the Forecast Period.

9.5.6 TRANSFIELD WORLEY LIMITED (NEW ZEALAND)

Worley operates in New Zealand under a 50:50 incorporated joint venture, Transfield Worley Limited. The constitution of that company contains pre-emptive rights which may be triggered by a change in the beneficial ownership of 50% or more of the Shares.

9.5.7 SALECO

SaleCo is a special purpose vehicle which has no material assets, liabilities or operations other than its interests in and obligations under the Selling Agreement described in section 9.4.1 and the Deeds Poll described in Section 9.4.13. The directors of SaleCo are the Directors and the shareholders of SaleCo (in equal proportions) are John Schubert, John Grill, Grahame Campbell, David Housego and John Green. Worley has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer.

9.6 DIRECTORS' INTERESTS

9.6.1 DISCLOSURE

Except as disclosed in this Prospectus, no Director or proposed Director, has or has had in the two years before lodgement of this Prospectus with ASIC, any interest in the formation or promotion of Worley or the Offer, or in any property acquired or proposed to be acquired by Worley in connection with its formation or promotion or the Offer and no amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid, and no benefit has been given or agreed to be given, to any Director or proposed Director, either to induce them to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the promotion or formation of Worley, or the Offer.

9.6.2 SHAREHOLDING QUALIFICATION

Directors are not required under the Constitution to hold any Shares.

9.6.3 DIRECTORS' SHARE AND PERFORMANCE RIGHT HOLDINGS

As described in Section 9.4.13(a), to provide for the Offer, certain Existing Shareholders (including the Directors and their affiliates) irrevocably undertook to sell a specified portion of their Existing Shares to SaleCo.

The following Directors (or their affiliates) are the beneficial holders of Shares as at the date of this Prospectus and have committed the specified number of Shares to be sold under the Offer. Directors and their affiliates may also acquire Shares pursuant to the Offer.

DIRECTOR	SHARES	SHARES TO BE SOLD UNDER THE OFFER	SHARES POST THE OFFER
John Grill	36,521,405	7,267,315	29,254,090
Ron McNeilly	nil	nil	nil
John Schubert	1,217,979	nil	1,217,979
David Housego	863,867	302,355	561,512
John Green	698,527	nil	698,527
Grahame Campbell	494,002	135,852	358,150

Conditional on the completion of the Offer and in accordance with a resolution of shareholders, certain Directors will be granted Performance Rights under the WPRP (described in Section 9.8.2) in the 36 months following the completion of the Offer as follows:

DIRECTOR	PERFORMANCE RIGHTS (MAXIMUM PER ANNUM)
John Grill	90,000
David Housego	45,000

Executive Directors are also eligible to participate in the WESP (described in Section 9.8.1). Existing Shareholders have approved the participation of Messrs Housego and Grill in the WESP to a maximum aggregate of $200,000 per annum of any bonus that may be awarded to them in the 36 months following the Offer, with a limited matching award of Shares.

Non-executive Directors are only eligible to participate in the NED Plan (described in Section 9.8.3). Existing Shareholders have approved the participation through fee sacrifice by non-executive Directors in the NED Plan.

9. ADDITIONAL INFORMATION CONTINUED

9.6.4 REMUNERATION OF DIRECTORS

The Constitution provides that the non-executive Directors are each entitled to be paid Directors' fees, in aggregate up to a maximum of $600,000 in any financial year or such other amount as may be determined in general meeting.

For the financial year ending 30 June 2003, it is expected that the non-executive Directors' fees will not exceed $260,000 in aggregate.

The Constitution provides that Directors are entitled to such remuneration out of the funds of the Company as the Directors determine. The remuneration can not be by commission on, or a percentage of, profits or operating revenue. Directors may also be reimbursed for their expenses properly incurred as a Director in connection with the affairs of the Company.

Directors may be paid fees or other amounts as the Directors determine where a Director performs extra services or makes special exertions in connection with the affairs of the Company.

9.6.5 ADDITIONAL DIRECTORS' INTERESTS

David Housego may be granted a discretionary bonus equal to one year's salary (approximately $230,000) upon completion of the Offer. The decision to grant this bonus will be made by the Board.

9.6.6 DEED OF ACCESS, INSURANCE AND INDEMNITY

Worley has executed a Deed of Access, Insurance and Indemnity in favour of each Director. The indemnity is subject to the restrictions prescribed in the Corporations Act. The deed also gives each Director a right of access to Board papers and requires the Company to maintain insurance cover for the Directors. The Company has arranged this insurance.

9.7 CORPORATE GOVERNANCE

The composition of the Board is subject to shareholder approval from time to time in accordance with the Constitution, the Corporations Act and (once Worley is listed) the ASX Listing Rules.

The Board will establish two permanent committees, being a nominations and remuneration committee and an audit and risk committee. It will be the policy of the Board to:

- agree the terms of reference for any Board committees;
- appoint and maintain a non-executive Director as Chairman;
- ensure that there is an appropriate balance between executive and non-executive Directors on the committee; and
- ensure that committee members have access to appropriate external and professional advice.

The nominations and remuneration committee will review and recommend the remuneration of the Directors, the chief executive officer and his or her direct reports, review and recommend general remuneration principles (including incentive schemes, bonuses and the like) and supervise the compliance by Worley with its obligations on matters such as superannuation and other employment benefits and entitlements.

The audit and risk committee will monitor financial and operational risk management, compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results, and the appointment and remuneration of internal and external auditors and will be responsible for the investigation of allegations of conflicts of interest, fraud or malfeasance.

9.8 EMPLOYEE AND DIRECTOR SHARE AND PERFORMANCE RIGHTS PLANS

At the AGM in September 2002, Existing Shareholders approved the establishment and implementation of the following plans:

- Worley Group Limited Employee Share Plan;
- Worley Group Limited Performance Rights Plan; and
- Worley Group Limited Non-Executive Director Share Plan.

Employees of the Worley Group, executive Directors and other persons determined by the Board are eligible to participate in the WESP and the WPRP. Non-executive Directors are only eligible to participate in the NED Plan.

Copies of the rules of the plans are available for inspection at the place and times set out in Section 9.14.

9.8.1 WORLEY GROUP LIMITED EMPLOYEE SHARE PLAN ("WESP")

General: Existing Shareholders approved the terms of the WESP at the 2002 AGM. The WESP is a general employee share plan pursuant to which offers may be made to employees of the Worley Group, and other persons determined by the Board to be eligible, to acquire Shares. The Board has the discretion to determine the specific terms and conditions applying to each offer. A summary of the WESP rules is set out below.

Eligibility: Employees of Worley Group companies or other individuals (eg, contractors) nominated by the Board will be eligible to subscribe for, or acquire, Shares under the WESP on terms and conditions determined by the Board. For example, the Board may invite key employees of the Worley Group to sacrifice a percentage of any bonus to which they may in future become entitled and, in return, Shares will be purchased on market or issued to those employees pursuant to the terms of the WESP. While in relation to the Employee Offer, Employees may apply for Shares in the name of a relative or related company or entity, this may not be the case in respect of future offers under the WESP.

At the 2002 AGM, Existing Shareholders approved the participation of the executive Directors, Messrs Grill and Housego, in the WESP bonus sacrifice described above on the following terms. The first acquisition of Shares under the bonus sacrifice arrangements is envisaged to be in respect of potential bonus entitlements for the financial year ending 30 June 2003. Messrs Grill and Housego will be required to sacrifice 30% of their potential bonus entitlement and will have the opportunity to increase this to a maximum of 50% of their potential bonus, capped at an aggregate of $200,000 per annum. "Matching" Shares will be awarded, such that for every five Shares issued or acquired in respect of the amount sacrificed (up to the 30% mandatory sacrifice amount only), one additional Share will be awarded. Matching Shares will not be awarded in respect of any additional amount sacrificed in excess of the mandatory 30% level.

Restrictions on Shares: The Board may determine that Shares acquired under the WESP are subject to a restriction on disposal for a period and/or to conditions that could result in the participant forfeiting ownership of the Shares. No restrictions are proposed to be imposed on the initial offering under the Employee Offer.

If a disposal restriction is imposed, a trustee may, during the restriction period, hold the Shares for the benefit of participants. Participants will be beneficially entitled to the Shares during the restriction period and will be entitled to direct the trustee to vote those Shares and to receive dividends. At the end of the restriction period, the trustee will transfer legal title in the Shares to the participants. In respect of the participation of Messrs Grill and Housego in the WESP under the bonus sacrifice arrangements, a three year restriction on transfer (unless employment with the Worley Group ceases earlier) will be imposed. However, Messrs Grill and Housego can elect a longer restriction period (to a maximum of 10 years). In general, if either Mr Grill or Mr Housego leaves employment with the Worley Group before the end of the restriction period, he will receive the Shares acquired or issued in return for the bonus sacrifice, but will forfeit any matching Shares not held for at least three years.

Financial assistance: Under the WESP, financial assistance may be provided to participants or the trustee for the purpose of acquiring Shares. Financial assistance may include making a loan, providing "matching Shares" or inviting employees to sacrifice salary or bonus in return for Shares.

Price of Shares: The price of the Shares to be allocated under the WESP will generally be the market value of those Shares. However, in some circumstances, the Board may determine another price for the Shares. For example, the Employee Offer is being made at a 7.5% discount to the Retail Application Price.

Amendments: The Board may amend or add to the WESP rules and may vary the rights or restrictions attaching to the Shares acquired under the WESP to comply with any relevant legislation, correct any manifest error, or take into consideration adverse tax implications. However, except for the circumstances just described, an amendment cannot be made which reduces a participant's rights in respect of Shares without the consent of the participant.

9.8.2 WORLEY GROUP LIMITED PERFORMANCE RIGHTS PLAN ("WPRP")

General: Existing Shareholders approved the terms of the WPRP at the 2002 AGM. The WPRP is a plan to issue Performance Rights to certain employees determined by the Board. A summary of the rules of the WPRP is described below.

Eligibility: Under the WPRP, the Board may grant Performance Rights to eligible executives. Existing Shareholders have approved the grant of Performance Rights under the WPRP over a maximum of 90,000 Shares per annum to John Grill and a maximum of 45,000 Shares per annum to David Housego in the 36 months following completion of the Offer.

Vesting: The Board may impose vesting conditions and performance criteria as pre-conditions to the Performance Rights vesting and/or being exercised. In general, one-third of the Performance Rights will vest on each of the first, second and third anniversaries of the date of grant. However, no Performance Right (vested or otherwise) can be exercised unless the performance conditions determined by the Board at the date of grant have been satisfied. The Board may determine that restrictions on transfer apply to the Shares allocated on exercise of the Performance Rights.

Price of Shares: The rules of the WPRP provide that the Board may determine an exercise price which is payable at the time of exercise of the Performance Right, or that no amount is payable on exercise, in which case Worley will meet the full acquisition cost of the Shares. In respect of the initial grant of Performance Rights to Messrs Grill and Housego, no amount will be payable at the time of grant of Performance Rights or on the acquisition of Shares on exercise of the Performance Rights.

Performance hurdle and exercise period: At the time of grant of the Performance Rights, the Board will determine the performance conditions which must be satisfied before a Performance Right can be exercised. In general, the initial grant of Performance Rights to Messrs Grill and Housego may only be exercised to the extent that specified earnings per share growth targets are satisfied in relation to the three year performance period ending 30 June 2005.

Shares will be purchased on market or issued to the eligible executive on exercise of a vested Performance Right.

Expiry of Performance Rights: Under the WPRP, a Performance Right will, in general, lapse on the earliest of to occur of:

- a date specified by the Board in the terms of grant;
- a failure to meet the performance condition; and
- the tenth anniversary of the date of grant of the Performance Rights.

In respect of the Performance Rights to be granted to Messrs Grill and Housego, each Performance Right will lapse if not exercised before the seventh anniversary of the grant date. If the employment of either of the executive Directors ceases before the end of the three year performance period, a proportion of the Performance Rights may potentially be exercised by the executive Director, subject to satisfaction of the performance conditions.

In general, if a participant ceases to be employed by the Worley Group in the three years following the date of grant of Performance Rights, a maximum of two-thirds of any unvested Performance Rights will vest and can be exercised, subject to satisfaction of the performance condition. However, the Board has discretion to determine a different proportion of Performance Rights will vest and can be exercised.

Takeovers, consolidation etc: If any capital readjustment, subdivision or consolidation of Shares occurs, the rules of the WPRP provide that the Board may adjust the number of Shares or any amount payable on vesting of the Performance Rights so that no advantage or disadvantage accrues to the participant as a result of the corporate action. Similar discretions apply in relation to bonus issues. If a takeover bid is made for Worley, the rules of the WPRP provide that the Board may determine that all or some of a participant's unvested Performance Rights vest and may be exercised. Those Performance Rights which are not determined to vest will lapse, unless the Board determines otherwise.

9.8.3 WORLEY GROUP LIMITED NON-EXECUTIVE DIRECTOR SHARE PLAN ("NED PLAN")

Existing Shareholders approved non-executive Director participation in the NED Plan for a period of three years at the 2002 AGM. A summary of the NED Plan rules is set out below.

General: All current and future non-executive Directors will be required to sacrifice a percentage of their annual Director's fees. As a result of the sacrifice, Shares will be allocated to non-executive Directors under the NED Plan and must be held for a specified period.

Eligibility: Under the NED Plan, non-executive Directors are required to sacrifice at least 25% (or such other percentage determined by the Board from time to time) of their annual Director's fees (including Board committee fees). Non-executive Directors will be able to elect to sacrifice more than 25% of their fees up to a maximum of 60% of their fees, in any year under the NED Plan.

Restrictions on shares: Non-executive Directors will not be able to sell or otherwise dispose of the Shares, which will be held by a trustee on behalf of each non-executive Director, until the earliest of 10 years after acquisition, the non-executive Director ceasing to be a director of Worley, or the non-executive Director applying to the Board and the Board determining that any or all restrictions applying to the Shares cease.

9. ADDITIONAL INFORMATION CONTINUED

Allocation of shares: Shares will usually be purchased on market at the prevailing market price of Shares by applying an amount equivalent to the amount of fees a non-executive Director has elected to sacrifice to purchase Shares at market value on an "allocation date". The allocation date will generally be the day following the date for the payment of fees. If Shares cannot be purchased on market, new Shares will be issued at a price equal to the weighted average price of Shares on ASX on the five trading days up to and including the allocation date to satisfy the allocation. If for legal or other reasons Shares cannot be purchased on market or issued, each non-executive Director will be paid a cash amount equivalent to the amount of fees sacrificed.

9.9 AUSTRALIAN TAXATION CONSIDERATIONS

9.9.1 THE RETAIL OFFER AND THE INSTITUTIONAL OFFER

This is a general description of the Australian tax consequences for investors who acquire Shares. The following taxation summary addresses the tax implications to investors who are Australian residents for Australian tax purposes and who will hold Shares acquired through the Retail Offer or Institutional Offer on capital account.

If you are not an Australian resident for tax purposes, the way you are taxed will depend on the nature and size of your shareholding and the terms of a double tax agreement (if any) between Australia and your country of residence. If you are not an Australian resident for tax purposes, you should obtain specific professional advice in this regard.

The Australian tax laws are complex. This taxation summary is not intended to be an authoritative or complete statement of the law applicable. If you are uncertain as to how the tax laws apply to you in participating in the Offer, you should obtain independent professional advice before investing.

CAPITAL GAINS TAX ("CGT")

The Australian income tax legislation incorporates a CGT regime.

Acquiring Shares

For CGT purposes, you acquire your Shares on the date the Shares are issued or allotted to you. The cost base of any Share you acquire is generally the amount you paid for the Share and any associated costs (such as brokerage and stamp duty) that you may incur.

Disposal of Shares

You make a capital gain if the capital proceeds you receive when you dispose of your Shares exceed the cost base of those Shares. If the capital proceeds you receive when you dispose of the Shares are less than the reduced cost base, you make a capital loss. If you are a non-resident, the CGT provisions will generally not apply to you unless you owned at least 10% of the Shares at some time during the five years before the Shares were sold.

Capital gains you make are included in your assessable income and are taxed as income. Capital losses made in the same or prior years can be used to offset capital gains.

Some taxpayers will be entitled to a discount on any capital gains they derive where they have held the Shares as a CGT asset for 12 months or more. Broadly, if you are an individual or a trust, the capital gain is discounted by 50%. If you are a complying superannuation fund or a life insurance company holding the Shares as a CGT asset that is a virtual pooled superannuation trust asset, the capital gain is discounted by 33⅓%. The discount CGT provisions do not apply to companies.

Capital losses must be applied to reduce capital gains before applying the discount CGT provisions.

STAMP DUTY

If you acquire Shares that are not quoted on a stock exchange by transfer (and not fresh issue or allotment), you will be liable to pay stamp duty on the purchase price of the Shares. The Company will pay any stamp duty payable on the transfer of Shares pursuant to the Offer.

DIVIDENDS

While you hold Shares, you may receive a dividend. Dividends may be franked or unfranked. The dividend and any franking credits attached to the dividend will be taxed as income.

If you have held the Shares at risk for 45 days (excluding the dates of acquisition and disposal), you are able to claim a tax credit for the amount of any franking credits attaching to the dividend.

Certain types of taxpayers, including individuals and superannuation funds, are entitled to a refund of any excess franking credits. Companies are not able to claim a refund for excess franking credits.

9.9.2 THE EMPLOYEE OFFER

The following taxation summary addresses the general tax implications to employees of Worley and its Australian subsidiaries (as defined under the Corporations Act) who are Australian residents for Australian tax purposes and who will hold Shares acquired through the Employee Offer on capital account. It reflects the applicable legislation and announced amendments as at September 2002.

This taxation summary is not intended to be an authoritative or complete statement of the law applicable. As the precise tax consequences of your participation in the Offer will be affected by your personal circumstances, we recommend you obtain independent professional advice before investing.

DISCOUNT ON ACQUISITION

Employees participating in the Offer will receive a discount on the acquisition of Shares. Any discount received (being the difference between the market value of the Shares received and any consideration paid to acquire the Shares) will be assessable income in the year received provided the Shares are held for a period of 30 days. For these purposes, the market value of the Shares is defined for tax purposes as the weighted average trade price of the Shares on the acquisition date. Where the Shares are disposed of within 30 days in an arm's length transaction, the assessable discount will be the difference between the consideration received on disposal and any consideration paid to acquire the Shares.

CAPITAL GAINS TAX

The Australian income tax legislation incorporates a CGT regime.

Acquiring Shares

For CGT purposes, you acquire your Shares on the date the Shares are allotted to you. There is no CGT event at the time you acquire your Shares. The cost base of any Share you acquire is the market value of the Share when you acquired it, plus any associated costs (such as brokerage and stamp duty) you incur. As noted above, for these purposes, the market value of the Shares is defined for tax purposes as the weighted average trade price of the Shares on the acquisition date.

Disposal of Shares
You make a capital gain if the capital proceeds you receive when you dispose of your Shares exceed the cost base of those Shares. If the capital proceeds you receive when you dispose of the Shares are less than the reduced cost base, you make a capital loss.

Capital gains you make are included in your assessable income. Capital losses made in the same or prior years can be used to offset capital gains.

If you make a capital gain on the disposal of Shares and have held the Shares as a CGT asset for 12 months or more, the discount CGT provisions will apply. Broadly, these provisions reduce the amount of the capital gain subject to tax by 50%.

Capital losses must be applied to reduce capital gains before applying the discount CGT provisions.

Any capital gain or loss is disregarded if you dispose of the Share within 30 days of acquiring the Share (refer above – Discount on Acquisition).

STAMP DUTY
The Company will pay any stamp duty payable on Shares issued or transferred to Applicants under the Employee Offer.

DIVIDENDS
While you hold Shares, you may receive a dividend. Dividends may be franked or unfranked. The dividend and any franking credits attached to the dividend will be taxed as income.

If you have held the Shares at risk for 45 days (excluding the dates of acquisition and disposal), you are able to claim a tax credit for the amount of any franking credits attaching to the dividend.

As an individual taxpayer, you are entitled to a refund of any excess franking credits.

SHARES ACQUIRED BY CONTRACTORS AND ASSOCIATES OF EMPLOYEES
Where Shares are issued to contractors to Worley Group and Worley Joint Ventures and associates of employees (such as trusts or spouses), the tax treatment of such Shares may differ from that described above. In such circumstances, it is recommended that specific professional advice is sought to address these issues.

9.10 INTERESTS OF EXPERTS

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- has any interest, or has had any interest during the last two years, in the formation or promotion of Worley, or in property acquired or proposed to be acquired by Worley in connection with its formation or promotion, or the Offer; and
- no amount has been paid, or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided by the person in connection with the formation or promotion of Worley or the Offer.

Freehills has acted as legal advisers to Worley in relation to the Restructure and the Offer, has advised Worley generally in relation to its admission to the Official List and has also performed work in relation to due diligence enquiries and the plans described in Section 9.8. Worley has paid, or agreed to pay, approximately $1,085,000 for the above services.

UBS Warburg Australia Limited has acted as Lead Manager in relation to the Offer and has also performed work in relation to due diligence enquiries. Worley has agreed to pay a fee, which includes an incentive component, of up to 4.25% of the gross proceeds of the Offer plus a management fee of $200,000 to UBS Warburg Australia Limited (see Section 9.4.1).

Ernst & Young has acted as the Independent Accountant and has prepared the Independent Accountant's Report on Historical Financial Information and has also performed work in relation to due diligence enquiries. Worley has paid, or agreed to pay, approximately $213,000 for the above services.

Ernst & Young acts as auditor of Worley. Worley has paid, or agreed to pay approximately $568,000 in respect of audit services in the two years prior to the date of this Prospectus.

Worley has paid, or agreed to pay, Ernst & Young approximately $160,000 for executive remuneration advice in the two years prior to the date of this Prospectus.

Ernst & Young Corporate Finance Pty Limited has prepared the Independent Accountant's Report on Forecast Financial Information included in this Prospectus and has also performed work in relation to due diligence enquiries. Worley has paid, or agreed to pay, approximately $285,000 for the above services. Ernst & Young Corporate Finance Pty Limited has also provided valuation advice to Worley and has been paid $50,000 for these services.

Each of UBS Warburg Private Clients Limited, Bell Potter Securities Limited and ABN Amro Morgans Limited has agreed to act as a Broker to the Offer. In respect of this work, each will be entitled to a selling fee of 1.5% of the gross proceeds from the issue or sale of Shares under the Offer to their respective clients. In addition, Bell Potter Securities Limited and ABN Amro Morgans Limited will be entitled to a management fee of 0.5% of the gross proceeds from the issue or sale of Shares to their respective clients under the Offer. These amounts will be paid by the Lead Manager.

9.11 CONSENTS OF EXPERTS

UBS Warburg Australia Limited has given and has not withdrawn its consent to be named in this Prospectus as Lead Manager to the Offer in the form and context in which it is named. It has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Freehills has given and has not withdrawn its consent to be named in this Prospectus as legal adviser to Worley in relation to the Offer and other matters in the form and context in which it is named. Freehills has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Ernst & Young has given and has not withdrawn its consent to be named in this Prospectus as auditors of Worley, as provider of executive remuneration advice to Worley and as Independent Accountant to the Offer, in the form and context in which it is named and for the inclusion in this Prospectus of its Independent Accountant's Report on Historical Financial Information in the form and context in which it appears. Ernst & Young has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Independent Accountant's Report on Historical Financial Information.

Ernst & Young Corporate Finance Pty Limited has given and has not withdrawn its consent to be named in this Prospectus in the form and context in which it is named and to the inclusion of the Independent Accountant's Report on Forecast Financial Information in the form and context in which it is included. Ernst & Young Corporate Finance Pty Limited has not authorised or

9. ADDITIONAL INFORMATION CONTINUED

caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Independent Accountant's Report on Forecast Financial Information.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn its consent to be named in this Prospectus as the Registry in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Registry to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims, and takes no responsibility for any part of this Prospectus other than the references to its name.

Each of UBS Warburg Private Clients Limited, Bell Potter Securities Limited and ABN Amro Morgans Limited has given and has not withdrawn their consent to be named in this Prospectus as Broker to the Offer in the form and context in which they are respectively named.

9.12 EXPENSES OF THE OFFER

If the Offer proceeds, the total estimated costs of the Offer, including advisory, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses are currently estimated to be approximately $6.8 million and will be paid by Worley. The net effect of this payment will result in an equivalent reduction in the proceeds received by Worley pursuant to the Offer.

9.13 ASX ADMISSION AND QUOTATION

Worley will apply to ASX for admission to the Official List and quotation of the Shares on the exchange operated by ASX within seven days of the date of this Prospectus.

9.14 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours free of charge at the registered office of Worley, Level 7, 116 Miller Street, North Sydney, New South Wales for a period of not less than 12 months after the lodgement of this Prospectus:

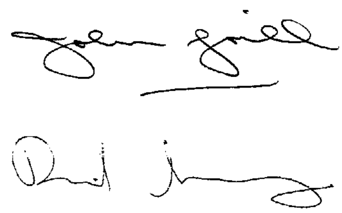
- Directors' consents for lodgement of this Prospectus;
- the Constitution;
- the plans described in Section 9.8; and
- experts' consents referred to in Section 9.11.

9.15 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the Applications and bids made under the Institutional Offer are governed by the laws applicable in New South Wales and each Applicant and bidder under the Institutional Offer submits to the exclusive jurisdiction of the courts of New South Wales.

9.16 AUTHORISATION OF THIS PROSPECTUS

This Prospectus is authorised by each of the Directors.



John Grill and David Housego being the Directors authorised to sign this Prospectus pursuant to a resolution passed at a meeting of the Directors.

GLOSSARY

10. GLOSSARY

A$ or $	Australian dollars, unless otherwise stated
Aggregated Revenue	Refer Section 5 2
AGM	Annual general meeting
ANZIS	ANZ Infrastructure Services Limited, a subsidiary of Australia and New Zealand Banking Group Limited
Applicant(s)	Individuals or entities who submit an Application Form together with Application Monies
Application	An application made to acquire a specified number of Shares pursuant to this Prospectus
Application Form	Yellow application form attached to or accompanying this Prospectus. References to the Application Form being attached to this Prospectus include it being issued electronically together with this Prospectus
Application Monies	Money submitted by Applicants in respect of their Applications
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited ABN 98 008 624 691
ASX Listing Rules	The listing rules of ASX
Board	The board of Directors
Broker Firm Applicants	Applicants who have received a firm allocation of Shares from a Broker to the Offer
Brokers to the Offer	Brokers listed on the inside back cover of this Prospectus
brownfield	Previously developed facilities
Burns and Roe	Burns and Roe Enterprises, Inc
CGT	Capital gains tax
CHESS	Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Limited
Company	Worley Group Limited ABN 17 096 090 158
Constitution	The constitution of Worley
Corporations Act	Corporations Act 2001
DAD	Design and document software
Directors	The directors of Worley
EBIT	Earnings before interest and income tax
EBITA	Earnings before interest, income tax and amortisation
EBITDA	Earnings before interest, income tax, depreciation and amortisation
Employee Application Price	The application price of $1.85 per Share at which Applicants under the Employee Offer must apply for Shares
Employee Offer	The offer of Shares to Employees being made in conjunction with the Retail Offer and the Institutional Offer
Employees	Full-time and permanent part-time employees of, and contractors to, the Worley Group and Worley Joint Ventures in Australia and a number of overseas countries
EPA	The Esperance Port Authority
EV	Enterprise Value
Existing Shareholders	Holders of Shares on the day prior to the date of this Prospectus
Existing Shares	Shares held by Existing Shareholders
Expiry Date	17 November 2003
Exposure Period	The period between the date of lodgement of this Prospectus with ASIC and ending seven days after lodgement, subject to any extension of the period by ASIC

Final Price	The price at which each Share will be issued or sold to successful bidders in the Institutional Offer
Forecast Period	The year ending 30 June 2003
Forecasts	Directors' financial forecasts for the year ending 30 June 2003
FY00	Financial year ended 30 June 2000
FY01	Financial year ended 30 June 2001
FY02	Financial year ended 30 June 2002
FY03	Financial year ending 30 June 2003
greenfield	Previously undeveloped facilities
HIN	Holder Identification Number
HSBC	HSBC Bank Australia Limited and HSBC Bank plc
Indicative Price Range	The indicative price range as detailed in Section 2, being $1.75 to $2.00 per Share
Institutional Bookbuild	The process of accepting bids under the Institutional Offer
Institutional Offer	The invitation to bid for Shares made to institutions under this Prospectus
Lead Manager	UBS Warburg Australia Limited ABN 40 008 582 705
NED Plan	Worley Group Limited Non-Executive Director Share Plan
New Shares	Unissued Shares which are to be issued under this Prospectus
Offer	The offer of 48 million Shares under this Prospectus
Official List	The official list of entities that ASX has admitted and not removed
OPEC	Organization of Petroleum Exporting Countries
Performance Right	An entitlement to a Share subject to the satisfaction of performance criteria pursuant to a binding contract in the manner set out in the WPRP rules
Prospectus	This prospectus dated 18 October 2002
Registry	Computershare Investor Services Pty Limited
Restructure	The corporate actions under which Worley became the holding company of the Worley Group as described in Section 9.2
Retail Application Price	The application price of $2.00 per Share at which Applicants under the Retail Offer must apply for Shares
Retail Offer	The invitation to apply for Shares made to members of the general public who are residents in Australia as described in Section 2.6
SaleCo	Ocelas Pty Limited ACN 101 728 269
SCH	Securities Clearing House
SCH Business Rules	The Business Rules of the SCH
Share	A fully paid ordinary share in Worley
Shareholder Statement	A statement that sets out details of a person's shareholding
SRN	Shareholder Reference Number
TFN	Tax File Number
US$	United States dollars
WESP	Worley Group Limited Employee Share Plan
Worley	Worley Group Limited ABN 17 096 090 158
Worley Engineering Pty Limited	Worley Engineering Pty Limited ABN 19 008 876 284
Worley Group	Worley and its controlled entities (including as parties to the Worley Joint Ventures)
Worley Joint Ventures	Joint venture operations or arrangements to which a member of the Worley Group is party
Worley Pty Limited	Worley Pty Limited ABN 61 001 279 812
WPRP	Worley Group Limited Performance Rights Plan

10. THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Pin cheque(s) here. Do not staple.

Registry's Use Only

WORLEY GROUP LIMITED

ABN 17 096 090 158

Broker Code

Broker Reference Stamp Only

Adviser Code

Before completing the Application Form, the Applicant(s) should read the Prospectus to which this Application Form relates. You may only use this Application Form if you received it together with the Prospectus. The Prospectus is dated 18 October 2002 and expires on 17 November 2003.

APPLICATION FORM

OFFER CLOSES 21 NOVEMBER 2002 (unless extended).

A SHARES APPLIED FOR

No. of Shares X Price per Share A$2.00

Must be a minimum of 1,000 Shares.

Applications for more than 1,000 Shares must be in multiples of 100 Shares.

B

Total Application monies

A$. 0 0

C WRITE YOUR NAME BELOW Please ensure your registration is in a valid format. See the reverse for guidance.

Name of Individual Applicant, Company, Trustee, Executor, Partnership or Office Bearer

Name of Joint Applicant or <Account Name> of Beneficial Holder

Name of Joint Applicant or <Account Name> of Beneficial Holder

D WRITE YOUR POSTAL ADDRESS BELOW

Unit Street No. Street Name

City Suburb/Town State Postcode

E CHESS HIN (IF APPLICABLE)

X

F TAX FILE NUMBER/ABN OR EXEMPTION

TFN of Individual Applicant

TFN of Joint Applicant

TFN of Company, Partnership, Trust or Super Fund

ABN of Company, Partnership, Trust or Super Fund

G EMAIL ADDRESS (OPTIONAL)

H TELEPHONE NUMBER

( )

This will help if the Registry have any questions.

I PAYMENT DETAILS

NAME OF DRAWER OF CHEQUE	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT
				A$
				A$
			Total Amount Enclosed	A$

I/We declare that by lodging this Application Form, I/we represent and acknowledge that I/we have read and understood the Prospectus to which this Application Form relates, and agree to be bound by the constitution of Worley Group Limited. I/We hereby authorise Worley Group Limited to complete and execute any documents necessary to effect the allotment or transfer of any Shares applied for. By lodging this Application Form, I/we declare that this Application is completed and lodged according to the Prospectus and that all statements made by me/us are complete and accurate. I/We represent and warrant that by lodging this Application Form, I am/we are in compliance with all laws of any jurisdiction outside the Commonwealth of Australia relevant to this Application. I/We acknowledge that I am a/we are resident(s) of Australia.

WARNING: This Application Form is for Shares under the Prospectus. The Prospectus contains information relevant to a decision to invest in Shares and it is advisable that the Prospectus be read in full before an application for Shares is made. The Prospectus is available at www.worley.com.au. Any supplementary or replacement documents that Worley issues during the period of the Offer (if any) will also be available at www.worley.com.au and will be accessible by the same means. The Corporations Act prohibits a person from passing this Application Form to any person unless it is attached to the Prospectus and any relevant supplementary documents. If you received this Application Form electronically, you may request a paper copy of the Prospectus and Application Form free of charge. By lodging the Application Form, the Applicant(s) agree(s) to take any number of Shares that may be allotted to the Applicant(s).

GUIDE TO COMPLETING THE APPLICATION FORM

A SHARES APPLIED FOR

Enter the number of Shares you wish to apply for. The Application must be for a minimum of 1,000 Shares. Applications for greater than 1,000 Shares must be in multiples of 100 Shares.

B APPLICATION MONIES

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for by A$2.00

C REGISTRATION NAME(S)

Enter the full name(s) you wish to appear on the Shareholder Statement. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable name. Applications using the wrong form of name may be rejected. Clearing House Electronic Sub-register System ("CHESS") participants should complete their name and address in the same format as is presently registered in CHESS.

D POSTAL ADDRESS

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E CHESS HIN (IF APPLICABLE)

Worley Group Limited will apply to ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Limited, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the Company will operate an electronic CHESS sub-register of security holdings and an electronic issuer-sponsored sub-register of security holdings. Together the two sub-registers will make up the Company's principal register of Shares. The Company will not be issuing certificates to Applicants in respect of Shares allocated. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares allocated to you under this Application in uncertificated form on the CHESS sub-register, enter your CHESS HIN. Otherwise, leave the section blank and on allocation, you will be sponsored by Worley Group Limited and a Shareholder Reference Number ("SRN") will be allocated to you.

F TFN EXEMPTION OR ABN

Enter your Tax File Number ("TFN") or exemption category or ABN. Where applicable, please enter the TFN for either Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application. However, if no TFN is quoted your dividends may be taxed at the highest marginal tax rate plus Medicare Levy.

G EMAIL ADDRESS

Enter your email address. This may be used to communicate other matters to you.

H TELEPHONE NUMBER

Enter your telephone number. This is not required but will assist us if there are any problems with your Application.

I PAYMENT

Cheques or bank drafts (other than from Broker Firm Applicants) must be made payable to Worley Group Limited Share Offer in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian branch of an Australian bank.

Complete the payment details in the boxes provided. The amount must agree with the amount shown in box "B".

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

Pin (do not staple) your cheque(s) to the Application Form where indicated.

LODGEMENT OF APPLICATIONS

If you received a firm allocation of Shares from a Broker to the Offer, forward your completed Application Form together with cheque(s) to the Broker to the Offer from whom the firm allocation of Shares was received.

Otherwise, return the Application Form with cheque(s) attached to:

Postal address	or	*Hand delivery*
Worley Group Limited Share Offer		Worley Group Limited Share Offer
Computershare Investor Services Pty Limited		Computershare Investor Services Pty Limited
GPO Box 7115		Level 3
Sydney NSW 2001		60 Carrington Street
		Sydney NSW 2000

Application Forms must be received no later than 5.00 pm (Sydney time) on 21 November 2002.

CORRECT FORMS OF REGISTRABLE NAME

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficial or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable names below.

TYPE OF INVESTOR	CORRECT FORM	SAMPLES OF INCORRECT FORM
Individual • Use given names, not initials	John Alfred Smith	J A Smith
Companies • Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts • Use trustee(s) personal name(s) • Do not use the name of the trust	Janet Smith <Janet Smith Family Trust a/c>	Janet Smith Family Trust
Deceased Estates • Use executor(s) personal name(s) • Do not use the name of the deceased	Michael Smith <Est John Smith a/c>	Estate of Late John Smith
Partnerships • Use partners' personal names • Do not use the name of the partnership	John Smith and Michael Smith <John Smith & Son a/c>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names • Use office bearer(s) personal name(s) • Do not use the name of the club etc	Janet Smith <ABC Tennis Association a/c>	ABC Tennis Association
Superannuation Funds • Use name of trustee of fund • Do not use the name of the fund	John Smith Pty Ltd <Super Fund a/c>	John Smith Pty Ltd Superannuation Fund

• Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated space(s) on the Application Form.

Pin cheque(s) here. Do not staple.

Registry's Use Only

WORLEY GROUP LIMITED

ABN 17 096 090 158

Broker Code

Adviser Code

Broker Reference Stamp Only

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Total Application monies

A$ ______ .00

C WRITE YOUR NAME BELOW Please ensure your registration is in a valid format. See the reverse for guidance.

Name of Individual Applicant, Company, Trustee, Executor, Partnership or Office Bearer

Name of Joint Applicant or <Account Name> of Beneficial Holder

Name of Joint Applicant or <Account Name> of Beneficial Holder

D WRITE YOUR POSTAL ADDRESS BELOW

Unit Street No. Street Name

City Suburb/Town State Postcode

E CHESS HIN (IF APPLICABLE)

X

F TAX FILE NUMBER/ABN OR EXEMPTION

TFN of Individual Applicant

TFN of Joint Applicant

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ABN of Company, Partnership, Trust or Super Fund

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H TELEPHONE NUMBER

( )

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NAME OF DRAWER OF CHEQUE	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT
				A$
				A$
			Total Amount Enclosed	A$

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Computershare Investor Services Pty Limited		Computershare Investor Services Pty Limited
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Sydney NSW 2001		60 Carrington Street
		Sydney NSW 2000

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Deceased Estates • Use executor(s) personal name(s) • Do not use the name of the deceased	Michael Smith <Est John Smith a/c>	Estate of Late John Smith
Partnerships • Use partners' personal names • Do not use the name of the partnership	John Smith and Michael Smith <John Smith & Son a/c>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names • Use office bearer(s) personal name(s) • Do not use the name of the club etc	Janet Smith <ABC Tennis Association a/c>	ABC Tennis Association
Superannuation Funds • Use name of trustee of fund • Do not use the name of the fund	John Smith Pty Ltd <Super Fund a/c>	John Smith Pty Ltd Superannuation Fund

• Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated space(s) on the Application Form.

Worley Group Limited
Level 7, 116 Miller St
North Sydney NSW 2060
Ph: (02) 8923 6866
Fax: (02) 8923 6877

John Schubert
Chairman and Non-executive Director

Ron McNeilly
Deputy Chairman and
Non-executive Director

John Grill
Chief Executive Officer

David Housego
Chief Financial Officer

Grahame Campbell
Non-executive Director

John Green
Non-executive Director

David Housego

Level 7, 116 Miller St
North Sydney NSW 2060

UBS Warburg Australia Limited
Level 25, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Ph: (02) 9324 2000

ABN Amro Morgans Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane Qld 4000
Ph: (07) 3334 4888

Bell Potter Securities Limited
Level 33, Grosvenor Place
225 George Street
Sydney NSW 2000
Ph: (02) 9255 7200

UBS Warburg Private Clients Limited
Level 27, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Ph: (02) 9324 3000

Ernst & Young
321 Kent Street
Sydney NSW 2000

Ernst & Young Corporate Finance Pty Limited
321 Kent Street
Sydney NSW 2000

Freehills
Level 32, MLC Centre
19-29 Martin Place
Sydney NSW 2000

Computershare
Level 3, 60 Carrington Street
Sydney NSW 2000
Ph: 1800 880 707