



21 May 2015

ASX Release

WORLEYPARSONS LIMITED

(ASX: WOR)

Settlement of the Arkutun-Dagi dispute

WorleyParsons today announced that it has reached a settlement of a dispute with Exxon Neftegas Limited (ENL), an affiliate of Exxon Mobil Corporation, as operator for, and on behalf of, the Sakhalin-1 Consortium. The settlement resolves a dispute pertaining to work provided by WorleyParsons and its affiliates to ENL for the Sakhalin-1 Arkutun-Dagi project's offshore platform. The settlement has led to normalization of the parties' business relationship.

WorleyParsons was contracted to provide engineering, procurement and technical support services for the Arkutun-Dagi offshore platform's topsides in 2008. Production commenced at the facility in January 2015.

The full settlement amounts to USD 78 million and includes cash payments of USD 55 million. A payment of USD 20 million will be made in the 2015 financial year while the remaining amount of USD 35 million will be paid through semi-annual payments over the next 3 to 4 years. In accordance with the terms of the settlement, WorleyParsons will withdraw its counterclaim for recovery of USD 23 million for work executed in prior years but not previously invoiced or accrued.

Reconciliation of charges and general project provisions

WorleyParsons confirms that the increase in general project provisions announced on 4 May 2015 covers the total cash impact of the settlement, (USD 55 million).

WorleyParsons announced on 4 May 2015 expected non-recurring redundancy and onerous lease charges and an increase in general project provisions to the 2015 financial year earnings totaling \$125 million (before tax). The reconciliation of the charges and provisions is as follows: -

- Settlement of the Arkutun-Dagi dispute of \$70 million (USD 55 million)
- Redundancy charges of \$30 million
- Onerous lease costs of \$25 million

When the impact of the redundancy charges and onerous lease costs is included in underlying earnings, the company expects its second half results (excluding the Arkutun-Dagi settlement) to be similar to the first half results of this financial year. The cash impact of the above charges to the 2015 financial year accounts will be approximately \$45 million.



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

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

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