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Worley Limited  
ABN 17 096 090 158

10 January 2024

## **ASX release**

### **WORLEY LIMITED (WORLEY) (ASX:WOR)**

#### **Recent media reports**

Worley refers to Worley's ASX release dated 27 December 2023. Worley also refers to recent media reports which are inaccurate in several respects.

As announced on 27 December 2023, WorleyParsons (now Worley) provided services in Ecuador from 2011 until 2017. In 2019, Worley commenced an arbitration relating to historic unpaid trade receivables owing to a subsidiary of Worley by Petroecuador, a state-owned enterprise in Ecuador, and a related State entity (the Worley receivables).

The arbitration was commenced under the Bilateral Investment Treaty between the USA and Ecuador, with the tribunal issuing its decision on 22 December 2023. Worley disagrees with the decision and is considering the options for further legal proceedings. The decision was confidential under applicable rules at the time it was issued but since then, Ecuador has made the decision public.

The tribunal's decision to dismiss the arbitration is based on jurisdictional and admissibility grounds relating to corruption, illegality and bad faith by Worley and a subcontractor, including wilful blindness by Worley to the subcontractor's corruption. Because the tribunal dismissed Worley's claims on these grounds, it did not address the merits of Worley's claim for payment of the Worley receivables.

Worley denies any corruption, illegality or bad faith on Worley's part. In particular, Worley did not breach anti-bribery and corruption laws. Worley takes its responsibilities under such laws extremely seriously.

Principals of a Worley subcontractor were prosecuted and found to be corrupt by an Ecuadorian court. Following investigations, Worley terminated its connection with that subcontractor in 2016 as soon as it became evident to Worley that the subcontractor had engaged in wrongdoing. Worley had followed proper processes, including conducting due diligence, and denies that it was wilfully blind in respect of the subcontractor's corruption. Since 2017, Worley has further strengthened its processes for engagement of business partners and subcontractors.

Some other specific issues raised in the decision related to the legitimacy and proper reporting of a limited number of historical business entertainment events during the 2011-2017 period. Since that time and as part of ongoing processes to strengthen our ethical business practices, Worley has improved its processes for training and education, approval and recording of entertainment expenses. Issues were also raised regarding improper hiring. Worley believes that all project employees were hired in accordance with proper processes.



The media inaccurately reported the amount of the Worley receivables. The net amount owed to Worley is AUD58 million which has been recorded as non-current in Worley's periodic reporting since FY2019.<sup>1</sup>

The decision awards costs to Ecuador of approximately USD6 million, which is not material to Worley's FY2024 results. Worley's own legal costs of the arbitration have been and continue to be expensed as incurred.

The media also reported an alleged tax liability in Ecuador. Worley believes that it has complied with its tax obligations and that the tax positions in the financial statements have been appropriately taken.<sup>2</sup>

Authorized for release by Nuala O'Leary, Group Company Secretary.

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**About Worley:** Worley is a global professional services company of energy, chemicals and resources experts. We partner with customers to deliver projects and create value over the life of their assets. We're bridging two worlds, moving towards more sustainable energy sources, while helping to provide the energy, chemicals and resources needed now.

Worley Limited is headquartered in Australia and listed on the Australian Securities Exchange (ASX: WOR).

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<sup>1</sup> In FY2020 (page 27 FY2020 results presentation), Worley announced the commencement of dispute resolution mechanisms. Also refer FY2023 Annual Report note 8 *Non current Trade receivables contract assets and other assets* and note 9 *Non current Trade and other payables* (pages 149 and 150 respectively) which refers to the gross receivables and payables outstanding for the two remaining state-owned enterprises (SOEs) (in Ecuador and Poland) which in aggregate remain the subject of legal proceedings. Also refer disclosures in prior periodic reporting.

<sup>2</sup> Refer to FY2023 Annual Report note 25(C) (page 174) and previously disclosed contingent liability notes.