

# ASX ANNOUNCEMENT (ASX: WPL)

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## MEDIA

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## WOODSIDE RESERVES STATEMENT 31 DECEMBER 2006

### **HIGHLIGHTS:**

- *Proved plus Probable Reserves<sup>1</sup> of 1,579.9 MMboe were 336.1 MMboe (27%) higher than last year, largely as a result of new bookings from the Pluto and to a lesser extent the Pemberton and Persephone gas fields.*
- *The Proved<sup>2</sup> plus Probable<sup>3</sup> Reserves increase was a consequence of new bookings of 519.9 MMboe, partly offset by downward revisions of previous estimates (117.8 MMboe). The increase in Reserves provided an Organic Reserves Replacement Ratio of 609% for 2006.*
- *Proved Reserves increased by 293.2 MMboe (net) as result of new bookings (385.5 MMboe), annual production (66.0 MMboe) and other downward revisions (26.3 MMboe), resulting in a closing balance of 1,192.8 MMboe (33% increase).*
- *The three-year rolling average Proved plus Probable Reserves Replacement Ratio, excluding acquisitions and divestments, was 285%. Inclusive of acquisitions and divestments, the ratio was 253%.*
- *Contingent Resources fell by 453 MMboe to 3,141 MMboe primarily as a result of Pluto volumes being transferred to Reserves and divestment of Kipper. These were partly offset by a significant gas discovery at Xena (WA-350-P).*
- *Woodside's Proved plus Probable Reserves-to-production ratio in 2006 was 24 years, an increase of three years over that of 2005.*
- *95% of the company's Proved Reserves have been externally verified within the past four years.*

Woodside Petroleum Ltd. today announced its updated Reserves<sup>1</sup> estimates as at 31 December 2006. The company's Reserves are based on its operated and non-operated interests in Australia, Africa and the United States.

Contingent Resource<sup>4</sup> estimates are also reported and updated for discoveries made or evaluated during 2006, including the Xena and Persephone gas fields in Australia.

Woodside is an Australian company listed on the Australian Securities Exchange and reports its hydrocarbon resource estimates using definitions and guidelines prepared by the Society of Petroleum Engineers Inc. (SPE) and the World Petroleum Congresses (WPC). In accordance with the SPE/WPC guidelines, Woodside uses crude oil price forecasts and, where applicable, individual project production sales contract terms or other financial products for the purpose of Reserve estimation. Dry Gas Reserves are reported inclusive of LPG sales products. Unless otherwise stated, all hydrocarbon resource estimates are quoted as net Woodside share.

Woodside has several processes to provide assurance for its Reserves reporting, including Woodside's hydrocarbon Reserves Policy and management process, staff competency standards and training, and external Reserves audits. The audit program is aimed at having all major Reserves bookings verified, as a minimum, at least once every four years. More than 95% of Woodside's Proved<sup>2</sup> Reserves have been verified by independent review within the past four years.

## **Woodside's Overall Reserves Position**

As a result of production, drilling and studies in 2006, Woodside's Proved hydrocarbon Reserves as at 31 December 2006 were 1,192.8 million barrels of oil equivalent<sup>12</sup> (MMboe), 293.2 MMboe higher than at 31 December 2005. The Proved Reserves represent a Reserves-to-production ratio of 18 years at 2006 production rates (15 years at year end 2005) while the Proved plus Probable Reserves represent a Reserves-to-production ratio of 24 years at 2006 production rates (21 years at year end 2005). The corresponding Proved plus Probable Reserves were 1,579.9 MMboe, 336.1 MMboe higher than 2005.

Annual production<sup>5</sup> of 66.0 MMboe was replaced several times by new Reserves bookings for the Pluto LNG development, the Pemberton and Persephone gas discoveries in Australia, and the Claymore and Power Play gas fields in the United States of America. The Reserves Statement Annual Production differs from production volumes reported in the company's annual and quarterly reports (67.9 MMboe for 2006) due to differences in the sales product definitions and the "MMboe" conversion factors applied.

New Reserve bookings more than offset downward revisions on the Chinguetti oil field in Mauritania and the Enfield and Mutineer-Exeter oil fields in Australia. Other downward revisions comprised undeveloped Reserves within the Goodwyn, Dockrell, Keast, Sculptor and Rankin gas fields in Australia, plus minor changes to gas fields in the US Gulf of Mexico and at Ohanet in Algeria. Upward revisions were made to the North Rankin and Perseus gas fields in Australia and the Corallina and Legendre oil fields in Australia.

Woodside's overall Reserves Replacement Ratio<sup>6</sup> for 2006 was 544% at the Proved level and 609% at the Proved plus Probable level. The three-year rolling average Organic Reserves Replacement Ratio at the Proved level was 245% and 285% at the Proved plus Probable level.

At the Proved plus Probable level, approximately 96% of the company's Reserves are within Australia, 2% within Africa and 2% in the United States of America. Dry Gas represents about 77% of total Reserves (on a barrels of oil equivalent basis), with Condensate representing 9% and Oil 14%. About 2% of Woodside's Reserves are associated with African production sharing contracts or risk sharing contracts.

## **Australia**

### **North West Shelf**

Woodside's share of North West Shelf Dry Gas<sup>8</sup> Reserves was 3,192 Bcf Proved (3,153 Bcf in 2005) and 3,803 Bcf Proved plus Probable (4,107 Bcf in 2005). Woodside's share of venture Condensate<sup>9</sup> Reserves was 76.7 MMbbl Proved (78.5 MMbbl in 2005) and 103.4 MMbbl Proved plus Probable (116.3 MMbbl in 2005).

Woodside's share of North West Shelf Oil Reserves at year end 2006 was 18.6 MMbbl Proved (23.5 MMbbl in 2005) and 37.7 MMbbl Proved plus Probable (42.5 MMbbl in 2005). The reduction in Oil Reserves is due to 2006 production from the Wanaea, Cossack, Lambert and Hermes oil fields.

The annual Proved Reserves Replacement Ratio for North West Shelf exceeded 100%. New Reserves bookings were made for Pemberton (26 Bcf Dry Gas and 0.8 MMbbl Condensate Proved) and Persephone (109 Bcf Dry Gas and 2.3 MMbbl Condensate Proved). These were supplemented by upward Proved Reserves revisions (327 Bcf Dry Gas and 6.1 MMbbl Condensate) at the North Rankin and Perseus gas fields arising from a combination of multi-disciplinary studies and reservoir performance. The combined increases more than replaced annual production and downward revisions of 118 Bcf Dry Gas and 5.5 MMbbl Condensate to the combined undeveloped Proved Reserves of the Goodwyn, Dockrell, Keast, Sculptor and Rankin gas fields, based on the Goodwyn-10 well result and multi-disciplinary development studies.

The overall reduction in Proved plus Probable Reserves is due to production, downward revisions to the undeveloped Reserves of the Goodwyn, Dockrell, Keast, Sculptor and Rankin gas and non-technical revision of Upstream Fuel, Flare and Loss estimates. The overall net downward Proved plus Probable technical Reserves revision was 200 Bcf Dry Gas and 10 MMbbl Condensate. These reductions were partly offset by new Proved plus Probable Reserves bookings for Pemberton (34 Bcf Dry Gas and 1.1 MMbbl Condensate) and Persephone (141 Bcf of Dry Gas and 3.0 MMbbl of Condensate).

The non-technical downward Dry Gas Reserves revisions of 83 Bcf Proved and 90 Bcf Proved plus Probable were implemented to reflect current estimates of Upstream Fuel and Flare and to align the non-hydrocarbon content of Dry Gas Reserves with sales product specifications.

## **Pluto**

Technical studies and commercial negotiations to mature the Pluto LNG development made substantial progress in 2006 with the Woodside Board approving A\$1.4 billion for long-lead items. In addition, government heritage and environment approvals were received for preparation of the LNG storage tank site, on which work started in January 2007. Consequently, field development planning reached sufficient maturity to support the first reporting of Reserves associated with Woodside's Heads of Agreement with Tokyo Gas and Kansai Electric.

As a result, Woodside's share of Pluto Dry Gas<sup>8</sup> Reserves was 1,910 Bcf Proved and 2,581 Bcf Proved plus Probable. Woodside's share of Pluto Condensate<sup>9</sup> Reserves was 22.8 MMbbl Proved and 30.8 MMbbl Proved plus Probable. Only 90% of the Pluto Reserves have been booked (equivalent to 357.8 MMboe Proved and 483.6 MMboe Proved plus Probable), due to Kansai Electric and Tokyo Gas each having an option to purchase 5% equity in the project under the Heads of Agreements.

Project environmental approval and sanction is planned around mid-2007 with the first export of LNG expected by late 2010.

## **Laminaria and Corallina (AC/L5)**

Woodside's share of the combined Oil Reserves of Laminaria and Corallina was 5.8 MMbbl Proved and 14.7 MMbbl Proved plus Probable. Based on reservoir performance, upward revisions of 1.3 MMbbl were made to the combined project at the both the Proved and Proved plus Probable levels. The upward revisions were offset by production of 5.1 MMbbl during 2006.

## **Legendre North and South (WA-20-L)**

Woodside's share of the combined Oil Reserves of Legendre North and South was 0.2 MMbbl Proved and 0.9 MMbbl Proved plus Probable. Based on reservoir performance, upward revisions were made of 0.6 MMbbl (Proved) and 0.4 MMbbl (Proved plus Probable). The upward revisions were offset by production of 0.9 MMbbl during 2006.

## **Enfield (WA-28-L)**

Enfield development drilling finished in Q1 2006 and oil production started in July 2006. Oil Reserves attributable to Enfield were revised downward based on development drilling results and multi-disciplinary field studies. The 2007 work program includes acquisition of four-dimensional seismic over the field in Q1 2007 and the drilling of additional wells. The results of these activities and ongoing multi-disciplinary field studies will provide a basis for a further update to Enfield's Reserves in 2007. At year end 2006, Woodside's share of the Enfield project's remaining Oil Reserves was reduced to 27.1 MMbbl Proved, down from 57.9 MMbbl in 2005, and 44.1 MMbbl Proved plus Probable, down from 76.6 MMbbl. This includes production of 4.4 MMbbl during 2006.

## **Vincent (WA-28-L)**

Technical studies and commercial negotiations to mature the Vincent oil project culminated in formal sanction of the project by Woodside in March 2006. Woodside's share of Oil Reserves for Vincent was unchanged at year end, with 24.0 MMbbl Proved and 43.8 MMbbl Proved plus Probable. Development activities proceeded as planned during 2006 with development drilling due to start in 2007 and production scheduled to start during 2008.

## **Mutineer and Exeter (WA-26-L and WA-27-L)**

Ultimate recovery estimates for both fields were revised downwards due to development drilling. At year end 2006, as a result of this development drilling and production, Woodside's share of the combined remaining Oil Reserves was 0.9 MMbbl Proved, down from 2.7 MMbbl in 2005, and 2.1 MMbbl Proved plus Probable, down from 5.1 MMbbl.

## **Thylacine and Geographe (T/L2 and VIC/L23)**

Woodside's share of Dry Gas Reserves for Thylacine and Geographe was unchanged at year end, with 294 Bcf Proved and 450 Bcf Proved plus Probable. Woodside's share of Condensate<sup>9</sup> Reserves was 3.8 MMbbl Proved and 6.0 MMbbl Proved plus Probable. Onshore construction delays during 2006 resulted in a revised production start-up of 2007.

## **Stybarrow and Eskdale (WA-255-P)**

Woodside's share of the combined Stybarrow and Eskdale Oil Reserves was unchanged at year end 2006, with 27.0 MMbbl Proved and 35.2 MMbbl Proved plus Probable. Development drilling has begun and the fields are expected to start production during 2008.

## **Africa**

### **Chinguetti (Mauritania)**

The field is governed by a production sharing contract with the Government of Mauritania and Woodside's share of Reserves was determined in accordance with this contract. The booking of Reserves under these circumstances is recognised international practice and based on the "economic interest" approach where entitlement is calculated as the ratio of Woodside's share of revenue divided by total project revenue. For Chinguetti this yielded an economic interest of approximately 42%.

Oil production began in February 2006, but reservoir performance and multi-disciplinary studies have led to a reduction of project ultimate recovery. A single development well, Chinguetti-18 was drilled in January ahead of the acquisition of four-dimensional seismic over the field in Q1 2007 which will help the next phase of development drilling proposed for late 2007.

At year end 2006, Woodside's share of Chinguetti's remaining Oil Reserves was reduced to 11.7 MMbbl (Proved), down from 33.4 MMbbl in 2005, and 21.3 MMbbl Proved plus Probable, down from 50.7 MMbbl. This includes production of 4.4 MMbbl during 2006.

### **Ohanet (Algeria)**

Woodside has a 15% interest in the Ohanet project in Algeria (operated by BHP Billiton) which is governed by a risk services contract with Algeria's national oil company, Sonatrach. In this contract, participants agreed to develop several gas fields, provide gathering infrastructure and install a gas processing plant in return for the opportunity for cost recovery with a maximum return taken from the sale of gas-liquid by-products (LPG and Condensate). Woodside does not have any share in the sales gas delivered from the development.

As with production sharing contracts, Reserves associated with Woodside's interest in Ohanet are reported in accordance with the economic interest approach. Woodside has estimated equivalent Reserves volumes that reflect the value of this asset, using a five-year average Condensate price and an LPG price consistent with other Woodside Reserves estimations. Higher prices should not be applied to these volumes to estimate their value, as the risk service contract specifies a maximum return.

LPG has been categorised as Dry Gas<sup>8</sup> Reserves, consistent with Woodside Reserve definitions. Again, this does not imply any Woodside interest in the sales gas. The resulting Woodside share of Dry Gas Reserves is estimated to be 6 Bcf Proved and 7 Bcf Proved plus Probable. Woodside's share of Condensate Reserves is estimated to be 3.3 MMbbl Proved and 3.6 MMbbl Proved plus Probable. The revision in Reserves at both levels reflects revised project costs, effective production entitlement and revisions to future production forecasts.

## **United States of America**

### **Neptune (Gulf of Mexico Deep Water)**

Woodside share, net of royalty, of Neptune Reserves was unchanged at 13.0 MMbbl Oil and 8 Bcf Dry Gas Proved, and 19.6 MMbbl Oil and 12 Bcf Dry Gas Proved plus Probable. The Operator (BHP Billiton) advises that production is expected to begin in late 2007.

### **Claymore (Gulf of Mexico Deep Water)**

Claymore was a gas discovery in 2006. Field development planning reached sufficient maturity to support the first reporting of Reserves with Woodside share, net of royalty, being 5 Bcf Dry Gas Proved, and 11 Bcf Dry Gas Proved plus Probable. Project sanction is planned for 2007 with first production scheduled for 2009.

### **Power Play (Gulf of Mexico Deep Water)**

Power Play was an oil and gas discovery in 2006. Field development planning reached sufficient maturity to support the first reporting of Reserves with Woodside share, net of royalty, being 2 Bcf Dry Gas and 0.6

MMbbl Oil Proved, and 2 Bcf Dry Gas and 0.7 MMbbl Proved plus Probable. Project sanction is planned for 2007 with first production scheduled for mid-2008.

### **Other US fields (Gulf of Mexico Shelf Area)**

Woodside's remaining hydrocarbon assets associated in the United States of America comprise 22 predominantly gas fields in the shelf area of the Gulf of Mexico. These fields are either in production or under development.

The Brazos A39 (Midway), Galveston 298 and Mustang 804 gas fields began production in 2006.

The successful exploration well, High Island 131 #2 (King of the Hill) resulted in a minor new Reserves booking while no new Reserves were booked for Breton Sound 41 #B-8. Drilling results and revisions to prior estimates at Vermilion 16/17 and Breton Sound 41 led to downward revisions. In addition, if 2006 production is considered, Woodside's share at year end 2006 of the Proved Reserves from 22 assets was 35 Bcf of Dry Gas (down from 63 bcf in 2005), 0.6 MMbbl Condensate (down from 1.0 MMbbl in 2005), and 0.5 MMbbl Oil (unchanged from 2005). Woodside's share of Proved plus Probable Reserves was 56 Bcf Dry Gas (down from 95 bcf in 2005), 0.8 MMbbl Condensate (down from 1.8 MMbbl in 2005) and 1.0 MMbbl Oil (unchanged from 2005).

### **Contingent Resources**

Contingent Resources are those hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be technically mature and/or commercially viable.

All Contingent Resource volumes are reported at the 'Best Estimate' confidence level, net Woodside share. Gas estimates have been rounded to the nearest 100 Bcf and liquids to the nearest 1 MMbbl, appropriate for the current level of technical and/or commercial immaturity, and large volumetric uncertainty ranges associated with this type of estimate.

At 31 December 2006, Woodside's share of Contingent Resources was 3,141 MMboe, based primarily on the estimated recoverable hydrocarbon volumes associated with the following key assets:

- Torosa, Calliance and Brecknock: 9,600 Bcf of Dry Gas and 145 MMbbl of Condensate, unchanged from 2005 estimates. Field appraisal and development studies are continuing.
- Sunrise and Troubadour: 2,900 Bcf Dry Gas and 123 MMbbl Condensate, unchanged from 2005 estimates. Development of these fields continues to depend on confirmation of legal and fiscal agreements between the Governments of Australia and Timor-Leste, and a market for the gas.
- Pluto: First booking of Pluto Reserves resulted in a remaining Contingent Resource of 1,200 Bcf Dry Gas and 14 MMbbl Condensate. This estimate does not incorporate the results of the recent Pluto-5 appraisal well, which is part of an ongoing appraisal program.
- Xena: Contingent Resource volumes of 400 Bcf Dry Gas and 5 MMbbl Condensate. It is expected that Xena will be developed via Pluto infrastructure.
- Tiof, Banda and Tevet (Mauritania): Combined Contingent Resource volume of 600 Bcf Dry Gas, 5 MMbbl Condensate and 40 MMbbl Oil, reduced from 2005 as a result of appraisal studies and based on an economic interest of 40%.
- Chinguetti (Mauritania): 20 MMbbl Oil, increased as a result of development studies.
- Vincent, Laverda, Stybarrow and Eskdale: Combined Contingent Resource volume of 42 MMbbl Oil and 1 MMbbl Condensate, unchanged from 2005.
- Enfield: 11 MMbbl Oil, increased as a result of development studies.
- North West Shelf: 300 Bcf Dry Gas, 17 MMbbl Condensate and 17 MMbbl Oil, a small overall increase from 2005. Some Contingent Resources were matured to Reserves on North Rankin and Perseus. The maturation was largely offset by estimate revisions due to development studies and a new booking for Persephone (31 Bcf Dry Gas and 1 MMbbl Condensate).

## RESERVES OVERVIEW

(as at 31 December 2006)



<b>'PROVED' AND 'PROVED PLUS PROBABLE' RESERVES</b>								
<b>(million barrels of oil equivalent, Woodside share, as at 31 December 2006)</b>								
<b>Reserves Category</b>	<b>Year end 2005</b>	<b>Annual Prod.<sup>5</sup></b>	<b>Changes</b>	<b>Year end 2006</b>	<b>2006 RRR<sup>6</sup></b>	<b>Organic 2006 RRR<sup>6</sup></b>	<b>Three Year RRR<sup>6</sup></b>	<b>Organic Three Year RRR<sup>6</sup></b>
Proved <sup>2</sup>	899.6	-66.0	359.2	1,192.8	544%	544%	218%	245%
Proved plus Probable <sup>3</sup>	1,243.8	-66.0	402.1	1,579.9	609%	609%	253%	285%

<b>'PROVED PLUS PROBABLE' RESERVES ANNUAL RECONCILIATION BY PRODUCT</b>				
<b>(Woodside share, as at 31 December 2006)</b>				
	<b>Dry Gas<sup>8</sup> (Bcf)</b>	<b>Condensate<sup>9</sup> (MMbbl)</b>	<b>Oil (MMbbl)</b>	<b>Total (MMboe<sup>12</sup>)</b>
<b>Reserves (at 31 December 2005)</b>	<b>4,672</b>	<b>129.7</b>	<b>294.5</b>	<b>1,243.8</b>
Improved Recovery <sup>13</sup>	-	-	-	-
Revisions of previous estimates <sup>14</sup>	-303	-11.6	-53.2	-117.8
Extensions and Discoveries <sup>15</sup>	2,761	34.9	0.7	519.9
Acquisitions and divestments	-	-	-	-
Annual Production <sup>5</sup>	-209	-8.4	-20.9	-66.0
<b>Reserves (at 31 December 2006)</b>	<b>6,921</b>	<b>144.6</b>	<b>221.1</b>	<b>1,579.9</b>

<b>'PROVED PLUS PROBABLE' RESERVES SUMMARY BY PROJECT</b>				
<b>(Woodside share, as at 31 December 2006)</b>				
<b>Project</b>	<b>Dry Gas<sup>8*</sup> (Bcf)</b>	<b>Condensate<sup>9</sup> (MMbbl)</b>	<b>Oil (MMbbl)</b>	<b>Total (MMboe<sup>12</sup>)</b>
North West Shelf	3,803	103.4	37.7	808.2
Pluto	2,581	30.8	--	483.6
Thylacine and Geographe	450	6.0	-	84.9
Enfield	-	-	44.1	44.1
Vincent	-	-	43.8	43.8
Stybarrow and Eskdale	-	-	35.2	35.2
Neptune (USA)	12	-	19.6	21.7
Chinguetti (Mauritania)	-	-	21.3	21.3
Laminaria and Corallina	-	-	14.7	14.7
Other USA Fields	69	0.8	1.7	14.6
Ohanet (Algeria)	7	3.6	-	4.8
Exeter and Mutineer	-	-	2.1	2.1
Legendre	-	-	0.9	0.9
<b>Total</b>	<b>6,921</b>	<b>144.6</b>	<b>221.1</b>	<b>1,579.9</b>

\* Small differences are due to rounding to the nearest 1 Bcf.

## CONTINGENT RESOURCE OVERVIEW

(as at 31 December 2006)



<b>CONTINGENT RESOURCE ANNUAL RECONCILIATION BY PRODUCT*</b>			
<b>(Woodside share, as at 31 December 2006)</b>			
	<b>Dry Gas<sup>8</sup> (Bcf)</b>	<b>Condensate<sup>9</sup> (MMbbl)</b>	<b>Oil (MMbbl)</b>
<b>Contingent Resources (at 31 December 2005)</b>	<b>17,400</b>	<b>336</b>	<b>212</b>
Transfers to Reserves Category	-2,700	-28	–
Revisions of previous estimates <sup>14</sup> & rounding	300	1	-68
Extensions and Discoveries <sup>15</sup>	400	5	–
Acquisitions and divestments	-100	-3	-2
<b>Contingent Resources (at 31 December 2006)</b>	<b>15,300</b>	<b>311</b>	<b>142</b>

\* Gas estimates have been rounded to the nearest 100 Bcf and liquids to the nearest 1 MMbbl, appropriate for the current level of technical and/or commercial immaturity, and large volumetric uncertainty ranges associated with this type of estimate.

<b>MAJOR CONTINGENT RESOURCE PROJECTS*</b>			
<b>(Woodside share, as at 31 December 2006)</b>			
<b>Field(s)</b>	<b>Dry Gas<sup>8</sup> (Bcf)</b>	<b>Condensate<sup>9</sup> (MMbbl)</b>	<b>Oil (MMbbl)</b>
Torosa, Calliance and Brecknock	9,600	145	–
Sunrise and Troubadour	2,900	123	–
Pluto	1,200	14	–
Xena	400	5	
Tiof, Tevet and Banda (Mauritania)	600	5	40
Chinguetti (Mauritania)	–	–	20
Enfield, Vincent, Laverda, Stybarrow and Eskdale	–	1	53
North West Shelf Venture	300	17	17
Other <sup>16</sup> and rounding	300	1	12
<b>Total (by product)</b>	<b>15,300</b>	<b>311</b>	<b>142</b>
<b>Total (MMboe)</b>	<b>3,141</b>		

\* Gas estimates have been rounded to the nearest 100 Bcf and liquids to the nearest 1 MMbbl, appropriate for the current level of technical and/or commercial immaturity, and large volumetric uncertainty ranges associated with this type of estimate.

## Notes:

- 1 "Reserves" are estimated volumes that have been demonstrated to be producible from known resources in which the company has a material interest from a given date forward, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs. Woodside reports Reserves net of the upstream (offshore) gas required for production, processing and transportation to the customer (fuel and flare gas).
- 2 "Proved Reserves" are those Reserves which analysis of geological and engineering data suggests, to a high degree of certainty (90% confidence), are recoverable. There is relatively little risk associated with these Reserves.
- 3 "Probable Reserves" are those Reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. There is at least a 50% probability that the quantities actually recovered will exceed the sum of estimated Proved plus Probable Reserves.
- 4 "Contingent Resources" are those volumes associated with a hydrocarbon discovery for which implementation cannot be shown with sufficient confidence to be technically sound or commercially viable, but which could mature based on reasonable assumptions about the success of additional data gathering, improved reservoir management, a maturing technology from current research, relaxations in the market constraints and/or terms and conditions for implementing such a project. In general, there is a large degree of uncertainty associated with these volumetric estimates and they should not be assumed to necessarily represent future Reserves bookings.
- 5 "Annual Production" means the volumes of Dry Gas, Condensate and Oil (see Notes 8 and 9) produced during the year and converted to "MMboe" (see Note 12) for the specific purpose of Reserves reconciliation and the calculation of Annual Reserves Replacement Ratios. The Reserves Statement Annual Production differs from production volumes reported in the company's annual and quarterly reports (67.9 MMboe for 2006) due to differences in the sales product definitions and the "MMboe" conversion factors applied.
- 6 The term "Reserves Replacement Ratio" means Reserves change during the year, before the deduction of production, divided by production during the year. The term "Three-year Reserves Replacement Ratio" means Reserves change over the three years, before the deduction of production for that period, divided by production during the same period. The term "Organic annual Reserves Replacement Ratio" means Reserves change during the year, before the deduction of production and adjustment for acquisition and sales, divided by production during the year.
- 7 The term "Ultimate Recovery" means resource volumes which will ultimately be economically produced and equals production to date plus Reserves plus future own use offshore fuel and flare.
- 8 "Dry Gas" is defined as "C4 minus" hydrocarbon components including non-hydrocarbons. These volumes include LPG (propane and butane) resources. Dry Gas Reserves include "C4 minus" hydrocarbon components and non-hydrocarbon volumes that are present in sales products.
- 9 "Condensate" is defined as "C5 plus" hydrocarbon components for NWS Venture and Otway Basin fields, but is sales product for the Ohanet project.
- 10 "Bcf" means Billions ( $10^9$ ) of standard cubic feet of gas.
- 11 "MMbbl" means millions ( $10^6$ ) of standard barrels of oil and condensate.
- 12 "MMboe" means millions ( $10^6$ ) of barrels of oil equivalent. In common with international practice, Dry Gas volumes are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5,700 standard cubic feet of Dry Gas per 1 barrel of oil equivalent. Volumes of Oil and Condensate are converted from MMbbl to MMboe on a 1:1 ratio.
- 13 Reserves changes resulting from the application of improved recovery techniques and technologies.
- 14 Revisions representing changes in previous estimates of Reserves or Contingent Resources, either up or down, resulting from new information normally obtained from development drilling and production history or resulting from a change in economic factors.
- 15 Additions to Reserves or Contingent Resources that result from (1) increased areal extensions of previously discovered fields demonstrated to exist subsequent to the original discovery, and (2) discovery of Reserves in new fields or new reservoirs in old fields.
- 16 Includes Laminaria, Corallina, Legendre North and South, Mutineer-Exeter, Jahal, Kuda Tasi, Uramu, Thylacine, Geographe, Halladale, Black Watch and Neptune.

The information contained in this Reserves Statement has been compiled by Mr Ian F. Sylvester, Chief Reservoir Engineer and full-time employee of the company. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 18 years of relevant experience. Mr Sylvester has consented in writing to the inclusion of this information in this report.