

# ASX ANNOUNCEMENT



Woodside Petroleum Ltd.

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Australia

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## SECOND QUARTER REPORT FOR PERIOD ENDED 30 JUNE 2007

Comparative performance at a glance					
Corresponding period		Q2 2007	Q2 2006	Difference	Change %
Production	MMboe	17.0	15.6	+1.4	+9 %
Sales	MMboe	17.5	15.4	+2.1	+14 %
Revenue	A\$ million	970	848	+122	+14 %
Quarterly comparison		Q2 2007	Q1 2007		
Production	MMboe	17.0	18.0	-1.0	-6%
Sales	MMboe	17.5	17.2	+0.3	+2 %
Revenue	A\$ million	970	899	+71	+8 %
Half year comparison		1H 2007	1H 2006		
Production	MMboe	35.0	29.9	+5.1	+17 %
Sales	MMboe	34.7	29.1	+5.6	+19 %
Revenue	A\$ million	1869	1568	+301	+19 %

### Key Points

#### Increased production compared to previous corresponding periods primarily due to :

- Contribution from Enfield production since July 2006. During Q2 production stabilised at around 50,000 bopd.
- Strong performance from the Cossack Pioneer.

#### Decreased production compared to previous quarter primarily due to :

- The sale of Legendre (finalised Q1 2007).
- Reduced production at Chinguetti.

#### Increased sales volume and revenue :

- Revenue increases occurred mainly in response to higher sales and production volumes. LNG sales volume were also good with NWSV delivering 53 cargoes (495 kt) in Q2 2007, compared to 49 (455 kt) in Q1. This included one spot cargo during June 2007.

#### Outlook :

- Woodside is expecting Otway start-up to supplement production during the second half of 2007, with the potential for production from Neptune and Stybarrow in late Q4.
- Pluto is progressing towards consideration of a Final Investment Decision by the Board within the next two months.

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## Production Summary

The company's share of production and sales for the quarter ended 30 June 2007 was:

		Q2 2007	Q1 2007	Q2 2006	6 months 2007	6 months 2006
DOMESTIC GAS	Deliveries (av. TJ/d)	271	275	263	273	262
NWSV LIQUEFIED NATURAL GAS (LNG)	Production (t)	473,512	483,822	490,956	957,334	959,281
	Sales Delivered (t)	495,083	455,705	459,834	950,788	921,642
	Cargoes Delivered	53	49	47	102	97
NWSV CONDENSATE	Production (bbl)	1,881,819	2,017,360	1,759,451	3,899,179	3,733,666
	Sales (bbl)	1,698,913	1,917,835	1,767,437	3,616,748	3,661,128
COSSACK OIL	Production (bbl)	1,305,645	1,149,225	1,110,742	2,454,870	1,861,714
	Sales (bbl)	1,289,856	1,184,360	1,085,523	2,474,216	1,837,822
NWSV LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	31,859	37,193	30,094	69,052	65,413
	Sales (t)	35,689	36,060	35,981	71,749	67,813
LAMINARIA- CORALLINA OIL	Production (bbl)	787,851	1,245,800	1,081,518	2,033,651	1,977,370
	Sales (bbl)	1,113,495	1,137,594	1,247,865	2,251,089	2,137,320
LEGENDRE OIL*	Production (bbl)	-	198,936	141,191	198,936	361,980
	Sales (bbl)	-	-	-	-	277,738
MUTINEER – EXETER OIL	Production (bbl)	308,470	276,549	212,754	585,019	501,420
	Sales (bbl)	312,477	261,453	204,466	573,930	511,652
ENFIELD OIL	Production (bbl)	2,477,203	2,477,018	-	4,954,221	-
	Sales (bbl)	2,444,098	2,573,685	-	5,017,783	-
GULF OF MEXICO GAS	Production (MMBtu) <sup>3</sup>	3,124,458	3,741,537	3,138,380	6,865,995	5,327,661
	Sales (MMBtu) <sup>3</sup>	3,124,458	3,741,537	3,138,380	6,865,995	5,327,661
GULF OF MEXICO CONDENSATE	Production (bbl) <sup>3</sup>	45,530	70,336	72,727	115,866	122,353
	Sales (bbl) <sup>3</sup>	45,530	70,336	72,727	115,866	122,353
GULF OF MEXICO OIL	Production (bbl) <sup>3</sup>	3,522	4,385	3,373	7,907	5,556
	Sales (bbl) <sup>3</sup>	3,522	4,385	3,373	7,907	5,556
<b>Sub Total</b>	<b>Production (boe)#</b>	<b>15,856,256</b>	<b>16,739,705</b>	<b>13,461,976</b>	<b>32,595,961</b>	<b>26,318,597</b>
	<b>Sales (boe)#</b>	<b>16,177,566</b>	<b>16,190,072</b>	<b>13,232,654</b>	<b>32,367,638</b>	<b>25,954,345</b>

### Production Sharing Contract (PSC) Volumes & Risk Sharing Contract (RSC) Derived Volumes

CHINGUETTI OIL (PSC)	Production (bbl) <sup>2</sup>	585,046	721,399	1,554,022	1,306,445	2,431,735
	Sales (bbl) <sup>2</sup>	789,889	450,415	1,588,836	1,240,304	1,989,374
OHANET CONDENSATE ENTITLEMENT (RSC)	Production (bbl) <sup>1</sup>	335,240	343,097	335,891	678,337	685,862
	Sales (bbl) <sup>1</sup>	335,240	343,097	335,891	678,337	685,862
OHANET LPG ENTITLEMENT (RSC)	Production (t) <sup>1</sup>	27,297	27,936	27,350	55,233	55,846
	Sales (t) <sup>1</sup>	27,297	27,936	27,350	55,233	55,846
<b>Sub Total</b>	<b>Production (boe) #</b>	<b>1,143,783</b>	<b>1,293,225</b>	<b>2,113,844</b>	<b>2,437,008</b>	<b>3,574,842</b>
	<b>Sales (boe) #</b>	<b>1,348,626</b>	<b>1,022,241</b>	<b>2,148,658</b>	<b>2,370,867</b>	<b>3,132,481</b>
<b>TOTAL</b>	<b>Production (boe) #</b>	<b>17,000,039</b>	<b>18,032,930</b>	<b>15,575,820</b>	<b>35,032,969</b>	<b>29,893,439</b>
	<b>Sales (boe) #</b>	<b>17,526,192</b>	<b>17,212,313</b>	<b>15,381,312</b>	<b>34,738,505</b>	<b>29,086,826</b>

1 RSC derived volumes have been calculated using the 10 year oil price at the time of initial production

2 PSC volumes have been calculated using provisional pricing for the quarter in accordance with the terms of the Production Sharing Contract with the Islamic Republic of Mauritania. Chinguetti sales volumes rose 75% during Q2 2007 compared to Q1 2007, largely due to lifting schedules.

3 Gulf of Mexico production and sales volumes are net of royalties

# Conversion Factors (see page 3)

\* Legendre sale was completed in Q1 2007

## Conversion Factors

(boe) = barrel of oil equivalent (TJ)= Terajoules (t) = tonne (bbl) = barrel (MMBtu) = Million British Thermal Units

(MMcftg) = million cubic feet of gas (Bcf) = billion cubic feet of gas (kt) = thousand tonnes

Product	Factor	Conversion Factors*
Domestic Gas	1TJ =	163.6 boe
Liquefied Natural Gas (LNG)	1 tonne =	8.9055 boe
Condensate	1 bbl =	1.000 boe
Oil	1 bbl =	1.000 boe
Liquefied Petroleum Gas (LPG)	1 tonne =	8.1876 boe
Gulf of Mexico Gas	1 MMBtu =	0.1724 boe

\* minor changes to some conversion factors can occur over time due to gradual changes in the process stream

## Production Activities

### AUSTRALIA

- **North West Shelf Venture Gas:**

**Domestic Gas:** Production of 589 TJ per day (Woodside share: 271 TJ per day) decreased from 612 TJ per day (Woodside share: 275 TJ per day) in the previous quarter due to lower customer off-take against contracted volumes.

**LNG:** Production of 33,069 tonnes per day (Woodside share: 5,203 tonnes per day) was lower than the previous quarter of 33,660 tonnes per day (Woodside share: 5,376 tonnes per day) due to a planned Train 3 maintenance shutdown in May and Train 4 inspection requirements in June. A 28-day planned shutdown (which includes normal maintenance) of Train 4 has been confirmed for September.

**Condensate:** Production of 93,779 bbl per day (Woodside share: 20,679 bbl per day) was lower than the previous quarter of 101,554 bbl per day (Woodside share: 22,415 bbl per day) due to reduced gas production rates during LNG shutdowns.

**LPG:** Production of 2,194 tonnes per day (Woodside share: 350 tonnes per day) was lower than the previous quarter of 2,562 tonnes per day (Woodside share: 413 tonnes per day) due to reduced gas production rates during LNG shutdowns.

- **North West Shelf Venture Oil:**

**Cossack Pioneer:** Production of 86,086 bbl per day (Woodside share: 14,348 bbl per day) was higher than the previous quarter of 76,615 bbl per day (Woodside share: 12,769 bbl per day) due to the new production well Lambert-7 coming on line at the end of March and higher facility uptime.

- **Laminaria and Corallina:**

Combined production of 13,235 bbl per day (Woodside share: 8,658 bbl per day) was lower than the previous quarter of 21,292 bbl per day (Woodside share: 13,828 bbl per day) due to natural field decline and an 18-day planned maintenance shutdown in May.

- **Mutineer-Exeter:**

Production of 41,341 bbl per day (Woodside share: 3,390 bbl per day) was higher than the previous quarter of 37,473 bbl per day (Woodside share: 3,073 bbl per day) due to stable field performance.

- **Enfield:**

Production of 45,370 bbl per day (Woodside share: 27,222 bbl per day) was slightly lower than the previous quarter of 45,871 bbl per day (Woodside share: 27,522 bbl per day) due to an 8-day shut down to rectify electrical equipment. Woodside is currently drilling a sidetrack to the ENA-03 production well which has been shut-in since October 2006.

## AFRICA

- **Mauritania - Chinguetti:**

Gross production of 1,403,042 bbl was achieved for the quarter. Woodside's entitlement of 585,046 bbl is determined in accordance with the terms of the Production Sharing Contract.

Gross average production of 15,418 bbl per day (Woodside share: 6,429 bbl per day) was lower than the previous quarter of 18,333 bbl per day (Woodside share: 8,016 bbl per day). After a brief shut-in during early June, production did not return to pre shut-in levels of around 18,000 bbl per day. At 10 July 2007 production was approximately 12,000 bbl per day, with remedial work on gas lift equipment required.

The recently acquired 4D seismic data over Chinguetti is being processed for interpretation to assist in the identification of optimal future development well opportunities.

- **Algeria - Ohanet:**

Woodside's share of the revenue entitlement received by the Ohanet Joint Venture was US\$13.4 million for the three months from April to June 2007 which equates to 335,240 bbl of condensate and 27,297 tonnes of LPG. These derived volumes were calculated using the 10 year oil price at the time of initial production.

## UNITED STATES

- **Gulf of Mexico:**

Woodside's share of production during the quarter was 49,052 bbl of liquids and 3,124,458 MMBtu of gas. These volumes were produced from between 15 and 17 fields in the Gulf of Mexico during Q2 2007. Mustang Island 804 remained shut-in for the entire quarter. Pipeline installation work commenced in May and production has been re-established since the end of the quarter.

At the end of Q2 2007 Gulf of Mexico production was approximately 29.5 MMcfg per day and 460 bbl of liquids per day.

## Development Activities

### AUSTRALIA

- **North West Shelf Venture:**

**LNG Phase V Expansion Project:** Engineering and procurement activities are complete and all prefabricated modules have been received in Karratha where construction activities are ongoing. The project remains on schedule for first LNG shipment by Q4 2008.

**Perseus over Goodwyn Project:** Work is progressing towards an October 2007 start-up for the first well. Subsea installation activities are well advanced and drilling activities have commenced.

**Angel Project:** Work is progressing towards a Q3 2008 start-up. Jacket fabrication in China is progressing at a satisfactory rate towards an August load-out. Topsides fabrication in Malaysia continues.

- **Otway Gas Project:** Project execution is well advanced with offshore activities complete. As part of pre-commissioning activities, Woodside is progressively taking over control of the plant from Technip. Start-up is expected by the end of August.
- **Stybarrow Oil Project:** BHP Billiton (operator) advises the project is progressing towards an end Q4 2007 project start-up. The FPSO is expected to sail away from Singapore in August 2007. Installation of subsea flowlines and umbilicals is progressing.
- **Vincent Oil Project:** The project is progressing towards a Q3 2008 start-up. Fabrication of topsides facilities in Thailand is well advanced with the first batch of modules completed, transported to the Singapore shipyard and installed on the deck of the FPSO vessel. The gas injector and one of two water injector wells have been drilled. The successful Vincent-3 appraisal well was drilled during the quarter, prior to commencing the development drilling campaign.

- **Pluto:** During the quarter, Front End Engineering and Design for onshore and offshore facilities was being finalised. The project is progressing towards consideration of a final investment decision within the next two months.

The Pluto-6 appraisal well was drilled approximately 1.6km SE of Pluto-5 in 1,006m of water, successfully locating the reservoir objective and providing essential information to support development drilling.

Infrastructure and production licences for the project have now been offered by the Joint Authority of the State and Commonwealth Governments.

On 9 July the Western Australian Environmental Protection Authority published its Bulletin, which recommends that the Pluto LNG Development be allowed to proceed subject to agreement being reached on environmental impact offsets and compliance with specified conditions. Final environmental approval is expected during Q3 2007.

- **Browse:** Appraisal of the Torosa and Calliance fields will continue with further 3D seismic planned for 2H 2007. Operations for the Calliance-2 appraisal well were completed and the well was abandoned as planned. The top hole sections of Snarf-1 exploration well and Torosa-4 appraisal well were drilled. It is currently planned that a rig will return to drill the bottom hole section of these wells later in the year. Feasibility studies on development options are ongoing.
- **Sunrise:** Activity is focussed on reviewing technical, economic, environmental and other drivers to support a potential development of the Greater Sunrise gas fields. Seismic data is currently being reprocessed and the requirement to drill further appraisal wells is being evaluated.

## UNITED STATES – Gulf of Mexico

- **Gulf of Mexico Deep Water Projects**

**Neptune** (Atwater Valley): BHP Billiton (operator) advises the project is progressing and anticipates first production by late Q4 2007. The tension leg platform has been secured at the location.

**Claymore** (Atwater Valley): The lease is held under a 180-day continuous operations lease provision. Anadarko (operator) is proposing additional development drilling.

**Power Play** (Garden Banks): Anadarko (operator) has prepared a development plan encompassing one well subsea tieback to existing infrastructure. Further development work will commence upon partner approval.

## Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q2 2007 were:

Well Name	Basin/ Area	Target	Woodside's Interest (%)	Spud Date	Water Depth (metres)	Total Well Depth <sup>2</sup> (metres)	Remarks
<b>AUSTRALIA</b>							
Calliance-2	Browse, WA-28-R	Gas	25.00	24 Feb	501	4,188	Appraisal <sup>6</sup>
Pluto-6	Pluto Field, WA-350-P	Gas	100.00	12 Apr	1,006	3,295	Appraisal <sup>6</sup>
Vincent-3	Exmouth, WA-28-L	Oil	60.00	13 Apr	348	1,824	Appraisal <sup>6</sup>
Ixion-1	Carnarvon, WA-370-P	Gas	50.00	9 May	1,335	2,778	Exploration <sup>4</sup>
Snarf-1	Browse, WA-275-P	Gas	25.00	2 Jun	1,433	3,298	Exploration <sup>4</sup>
Belicoso-1	Carnarvon, WA-347-P	Gas	100.00	12 Jun	1,446	2,016 <sup>1</sup>	Exploration <sup>4</sup>
Calthorpe-1	Carnarvon, WA-271-P	Oil	60.00	16 Jun	824	1,681	Exploration <sup>4</sup>
Torosa-4	Browse, WA-30-R	Gas	50.00	25 Jun	467	4,373 <sup>1</sup>	Appraisal <sup>4</sup>
<b>AFRICA</b>							
C1-NC206	Libya, Sirte Basin	Oil & Gas	45.00	16 Mar	Onshore	3,028	Hydrocarbons encountered – non-commercial
A1-35-3	Libya, offshore	Oil	55.00	14 Apr	700	5,395	Hydrocarbon shows – non-commercial
A1-NC209ST	Libya, Sirte Basin	Oil / Gas	45.00	18 May	Onshore	4,178	Testing operations underway <sup>5</sup>
A1-36-2	Libya, offshore	Oil / Gas	55.00	31 May	1,090	3,405	Unsuccessful
<b>UNITED STATES</b>							
Ashiko-1, ST01	GOM, MU 803	Gas	75.00	22 May	41	2,467	Hydrocarbons encountered – non-commercial

1 Proposed total depth

2 Reported depths referenced to the rig rotary table

3 Not operated by Woodside

4 Top hole section of these wells have been drilled and suspended. A rig will return to drill the bottom hole later in the year.

5 The A1ST-NC209 sidetrack, located in the Onshore Sirte Basin Libya is designed to evaluate hydrocarbon zones encountered in the 2006 A1-NC209 exploration well. This sidetrack spudded on 18 May 2007 and successfully reached a total depth of 4,178m with two oil zones encountered (interpreted to represent a net pay interval of approximately 6m). As at the end of the quarter, a 7" liner had been run in preparation for testing operations. Woodside's onshore Libya targets are generally in the range of 20 to 50MMboe, however smaller accumulations can be economic if they are in the vicinity of existing infrastructure.

6 Further remarks are provided in the Development Activities section

### Geophysical surveys conducted during Q2 2007 were:

Location	Survey name	Type	3D (sq km full fold) 2D (line km full fold) CSEM (receiver line length)
<b>AUSTRALIA</b>			
WA-347-P, WA-348-P, WA-353-P	Cazadores	CSEM <sup>1</sup>	185 km
WA-350-P, WA-370-P, WA-269-P	Flanders	CSEM <sup>1</sup>	75 km
WA-294-P	Arachnid	CSEM <sup>1</sup>	42 km
WA-271-P	Norton	CSEM <sup>1</sup>	18 km

1 CSEM = Control Source Electro-Magnetics

2 Not operated by Woodside

## Exploration or appraisal wells planned to commence in Q3 2007:

Well Name	Basin / Area	Target	Woodside's Interest (%)	Water Depth (metres)	Proposed Total Depth <sup>1</sup> (metres)	Remarks
<b>AUSTRALIA</b>						
Lady Nora-1	Carnarvon, WA-28-P	Gas	15.78	78	3,526	Exploration
Ixon-1 <sup>3</sup>	Carnarvon, WA-370-P	Gas	50.00	1,335	3,103	Exploration
Belicoso-1 <sup>3</sup>	Carnarvon , WA-347-P	Gas	100.00	1,446	2,550	Exploration
Norbil-1	Carnarvon, WA-1-P	Gas	45.94	65	3,550	Exploration
<b>AFRICA</b>						
B1-NC209	Libya, Sirte Basin	Oil	45.00	Onshore	4,465	Exploration
A1-NC207	Libya, Sirte Basin	Oil	45.00	Onshore	2,368	Exploration
A1-53-2	Libya, Offshore	Oil	55.00	275	2,185	Exploration
A1-52-4	Libya, Offshore	Oil	55.00	637	3,095	Exploration
<b>UNITED STATES</b>						
Corona Del Mar-1	GOM, GC949	Oil	14.25	1,636	8,314	Exploration

1 Reported depths referenced to the rig rotary table

2 Not operated by Woodside

3 Re-enter well and drill bottom hole section.

## PERMITS AND LICENCES:

Key changes to permit and licence holdings during the quarter are noted below (some transactions may be subject to government and regulatory approval).

- **Duntroon Sub-Basin (Great Australian Bight)**

Woodside has relinquished its 90% interest in EPP 31 as part of portfolio high-grading, but still holds interest in neighbouring permits EPP 28, EPP 29 and EPP 30.

- **Papua New Guinea**

Woodside sold its 40.45% interest in Petroleum Retention Lease 10 issued by the Government of PNG to ML Energy Investment Fund International. The sale was completed on 28 May and signifies completion of Woodside's exit from PNG as part of ongoing portfolio management.

## Sales Revenue and Expenditure

The company's share of sales revenue and exploration, evaluation and capital expenditure for the quarter was:

<i>Amounts in A\$ million</i>		<b>Q2 2007</b>	<b>Q1 2007</b>	<b>Q2 2006</b>	<b>6 months 2007</b>	<b>6 months 2006</b>
<b>Sales Revenue</b>						
<b>NWS</b>	Domgas & LNG	238.0	237.5	243.7	475.5	494.5
	Condensate	152.3	140.6	154.9	292.9	312.1
	Cossack Oil	115.4	92.5	105.0	207.9	168.1
	Liquefied Petroleum Gas	25.8	26.3	23.9	52.1	54.0
<b>Laminaria</b>	Oil	95.8	88.5	111.2	184.3	182.4
<b>Legendre</b>	Oil	-	4.9	-	4.9	28.2
<b>Mutineer Exeter</b>	Oil	27.2	22.4	18.4	49.6	49.1
<b>Enfield</b>	Oil	204.6	191.4	-	396.0	-
<b>Ohanet</b>	Condensate	9.6	10.4	10.8	20.0	22.3
	Liquefied Petroleum Gas	6.5	6.9	7.3	13.4	14.9
<b>Gulf of Mexico</b>	Gas <sup>1</sup>	31.1	40.4	31.9	71.5	63.2
	Condensate <sup>1</sup>	3.7	5.2	6.6	8.9	11.5
	Oil <sup>1</sup>	0.2	0.3	0.3	0.5	0.6
<b>Chinguetti</b>	Oil	59.5	32.0	134.0	91.5	167.0
<b>Total</b>		<b>969.7</b>	<b>899.3</b>	<b>848.0</b>	<b>1,869.0</b>	<b>1,567.9</b>
<b>Exploration and Evaluation Expenditure</b>						
	Exploration Expensed	111.5	74.4	87.3	185.9	185.8
	Permit Amortisation	22.4	20.2	17.2	42.6	33.6
	Evaluation Expensed	0.6	3.1	5.0	3.7	10.0
<b>Total</b>		<b>134.5</b>	<b>97.7</b>	<b>109.5</b>	<b>232.2</b>	<b>229.4</b>
<b>Capital Expenditure</b>						
	Exploration Capitalised <sup>2,3</sup>	34.0	14.7	108.7	48.7	152.8
	Evaluation Capitalised <sup>3</sup>	268.1	85.7	66.1	353.8	156.2
	Oil & Gas Properties <sup>3</sup>	387.0	495.2	375.1	882.2	695.1
	Other Property, Plant & Equipment	14.0	4.3	11.7	18.3	12.4
<b>Total</b>		<b>703.1</b>	<b>599.9</b>	<b>561.6</b>	<b>1,303.0</b>	<b>1,016.5</b>

1 Gulf of Mexico revenue has been reported net of royalties and net of any realised gain/loss on hedges that are recognised in the Income Statement.

2 Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.

3 Projects which have achieved Final Investment Decision, result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil & Gas Properties. The table above does not reflect the impact of such transfers. The impact of the transfers will be reflected in the half-year financial report.