

Contents 2001

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STATEMENTS OF FINANCIAL PERFORMANCE

For the Year ended 31 December 2001

	Notes	Economic Entity		Chief Entity	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
Revenues from oil & gas operations	2(a)	2,398,305	2,347,449	-	-
Cost of sales	2(b)	(975,352)	(874,049)	-	-
Gross profit		1,422,953	1,473,400	-	-
Other revenues from ordinary activities	2(c)	288,482	184,281	501,842	551,994
Share of associates net profits / (losses)	2(d)	(2,584)	188	-	-
Borrowing costs expensed	2(e)	(102,766)	(116,932)	-	-
Other expenses from ordinary activities	2(f)	(345,325)	(133,661)	(34,834)	(29,719)
Profit from ordinary activities before Income Tax		1,260,760	1,407,276	467,008	522,275
Income Tax attributable to ordinary activities	3	(351,207)	(440,639)	(3,555)	(8,962)
Net Profit attributable to members of Woodside Petroleum Ltd.	4	909,553	966,637	463,453	513,313
Basic earnings per share (cents)	5	136.4	145.0		
Dividend per share (cents / share)	6	70.0	82.0		

The accompanying notes form part of the financial report.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2001

	Notes	Economic Entity		Chief Entity	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
CURRENT ASSETS					
Cash assets	31	160,556	275,035	-	-
Receivables	7	426,990	566,818	398,749	496,018
Inventories	8	34,963	27,203	-	-
Other financial assets	9	172,564	349,072	-	-
Other assets	10	41,556	57,076	-	-
TOTAL CURRENT ASSETS		836,629	1,275,204	398,749	496,018
NON CURRENT ASSETS					
Receivables	11	351,317	108,654	357,838	336,892
Inventories	12	4,365	3,700	-	-
Equity accounted investments	13	33,023	552	-	-
Other financial assets	14	311,361	435,557	392,471	413,024
Exploration, evaluation and development	15	1,467,508	1,309,752	-	-
Property, plant and equipment	16	2,584,486	2,430,734	-	-
Deferred tax assets	17	402	323	401	322
Other assets	18	525,775	404,322	-	-
TOTAL NON CURRENT ASSETS		5,278,237	4,693,594	750,710	750,238
TOTAL ASSETS		6,114,866	5,968,798	1,149,459	1,246,256
CURRENT LIABILITIES					
Payables	19	354,941	452,284	-	11
Interest bearing liabilities	20	-	333,454	-	-
Current tax liabilities	21	94,658	196,529	6,306	7,333
Provisions	22	360,394	452,444	306,667	400,000
Other liabilities	23	204,602	375,940	-	-
TOTAL CURRENT LIABILITIES		1,014,595	1,810,651	312,973	407,344
NON CURRENT LIABILITIES					
Interest bearing liabilities	24	1,662,104	1,081,471	-	-
Deferred tax liabilities	25	645,065	599,043	-	-
Provisions	26	98,423	75,568	1,591	803
Other liabilities	27	140,505	290,777	15,536	15,536
TOTAL NON CURRENT LIABILITIES		2,546,097	2,046,859	17,127	16,339
TOTAL LIABILITIES		3,560,692	3,857,510	330,100	423,683
NET ASSETS		2,554,174	2,111,288	819,359	822,573
EQUITY					
Contributed equity	28	708,291	708,291	706,491	706,491
Reserves	29	81,907	81,907	93,725	93,725
Retained profits	30	1,763,976	1,321,090	19,143	22,357
TOTAL EQUITY		2,554,174	2,111,288	819,359	822,573

The accompanying notes form part of the financial report.

STATEMENTS OF CASH FLOWS

For the Year ended 31 December 2001

	Notes	Economic Entity		Chief Entity	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,380,766	2,346,177	-	-
Interest received – controlled entities		-	-	4,151	2,961
Interest received – other entities		14,592	14,322	6,039	5,847
Dividends received – controlled entities		-	-	560,000	249,423
Dividends received – other entities		9,813	8,289	-	-
Payments to suppliers and employees		(522,841)	(338,025)	(5,029)	(4,821)
Borrowing costs paid (net of capitalised amounts)		(94,115)	(124,520)	-	-
Management and other fees – other entities		24,304	35,553	337	428
Royalty, Excise and PRRT payments		(297,001)	(213,849)	-	-
Income tax / GST paid		(407,130)	(234,704)	(4,661)	(1,688)
Net Cash from Operating Activities	31(b)	1,108,388	1,493,243	560,837	252,150
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for exploration, evaluation & development		(361,500)	(408,299)	-	-
Payments for property, plant and equipment		(382,333)	(82,727)	-	-
Proceeds from sale of investments		-	-	24,648	-
Proceeds from sale of exploration, evaluation & development		-	116,396	-	-
Proceeds from sale of property, plant and equipment		10,647	8,616	-	-
Investments in controlled entities		-	-	(7,545)	(26,625)
Investments in other entities		(57,207)	(25,083)	-	-
Advances(to)/from other entities		-	(26,500)	-	-
Loans for employee share plan		(20,946)	(9,926)	(20,946)	(9,926)
Net Cash (used in) Investing Activities		(811,339)	(427,523)	(3,843)	(36,551)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		1,741,184	199,115	-	-
Repayment of borrowings		(1,592,756)	(894,513)	-	-
Advances (to)/from controlled entities		-	-	3,006	37,734
Advances(to)/from other entities		(1,050)	827	-	-
Dividends paid		(560,000)	(253,333)	(560,000)	(253,333)
Debt establishment costs paid		(5,836)	-	-	-
Net Cash from/(used in) Financing Activities		(418,458)	(947,904)	(556,994)	(215,599)
NET INCREASE / (DECREASE) IN CASH HELD		(121,409)	117,816	-	-
CASH AT BEGINNING OF FINANCIAL YEAR		275,035	136,886	-	-
Effects of exchange rate changes on the balances of cash held in foreign currencies		6,930	20,333	-	-
CASH AT THE END OF THE FINANCIAL YEAR	31(a)	160,556	275,035	-	-

The accompanying notes form part of the financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 which includes Accounting Standards and Urgent Issues Group Consensus Views. Unless otherwise stated, the accounting policies adopted are consistent with those of the preceding year.

The financial report has been prepared in accordance with the historical cost accounting convention, except for hedge financial instruments that are measured on a mark-to-market basis (also see Note 33(b)).

Where appropriate, figures for the financial year ended 31 December 2000 have been re-stated to make them comparable with amended classifications adopted for the financial year ended 31 December 2001.

(b) Consolidation Principles

Consolidated financial statements are prepared on an Economic Entity basis for Woodside Petroleum Ltd. (the "Chief Entity") and the entities ("Controlled Entities") it controlled from time to time during the financial year and at year-end.

In preparing the financial report, the effects of all transactions between entities within the Economic Entity are eliminated in full.

(c) Joint Ventures

A significant proportion of the Economic Entity's operations is carried on through unincorporated joint ventures with other parties. The Economic Entity's interests in these joint venture operations are brought to account on a proportionate basis. The Economic Entity's share of the assets of joint ventures is disclosed in Note 43. Equity accounting has not been adopted for the Joint Venture entities that are integrated components of the North West Shelf Joint Ventures due to their immateriality.

The Economic Entity's interests in joint venture partnerships are brought to account by applying the equity accounting method.

(d) Set-off and Extinguishment of Debt

Assets and liabilities are set-off where the Economic Entity intends to exercise a legal or equitable right of set-off.

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and it can be reliably measured. Specific revenue recognition criteria include:

Sales are recognised when title to the product passes from the Economic Entity.

Unearned sales revenue represents the difference between gas actually taken and gas billed under contractual 'take-or-pay' arrangements. These amounts are held as a liability until actual gas deliveries are made.

Interest revenue is recognised as it accrues.

Revenue for services rendered (LNG ship charter and Management and other fees) is recognised as the right to receive compensation for the services is attained.

Proceeds on sale of EE&D and PP&E are recognised when control of assets has passed to the buyer.

(f) Costs

Costs and expenses are recognised when it is probable that the consumption or loss of future economic benefits has occurred and can be reliably measured. Specific cost recognition criteria are addressed below.

(g) Foreign Currency

The Economic Entity is Australian based however, as a function of its industry segment of Oil & Gas, operates predominantly in US dollars (particularly sales, receivables and borrowings) and is accordingly exposed to risks arising from fluctuations in currency exchange rates.

Transactions

Foreign currency transactions are initially translated into Australian dollars at the rate of exchange applying on the date of the transaction. The subsequent receipt or payment of funds relating to the transaction is translated at the rate applicable on the date of receipt or payment.

Assets and liabilities at balance date are translated at the rate of exchange prevailing on balance date.

Except in relation to certain hedges (see section below) exchange gains and losses, whether realised or unrealised, from the translation of assets and liabilities are recognised in the Statement of Financial Performance.

Hedges

Unrealised gains or costs arising from the revaluation of foreign currency loans, which are a hedge against specific future foreign currency sales revenues, are deferred to the balance sheet and brought to account in the operating profit in the year that the future transactions occur.

Unrealised gains or costs related to transactions designated as hedges of anticipated transactions are measured on a mark-to-market basis, deferred and included in the measurement of the underlying transaction.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discounts or premiums arising on entry into hedges are brought to account at the time of entry into the hedges and are amortised over the life of the hedges.

Exchange gains or costs on foreign currency hedges of general commitments are recognised in the Statement of Financial Performance in the period in which the exchange rates change.

Foreign Operations

Each foreign operation is accounted for in its functional currency. All foreign operations are integrated operations, the financial statements of these operations are translated using the temporal rate method. No foreign operation is accounted for in a currency having a high rate of inflation.

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement to reflect the risks and benefits incidental to ownership. For 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.

(i) Earnings per Share

Earnings per share is determined by dividing the operating profit after tax by the weighted average number of ordinary shares outstanding during the financial year.

(j) Current Assets and Liabilities

Current assets and liabilities are recognised on the basis of assets expected to be realised or consumed and liabilities expected to be settled within the next twelve months.

(k) Cash

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value. For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at bank and money market investments readily convertible to cash, net of bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

The Economic Entity's share of funds advanced to non operated joint ventures or its share of funds held separately in its role as joint venture operator has been reclassified from Cash to now be recognised as a Receivable.

(l) Trade and Other Receivables

Trade debtors are initially recorded at the amount of contracted sales proceeds. Receivables from related parties are recognised and carried at the nominal amount due.

(m) Inventories

Work in progress and finished stocks

Work in progress consists of stocks requiring further processing by the Economic Entity to convert them to finished stock.

Finished stocks represent hydrocarbon products that are in the form in which they are expected to be sold by the Economic Entity.

Work in progress and finished stocks are valued at the lower of cost and net realisable value. Cost is derived on an absorption costing basis and includes direct processing costs and an appropriate portion of fixed and variable overheads. Costs are assigned to finished stock on a weighted average basis.

Warehouse stores and materials

Warehouse stores and materials represent consumable supplies and maintenance spares expected to be used in production and are valued at weighted average cost. Cost comprises purchase, inspection and transportation costs.

Warehouse stores and materials determined to be obsolete or damaged are written down to net realisable value. No general provision for obsolescence is made by the Economic Entity.

(n) Derivative Financial Instruments

Derivative financial instruments are used by the Economic Entity to hedge exposures to commodity prices, exchange rates and interest rates.

Discounts or premiums arising on entry to a specific hedge transaction are deferred and amortised over the life of the hedge. All open derivative financial instruments are measured on a mark-to-market basis and deferred in the Statement of Financial Position until settlement. Settlements are accounted for on the same basis as the underlying physical exposure being hedged. Accordingly, hedging settlements are recognised in the Statement of Financial Performance at the same time as the underlying physical exposure.

Commodity price contracts

Oil price swaps, options and oil futures are used to hedge portions of the oil price exposures within anticipated sales. Futures margin requirements are also recognised on the Statement of Financial Position until settlement.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign exchange contracts

The accounting for forward and option foreign exchange contracts is set out in Note 1(g).

Interest rate swaps

The incurred portion of interest payments and receipts under interest rate swap contracts is recognised on an accrual basis in the Statement of Financial Performance as an adjustment to interest expense during the period. The forward position for the remainder of a swap term is recognised as an asset and liability on a mark-to-market basis.

(o) Non Current Assets

The carrying amounts of non current assets, other than Exploration & Evaluation expenditure carried forward (see Note 1q), are reviewed bi-annually to determine whether they are in excess of the recoverable amount. If the carrying amount of a non current asset exceeds its recoverable amount, the asset is written down to the lower value. In assessing the recoverable amount, the relevant cash flows have not been discounted to their present value.

(p) Investments

Controlled entities

Investments in controlled entities are carried at the lower of cost and recoverable amount. Dividends are recognised upon attaining the right to receive.

Other entities

Investments in other entities are carried at the lower of cost and recoverable amount. Investments in associates are carried at the lower of the equity-accounted amount and recoverable amount in the consolidated financial statements and the lower of cost and recoverable amount in the relevant entities financial statements. Dividends are recognised upon attaining the right to receive.

(q) Exploration, Evaluation and Development

Costs carried forward

Exploration and evaluation costs carried forward represent the accumulated net costs incurred in relation to separate Areas of Interest for which rights or tenure are current and in respect of which:

- (i) such costs are expected to be recouped through the successful development and exploitation of the area, or by the sale of the area; or,
- (ii) exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of each Area of Interest are reviewed bi-annually. Costs within an Area of Interest determined not to be supported by expected value, or where an Area of Interest is abandoned, are written off in the year in which the decision is made or the area is abandoned.

Exploration and evaluation costs are transferred from the exploration and/or evaluation phase to the development phase upon commitment to a commercial development.

Development costs are only incurred within an Area of Interest as a component of a commercial development. The carrying of this expenditure is assessed in accordance with Note 1(o).

Woodside's Areas of Interest are disclosed in Note 15.

Amortisation

Upon commencement of operations, expenditure is transferred to the production phase and amortised on the relevant units of production output basis. Probable reserves disclosed in the Annual Reserves Statement form the basis of determining amortisation rates.

(r) Property, Plant and Equipment

Costs

Property, plant and equipment is carried at cost.

Profits or losses resulting from the disposal of property, plant and equipment are recognised in the Statement of Financial Performance.

Borrowing costs that have been determined as avoidable, but for the capital programmes, are recognised as a component of the cost of qualifying assets. Borrowing costs are predominantly made up of interest costs and exchange fluctuations on debt.

Depreciation

Depreciation of property, plant and equipment, other than freehold land, is provided at rates based on the expected economic lives of the assets. The majority of property, plant and equipment are depreciated on the units of production basis. Reserves used in these calculations are updated at least annually with the probable reserves disclosed in the Annual Reserves Statement forming the basis. The majority of marine vessels and carriers are depreciated on a straight line basis with a useful life of 40 years (2000: 25 years). The financial effect of this change was a \$2.3 million (net of tax) reduction to depreciation expense in the period. The rates are reviewed periodically to reflect technical and economic developments.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Debt Establishment Costs

Debt establishment costs are carried forward and amortised over the lives of the financing facilities.

(t) Financial Instruments Included in Assets

Bank and money market deposits, loans, marketable securities and marketable equity securities are carried at cost. Purchases and sales of investments are recognised on the trade date.

(u) Provisions

Income tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the Financial Report and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at rates applicable to the expected period of reversal, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Restoration

Provision has been made in the financial statements for restoration of operating locations. The estimated cost is charged as an expense on a units of production basis (Also see Note 1(q) - amortisation).

The nature of work planned by the Economic Entity for offshore locations includes removal of topsides facilities, mooring systems and substructures, abandonment of wells and the insitu abandonment of pipelines, following the purging of all hydrocarbons, and for onshore locations includes the removal of all facilities, as required, reinstatement and revegetation of the site similar to surrounding areas. The cost is based on the latest estimated future costs, determined on a discounted basis, which are re-assessed on a regular basis and exclude any allowance for anticipated changes in technology or material changes in legislative requirements.

The Economic Entity accounts for changes in cost estimates on a prospective basis.

Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the year-end. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve 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 employees up to the year-end. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

The value of the employee share plan described in Note 36 is not being charged as an employee entitlement expense.

Contributions to the Economic Entity's superannuation plans by entities within the Economic Entity are charged as an expense when due. The Economic Entity does not record excesses or deficiencies of assets over accrued membership benefits of the superannuation funds' defined benefits categories as an asset or liability in the Statement of Financial Position. Further details on superannuation are provided in Note 37.

Directors' retiring allowance

Provision is made for directors' retiring allowance as entitlements to receive benefits are earned in accordance with the rules approved by shareholders.

(v) Financial Instruments Included in Liabilities

Corporate debt is initially recorded at the principal amount. Interest is charged as an expense as it accrues.

Loans, debentures and notes payable are recognised when issued at the principal amount, with any discount on issue separately recognised and amortised over the period to maturity.

Trade creditors and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Economic Entity.

Dividends payable are recognised when declared by the Economic Entity.

(w) Share Capital

Ordinary share capital is recorded at value of consideration received. The costs of issuing shares are charged against the share capital. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
2. PROFIT FROM ORDINARY ACTIVITIES				
Profit from ordinary activities before income tax is arrived at after taking into account:				
(a) Revenues from oil & gas operations				
Sales revenue				
Liquefied Natural Gas and Domestic Gas	705,236	620,235	-	-
Condensate	348,475	365,925	-	-
Oil – Laminaria	816,621	978,645	-	-
Oil – NWS	295,352	317,422	-	-
Oil – Legendre	118,933	-	-	-
Liquefied Petroleum Gas	59,924	71,646	-	-
	2,344,541	2,353,873	-	-
Exchange gains/(losses) on US\$ natural hedge loan repayments	3,342	(47,771)	-	-
LNG ship charter revenue	50,422	41,347	-	-
Total revenues from oil & gas operations	2,398,305	2,347,449	-	-
(b) Cost of sales				
Cost of production				
Production costs	(171,701)	(108,741)	-	-
Royalty and excise	(211,472)	(219,535)	-	-
Petroleum Resource Rent Tax	(115,851)	-	-	-
Third party gas	(5,178)	(7,904)	-	-
Insurance	(12,968)	(5,952)	-	-
Product inventory movement	2,073	(2,292)	-	-
	(515,097)	(344,424)	-	-
Shipping and Marketing Costs				
LNG shipping	(78,551)	(89,139)	-	-
Other liquids shipping	(12,384)	(19,086)	-	-
Marketing/sales administration	(7,040)	(7,807)	-	-
	(97,975)	(116,032)	-	-
Depreciation				
Land and buildings	(10,506)	(10,612)	-	-
Plant and equipment	(219,499)	(252,528)	-	-
Marine vessels and carriers	(8,560)	(12,047)	-	-
	(238,565)	(275,187)	-	-
Amortisation				
Exploration, evaluation and development	(105,127)	(115,046)	-	-
Provision for restoration of operating locations	(18,588)	(23,360)	-	-
Total cost of sales	(975,352)	(874,049)	-	-
Gross profit	1,422,953	1,473,400	-	-
(c) Other revenues from ordinary activities				
Interest received/receivable				
Controlled entities	-	-	4,151	2,961
Other entities	32,959	14,593	6,039	5,847
Dividends received/receivable				
Controlled entities	-	-	466,667	542,757
Other entities	9,139	9,791	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
2. PROFIT FROM ORDINARY ACTIVITIES (Continued)				
Management and other fees				
Controlled entities	-	-	-	-
Other entities	23,573	34,885	337	429
Proceeds on sale (See Note 4)				
Investments	-	-	24,648	-
Exploration, evaluation & development	212,164	116,396	-	-
Property, plant and equipment	10,647	8,616	-	-
Total other revenues from ordinary activities	288,482	184,281	501,842	551,994
(d) Share of associates' net profit / (loss)	(2,584)	188	-	-
(e) Borrowing costs				
Interest paid/payable – other entities	(106,654)	(114,720)	-	-
Borrowing costs (interest) capitalised	6,562	-	-	-
Other debt servicing costs	(1,750)	(1,437)	-	-
Amortisation of debt establishment costs	(924)	(775)	-	-
Total borrowing costs	(102,766)	(116,932)	-	-
(f) Other expenses from ordinary activities				
Exploration				
Current year	(31,443)	(10,175)	-	-
Write off of prior year expenditure (See Note 4)	(64,369)	(19,106)	-	-
Total exploration	(95,812)	(29,281)	-	-
Corporate				
Administration	(11,483)	(24,589)	(6,689)	(5,009)
Depreciation – land & buildings	(37)	(55)	-	-
Depreciation – plant & equipment	(8,861)	(7,896)	-	-
Total corporate	(20,381)	(32,540)	(6,689)	(5,009)
New business development	(31,693)	(17,101)	-	-
Takeover response (including internal costs) (see Note 4)	(12,851)	(19,213)	-	-
Other costs				
Diminution in value of investments				
Controlled entities	-	-	(3,450)	(24,670)
Other entities	(2,772)	-	-	-
Exchange gains/(losses)				
Cash balances	6,903	20,333	-	(4)
Other items (including fx hedges)	(87,530)	(27,479)	(47)	-
Total exchange gains/(losses)	(80,627)	(7,146)	(47)	(4)
Financial instruments no longer specific hedges	(29,051)	-	-	-
Written down value (See Note 4)				
Investments	-	-	(24,648)	-
Exploration, evaluation & development	(42,673)	(9,880)	-	-
Property, plant and equipment	(16,619)	(10,685)	-	-
Other	(12,846)	(7,815)	-	(36)
Total other costs	(184,588)	(35,526)	(28,145)	(24,710)
Total other expenses from ordinary activities	(345,325)	(133,661)	(34,834)	(29,719)
Profit from ordinary activities before income tax	1,260,760	1,407,276	467,008	522,275

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
3. INCOME TAX				
The reconciliation of the prima facie tax charge on operating profit with the income tax expense in the Statement of Financial Performance is as follows:				
Prima facie tax on operating profit at 30% (2000: 34%)	378,228	478,474	140,102	177,574
Permanent differences:				
Non-allowable depreciation	3,287	4,962	-	-
Non-deductible E&E write-offs and disposals	19,311	8,618	-	-
Research & development	-	-	-	-
Development and investment allowances	-	(2,373)	-	-
Rebatable dividends	-	-	(140,000)	(184,537)
Diminution in value of investments				
Controlled entities	-	-	1,035	8,388
Other entities	831	-	-	-
Non-assessable gain on sale	(57,724)	(39,575)	-	-
Other	8,808	5,599	3	10,089
Tax losses	-	-	-	(2,661)
Under/(over) provision from prior year	(1,534)	1,699	2,415	81
Tax benefit arising from recalculation of deferred tax liabilities and benefits due to change in corporate tax rates from 34% to 30%.	-	(16,765)	-	28
Income tax expense/(benefit) attributable to profit from ordinary activities	351,207	440,639	3,555	8,962
Income tax expense/(benefit) comprises:				
Provision attributable to future years				
Deferred tax liability	46,022	103,928	-	-
Future income tax benefit	(79)	(20)	(79)	(50)
Current income tax payable	305,264	336,731	3,634	9,012
Income tax expense/(benefit)	351,207	440,639	3,555	8,962
4. SPECIFIC ITEMS WITHIN PROFIT FROM ORDINARY ACTIVITIES				
Profit from ordinary activities after income tax, <i>includes</i> the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity.				
(a) Individually significant items				
(i) Carried forward exploration & evaluation expenditure written-off, by Area of Interest [see Note 2(f)]				
Gulf of Mexico	(64,369)	-	-	-
Other	-	(19,106)	-	-
	(64,369)	(19,106)	-	-
Applicable income tax benefit	-	-	-	-
	(64,369)	(19,106)	-	-
(ii) Proceeds from sale of interests in Greater Sunrise gas and condensate fields [see Note 2(c)]	212,164	116,396	-	-
Book value of carried forward exploration & evaluation expenditure disposed [see Note 2(f)]	(38,530)	(9,880)	-	-
	173,634	106,516	-	-
Applicable income tax benefit	11,559	2,195	-	-
	185,193	108,711	-	-

16.39% to Phillips (2000 : 10% to Osaka Gas)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
4. SPECIFIC ITEMS WITHIN PROFIT FROM ORDINARY ACTIVITIES (Continued)				
(iii) Takeover response costs including internal costs [see Note 2(f)]	(12,851)	(19,213)	-	-
Applicable income tax benefit	1,035	952	-	-
	(11,816)	(18,261)	-	-
(iv) Financial instruments no longer specific hedges (component of expense brought forward from future years) [see Note 2(f)]	(15,088)	-	-	-
Applicable income tax benefit	4,526	-	-	-
	(10,562)	-	-	-
(v) Diminution in value of investment in Austeel [see Note 2(f)]	(2,772)	-	-	-
Applicable income tax benefit	-	-	-	-
	(2,772)	-	-	-
(vi) Proceeds from sale of NWSV tugs and offshore supply vessels [see Note 2(c)]	10,496	-	-	-
Book value of assets sold [see Note 2(f)]	(16,132)	-	-	-
	(5,636)	-	-	-
Applicable income tax benefit	1,691	-	-	-
	(3,945)	-	-	-
(b) Gains / (losses) from sale of assets (excluding items in 4(a))				
Exploration, evaluation and development	(4,143)	-	-	-
Property, plant and equipment	(336)	(2,069)	-	-
Total gains / (losses) on sale of assets	(4,479)	(2,069)	-	-
5. EARNINGS PER SHARE				
Basic earnings per share and diluted earnings per share are identical.				
Basic earnings per share (cents)	136.4	145.0		
Weighted average number of shares on issue	666,666,667	666,666,667		
6. DIVIDENDS PROVIDED FOR OR PAID				
Interim dividend paid 24.0 cents (2000: 22.0 cents)				
Franked	160,000	146,667	160,000	146,667
Unfranked	-	-	-	-
	160,000	146,667	160,000	146,667
Final dividend provided for 46.0 cents (2000: 60.0 cents)				
Franked	306,667	400,000	306,667	400,000
Unfranked	-	-	-	-
	306,667	400,000	306,667	400,000
Total dividends	466,667	546,667	466,667	546,667
Final dividend is payable in March 2002				
Previous year final dividend paid 60.0 cents (2000: 16.0 cents)				
Franked	400,000	106,667	400,000	106,667
Unfranked	-	-	-	-
	400,000	106,667	400,000	106,667

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
6. DIVIDENDS PROVIDED FOR OR PAID (Continued)				
The tax rate at which dividends have or will be franked is 30% (2000: 34%). The amount of franking credits available for the subsequent financial year are:				
Franking credits available following payment of tax and dividends in respect of previous financial year	173,203	82,056	19,751	1,970
Franking credits arising from instalments of tax paid in respect of current year	669,844	412,982	5,414	3,142
Franking credits arising from change in tax rate from 34% to 30% (2000: 36% to 34%)	56,615	6,289	4,915	445
Franking credits arising from received franked dividends	-	-	160,000	106,667
Franking debits arising from the payment of interim dividends	(160,000)	(146,666)	(160,000)	(106,667)
Franking account balance as at the end of the financial year	739,662	354,661	30,080	5,557
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	21,947	218,542	(14,135)	14,194
Franking credits that will arise from the receipt of franked dividends	-	-	306,667	400,000
Franking debits that will arise from the payment of dividends as at the end of the financial year	(306,667)	(400,000)	(306,667)	(400,000)
Franking account balance after payment of tax and dividends	454,942	173,203	15,945	19,751
7. RECEIVABLES (CURRENT)				
Trade debtors	251,206	298,119	-	-
Other debtors				
Controlled entities	-	-	91,670	94,720
Other entities	162,955	258,153	412	1,298
Dividend receivable				
Controlled entities	-	-	306,667	400,000
Other entities	9,239	9,913	-	-
Accrued interest income	3,590	633	-	-
	426,990	566,818	398,749	496,018
Australian dollar equivalent of amounts included in receivables above in (US) dollars not effectively hedged	207,587	194,632	-	-
Within the Economic Entity trade debtors are denominated in a mixture of Australian and US dollars and are on settlement terms of between 10 and 30 days. Other debtors represent other receivables with various maturities.				
Dividends receivable from other entities are receivable within 30 days of period end. Accrued interest is receivable within 30 days of entitlement.				

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
8. INVENTORIES (CURRENT)				
Petroleum products - at cost				
Work in progress	264	240	-	-
Finished stocks	11,892	9,844	-	-
Warehouse stores and materials at cost	22,807	17,119	-	-
	34,963	27,203	-	-
9. OTHER FINANCIAL ASSETS (CURRENT)				
Unrealised cost on open oil price hedges	88,280	287,124	-	-
Unrealised cost on open fx hedges	79,092	61,948	-	-
Unrealised receivable on open interest rate hedges	901	-	-	-
Unrealised cost on gas purchase commitments	4,291	-	-	-
	172,564	349,072	-	-
Realisation and settlement of open hedges is dependent upon the settlement date of each instrument. Also see Note 33(a).				
Unrealised cost on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled within the next 12 months.				
10. OTHER ASSETS (CURRENT)				
Deferred cost on realised oil price hedge settlements	26,126	48,918	-	-
Deferred premiums on oil and fx options	5,012	4,389	-	-
Prepayments	10,418	3,769	-	-
	41,556	57,076	-	-
11. RECEIVABLES (NON CURRENT)				
Advances - controlled entities	-	-	254,738	254,738
Advances - other entities	27,500	26,500	-	-
Loans for employee share plan	103,100	82,154	103,100	82,154
Other	220,717	-	-	-
	351,317	108,654	357,838	336,892
Advances - other entities are denominated in Australian dollars, are interest bearing at commercial rates, with settlement required on or before 2015.				
For significant terms and conditions relating to the employee share plan see Note 36.				
The Other receivable represents proceeds on sale of Greater Sunrise, is denominated in US dollars and is escalating at agreed rate, with settlement due in 2003. If commitment to the Greater Sunrise project is made before the settlement date this receivable will be settled through Phillips meeting, to the extent of the receivable, Woodside's capital costs in the project.				
12. INVENTORIES (NON CURRENT)				
Warehouse stores and materials at cost	4,365	3,700	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
13. EQUITY ACCOUNTED INVESTMENTS				
Investments - at equity accounted amount (See Note 43(e) and Note 44)	33,023	552	-	-
14. OTHER FINANCIAL ASSETS (NON CURRENT)				
Investments - Not equity accounted				
Shares in listed entity - at cost				
Oil Search Limited (Oil & Gas, 11.3%)	152,491	152,491	-	-
Hardman Resources (Oil & Gas, 9.92%)	38,437	-	-	-
	190,928	152,491	-	-
Shares in unlisted entities - at cost				
Controlled entities - at cost (Also see Note 46)	-	-	447,318	464,421
Less: Provision for diminution in value	-	-	(54,847)	(51,397)
	-	-	392,471	413,024
Ceramic Fuel Cells Limited (Fuel cell development - equity accounted in 2001 (2000: 25.5%))	-	20,000	-	-
Pulse/Edgecap (energy retail and trading, 10%)	3,200	3,200	-	-
Ocean Power Technologies Inc. (wave energy power systems - 5%)	5,825	5,825	-	-
Ocean Power Technologies (Australasia) Pty. Ltd. (wave energy power systems - 11.76%)	2,000	-	-	-
	11,025	29,025	-	-
Other entities - at cost	2,826	1,112	-	-
Less: Provision for diminution in value	(2,772)	-	-	-
	54	1,112	-	-
Total investments	202,007	182,628	392,471	413,024
Financial instruments (hedges) - at mark to market				
Unrealised cost on open oil price hedges	13,514	180,466	-	-
Unrealised cost on open fx hedges	69,785	71,259	-	-
Unrealised receivable on open interest rate hedges	1,832	-	-	-
	85,131	251,725	-	-
Other financial assets				
Greenhouse gas options - at cost	1,204	1,204	-	-
Unrealised cost on gas purchase commitments - at fair value	23,019	-	-	-
	24,223	1,204	-	-
	311,361	435,557	392,471	413,024

Woodside has invested in two energy retailing and trading entities (Pulse and Edgecap). This investment has been effected through a \$27.5M advance, as disclosed in Note 11, and a \$3.2M equity investment included in Note 14.

Realisation and settlement of open hedges is dependent upon the settlement date of each hedge instrument.

Also see Note 33(a).

Greenhouse gas options are a right to receive a discount to future prevailing prices for carbon credits and are exercisable to end 2012.

Unrealised cost on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled between 12 months and 18 years.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
15. EXPLORATION, EVALUATION AND DEVELOPMENT (NON CURRENT)				
Areas of Interest in the exploration and/or evaluation phase at cost				
Browse	60,421	57,373	-	-
Carnarvon	197,390	309,738	-	-
Timor Sea	129,300	114,446	-	-
Great Australian Bight	9,235	1,044	-	-
Victoria (Bass Strait, Otway)	126,176	75,114	-	-
Gulf of Mexico	109,699	101,340	-	-
West Africa (Mauritania, Senegal)	89,013	26,494	-	-
North Africa (Algeria)	9,278	-	-	-
Total exploration and/or evaluation phase	730,512	685,549	-	-
Areas of Interest in the development phase at cost				
Carnarvon	248,075	107,828	-	-
Timor Sea	29	753	-	-
Total development phase	248,104	108,581	-	-
Areas of Interest in the production phase at cost				
Carnarvon	556,576	479,988	-	-
less : Accumulated amortisation	(240,366)	(201,510)	-	-
	316,210	278,478	-	-
Timor Sea	334,898	333,090	-	-
less : Accumulated amortisation	(162,216)	(95,946)	-	-
	172,682	237,144	-	-
Total production phase	488,892	515,622	-	-
Total exploration, evaluation and development expenditure	1,467,508	1,309,752	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
16. PROPERTY, PLANT AND EQUIPMENT (NON CURRENT)				
Completed assets				
Freehold land and buildings at cost	230,920	230,913	-	-
less: Accumulated depreciation	(111,082)	(103,646)	-	-
	119,838	127,267	-	-
Leasehold land and buildings at cost	81,316	81,316	-	-
less: Accumulated depreciation	(44,464)	(41,505)	-	-
	36,852	39,811	-	-
Total land and buildings (a)	156,690	167,078	-	-
Plant and equipment at cost	3,402,922	3,300,745	-	-
less: Accumulated depreciation	(1,534,770)	(1,308,135)	-	-
Total plant and equipment	1,868,152	1,992,610	-	-
Marine vessels and carriers at cost	257,470	280,817	-	-
less: Accumulated depreciation	(114,438)	(113,178)	-	-
Total marine vessels and carriers	143,032	167,639	-	-
Total completed assets	2,167,874	2,327,327	-	-
Assets under construction				
Land and buildings at cost	1,148	479	-	-
Plant and equipment at cost (b)	405,135	102,581	-	-
Marine vessels and carriers at cost	10,329	347	-	-
Total assets under construction	416,612	103,407	-	-
Total property, plant and equipment	2,584,486	2,430,734	-	-
(a) All material land and buildings assets disclosed above are used in, or are ancillary to, the Company's extractive industry operations.				
(b) Borrowing costs recognised during the year as part of the carrying amount of qualifying assets.	7,472	-	-	-
(c) Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.				

	Freehold land and buildings \$000	Leasehold land and buildings \$000	Plant and equipment \$000	Marine vessels & carriers \$000	Assets under Construction \$000	Total \$000
Consolidated						
Carrying amount at 1 January 2001	127,267	39,811	1,992,610	167,639	103,407	2,430,734
Additions	307	-	104,238	84	305,733	410,362
Disposals (written down value)	(188)	-	(299)	(16,132)	-	(16,619)
Depreciation and amortisation	(7,548)	(2,959)	(228,397)	(8,559)	-	(247,463)
Capitalised borrowing costs	-	-	-	-	7,472	7,472
Carrying amount at 31 December 2001	119,838	36,852	1,868,152	143,032	416,612	2,584,486

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
17. TAX ASSETS (NON CURRENT)				
Future income tax benefit	402	323	401	322
18. OTHER ASSETS (NON CURRENT)				
Debt establishment costs	11,560	5,724	-	-
Less: Accumulated amortisation	(3,647)	(2,723)	-	-
	7,913	3,001	-	-
Deferred exchange loss on borrowings	511,191	397,304	-	-
Deferred cost of settled interest rate hedges	3,063	3,550	-	-
Prepayments	3,608	467	-	-
	525,775	404,322	-	-
Deferred interest rate hedge settlements will be amortised to expense through to 2008.				
19. PAYABLES (CURRENT)				
Trade creditors	240,011	139,779	-	-
Other creditors	89,608	297,191	-	11
Interest payable – other persons	25,322	15,314	-	-
	354,941	452,284	-	11
Australian dollar equivalent of amounts included in accounts payable above in US dollars not effectively hedged.	-	-	-	-
Trade and other liabilities are normally settled on 30 day terms.				
Details regarding interest payable are in Note 32.				
20. INTEREST BEARING LIABILITIES (CURRENT)				
Corporate facilities (USD)	-	333,454	-	-
Details regarding debt facilities are in Note 32.				
21. TAX LIABILITIES (CURRENT)				
Income tax payable	94,658	196,529	6,306	7,333
Current income tax liability is for fourth quarterly instalment due in January 2002 and final payment due in June 2002.				
22. PROVISIONS (CURRENT)				
Dividend payable	306,667	400,000	306,667	400,000
Employee entitlements	53,727	52,444	-	-
	360,394	452,444	306,667	400,000

Details regarding dividends payable are in Note 6.
Details regarding employee entitlements are in Note 35.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
23. OTHER LIABILITIES (CURRENT)				
Unrealised liability on open oil price hedges	102,164	287,124	-	-
Unrealised liability on open fx hedges	79,092	61,948	-	-
Unrealised liability on gas purchase commitments	4,291	-	-	-
Unrealised revenue on open interest rate hedges	504	-	-	-
Unearned revenue	18,551	26,868	-	-
	204,602	375,940	-	-
Realisation and settlement of open hedges is dependent upon the settlement date of each instrument.				
Unrealised liability on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled within the next 12 months.				
24. INTEREST BEARING LIABILITIES (NON CURRENT)				
Corporate facility (USD)	488,854	630,858	-	-
Bond (USD)	1,075,479	450,613	-	-
Bilateral (USD)	97,771	-	-	-
	1,662,104	1,081,471	-	-
Details regarding borrowings are in Note 32.				
25. DEFERRED TAX LIABILITIES (NON CURRENT)				
Deferred income tax liability	645,065	599,043	-	-
26. PROVISIONS (NON CURRENT)				
Restoration of operating locations	89,843	71,255	-	-
Employee entitlements	6,989	3,510	-	-
Directors' retiring allowance	1,591	803	1,591	803
	98,423	75,568	1,591	803

Details regarding employee entitlements are in Note 35.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
27. OTHER LIABILITIES (NON CURRENT)				
Unrealised liability on open oil price hedges	14,717	180,810	-	-
Unrealised liability on open fx hedges	69,785	71,259	-	-
Unrealised liability on gas purchase commitments	23,019	-	-	-
Unrealised revenue on open interest rate hedges	1,832	-	-	-
Deferred revenue on settled interest rate hedges	772	-	-	-
Unearned revenue	30,380	38,708	-	-
Amounts payable – controlled entities	-	-	15,536	15,536
	140,505	290,777	15,536	15,536
Realisation and settlement of open hedges is dependent upon the settlement date of each instrument.				
Unrealised liability on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled between 12 months and 18 years.				
Deferred revenue on interest rate hedge settlements will be amortised against expense through to 2011.				
28. CONTRIBUTED EQUITY				
Issued and fully paid up				
666,666,667 ordinary shares	708,291	708,291	706,491	706,491
All shares are a single class with equal rights to dividends, capital distributions and voting. There are no shares reserved for share options or other arrangements.				
29. RESERVES				
Capital profits	81,907	81,907	93,725	93,725
This reserve records capital gains on the sale of interests in other entities and can be transferred to retained profits.				
30. RETAINED PROFITS				
Movements in retained profits				
Balance at beginning of year	1,321,090	901,120	22,357	55,711
Net profit attributable to members of Woodside Petroleum Ltd.	909,553	966,637	463,453	513,313
Dividends declared	(466,667)	(546,667)	(466,667)	(546,667)
Balance at end of year	1,763,976	1,321,090	19,143	22,357

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
31. NOTE TO THE STATEMENTS OF CASH FLOWS				
(a) Components of Cash				
Cash	27,604	7,254	-	-
Commercial Paper	30,000	-	-	-
Money market deposits	102,952	267,781	-	-
Total cash	160,556	275,035	-	-
Commercial Paper is denominated in A\$ with an average maturity of 18 days (2000: N/A) and effective interest rates of 4.36% to 4.41% (2000: N/A). Money market deposits are denominated in A\$ and US\$ with an average maturity of 2 days (2000: 14 days) and effective interest rates of 3.25% to 4.25% (2000: 6.3% to 7.3%).				
(b) Reconciliation of net cash from operating activities to operating profit after income tax				
Operating profit after income tax	909,553	966,637	463,453	513,313
Depreciation and amortisation	353,514	398,959	-	-
Exchange (gains)/losses on cash balances	(6,930)	(20,333)	-	-
Exchange (gains)/losses on natural hedge loan repayments	(3,342)	47,771	-	-
(Profit)/loss on sale of EE&D	(169,491)	(106,516)	-	-
(Profit)/loss on sale of PP&E	5,972	2,069	-	-
Unearned income	(16,645)	(12,845)	-	-
Diminution in value of investments				
- controlled entities	-	-	3,450	24,670
- other entities	2,772	-	-	-
Write off of prior years exploration	64,369	19,106	-	-
Share of associates net (profit)/loss	2,584	-	-	-
Decrease/(increase) in assets				
Trade debtors	46,913	(98,040)	-	-
Interest receivable	(2,957)	(270)	-	-
Prepayments	(9,790)	5,408	-	-
Dividends receivable	674	(1,502)	93,333	(293,333)
Inventories	(8,425)	(2,674)	-	-
Other assets	(20,481)	(62,149)	903	(291)
(Decrease)/increase in liabilities				
Income tax – current liability	(101,871)	108,742	(1,027)	7,313
Income tax – deferred liability / benefit	45,943	105,392	(79)	(50)
Provisions	24,138	27,684	788	480
Creditors and other items	(8,112)	115,804	16	48
Net cash from operating activities	1,108,388	1,493,243	560,837	252,150

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
32. FINANCING FACILITIES				
The total facilities available at balance date were as follows:				
USD Corporate facility	488,854	1,892,574	-	-
Bi-Laterals	782,167	180,245	-	-
Bonds	1,075,479	450,613	-	-
AUD Commercial Paper/MTN	300,000	300,000	-	-
Bank overdraft	1,333	1,333	-	-
	2,647,833	2,824,765	-	-
Used at balance date:				
USD Corporate facility	488,854	964,312	-	-
Bi-Laterals	97,771	-	-	-
Bonds	1,075,479	450,613	-	-
AUD Commercial Paper/MTN	-	-	-	-
Bank overdraft	-	-	-	-
	1,662,104	1,414,925	-	-
Unused at balance date:				
USD Corporate facility	-	928,262	-	-
Bi-Laterals	684,396	180,245	-	-
Bonds	-	-	-	-
AUD Commercial Paper/MTN	300,000	300,000	-	-
Bank overdraft	1,333	1,333	-	-
	985,729	1,409,840	-	-

Woodside Finance Ltd., an entity controlled by Woodside Petroleum Ltd., is a party to US dollar and Australian dollar borrowings. A summary of each debt type is presented below.

Syndicated Loan Facility

The Economic Entity has a US\$ debt facility with a syndicate of banks; it is unsecured with drawings available by way of either cash advances or letters of credit. The Facility commenced in September 1996 and has two tranches: tranche A for US\$950 million which expired on 30 September 2001; and tranche B for US\$250 million repayable on 30 September 2003. Drawdowns and prepayments within the Facility are managed into segments with varying durations and rollover dates. Interest rates on the Facility are floating rate based on LIBOR (London Inter Bank Offered Rate) and are fixed at the commencement of each segment. Interest is paid at the end of each segment period or at least six monthly. At balance date, tranche B was fully drawn at US\$250 million (2000: US\$nil) and tranche A had expired with no amounts outstanding (2000: US\$535 million). This debt facility is subject to a financial covenant and a negative pledge restricting the amount of future secured borrowings. Neither the covenant nor the negative pledge has been breached at any time in the reporting period.

Bi-Lateral Facilities

The Economic Entity has eight US\$50 million, five year term Bilateral Facilities totalling US\$400 million. The term of one expires in 2005 and seven in 2006. Interest rates on each loan are floating rate based on LIBOR and are fixed at the commencement of the drawdown period. Interest is paid at the end of the drawdown period. The facilities are subject to a financial covenant and a negative pledge restricting the amount of future secured borrowings. Neither the covenant nor the negative pledge have been breached at any time in the reporting period. As at the reporting date there was US\$50 million (2000: US\$nil) outstanding under the facilities.

Bonds

The Economic Entity has a US\$250 million 10 year Unsecured Bond and a US\$300 million 10 year Unsecured Bond issued to 'qualified institutional investors' in the USA as defined in Rule 144A under the US Securities Act. The US\$250 million Bonds have a fixed rate coupon of 6.6% and mature on 15 April 2008. The US\$300 million Bonds have a fixed rate coupon of 6.7% and mature on 1 August 2011. Interest on both Bonds is payable 6 monthly in arrears. The debt facilities are subject to various financial covenants and a negative pledge restricting the amount of future secured borrowings. Neither the covenants nor the negative pledge have been breached at any time in the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

32. FINANCING FACILITIES (Continued)

Commercial Paper, Standby Facility, Medium Term Notes

The Economic Entity has an unsecured multi-currency A\$300 million Commercial Paper / Medium Term Note program where drawdowns under the Commercial Paper program can be for terms between 30 days to 364 days. Interest rates are floating based on BBSW (Australian Bank Bill Swap Rate) and are fixed at the commencement of each drawdown. In accordance with the Standard and Poors Commercial Paper ratings requirements, the facility is supported by a total of A\$150 million of Stand-by facilities. These are available to be drawn down in the event of a commercial paper market disruption. As at the reporting date there is no Commercial Paper outstanding (2000: US\$nil).

Under the Medium Term Note facility, unsecured notes can be issued for terms of 365 days or more. The interest rate on the issue can be either fixed or floating and is subject to negotiation at the time of issuance. No Medium Term Note issuance has been made under this facility to date.

This debt facility is subject to a financial covenant and a negative pledge restricting the amount of future secured borrowings. Neither the covenant nor the negative pledge have been breached at any time in the reporting period.

Repayment obligations of the used amount of the facilities are as follows:

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Due no later than one year	-	964,312	-	-
Later than one year but not later than five years	586,625	-	-	-
Later than five years	1,075,479	450,613	-	-
	1,662,104	1,414,925	-	-

33. RISK MANAGEMENT / FINANCIAL INSTRUMENTS

(a) Hedging Position

In the normal course of business, the Economic Entity enters into financial transactions for the purpose of hedging and managing its exposure to commodity prices, foreign currencies and interest rates.

(i) Commodity hedging

As at 31 December 2001, 27.1 million barrels of oil equivalent (2000: 47.0 million barrels of oil equivalent) have been hedged with varying maturities out to four years at a weighted average West Texas Intermediate price ("WTI") of US\$19.24/barrel (2000: US\$17.99/barrel). Hedged volumes for the next four years are 17, 7, 3 and 0.1 mmboe (2000: 23, 16, 6 and 2 mmboe) with average prices of US\$18.80/bbl, 19.63, 21.09 and 21.25 (2000: US\$17.55/bbl, 17.74, 19.35 and 20.89).

Hedging is undertaken against specific future oil price exposures only, by way of a number of financial instruments, including swaps, options and futures with varying maturities out to four years.

(ii) Currency hedging

The Economic Entity's sales revenues are mainly denominated in US\$. The exposure of these revenues to fluctuation in the A\$/US\$ exchange rate is mitigated to some extent by the natural currency hedge that exists due to the Economic Entity holding its external debt in US\$. Further specific currency hedging is implemented as outlined below.

As at 31 December 2001, US\$631 million (2000: US\$709 million) have been hedged with varying maturities out to five years at an average rate of A\$/US\$ 0.5795 (2000: A\$/US\$ 0.6262). Hedged US\$ for the next five years are 304, 137, 114, 67 and 9 \$US M (2000: 325, 168, 107, 77, and 32 \$US M) with average rates of 0.5964, 0.5859, 0.5606, 0.5397 and 0.4930 A\$/US\$ (2000: 0.6307, 0.6528, 0.6099, 0.5944 and 0.5832 A\$/US\$).

Hedging is undertaken against specific future commitments only, by way of a number of financial instruments, including forward exchange contracts, currency option contracts and other option structures with maturities out to five years.

(iii) Interest rate hedging

Borrowings

As at 31 December 2001, US\$125 million (2000: US\$100 million) have been hedged with varying maturities out to three years at an interest rate of 6.7% (2000: 6.8%). Hedged principals for the next three years are 35, 65 and 25 \$US M (2000: US\$100 million).

Hedging can be undertaken against specific future interest rate exposures only, by way of a number of financial instruments including forward rate agreements, option contracts, swaps and other option structures with maturities out to five years.

Money market deposits

The Economic Entity did not use any derivative contracts to hedge its money market deposits.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

33. RISK MANAGEMENT / FINANCIAL INSTRUMENTS (Continued)

(b) Carrying Amounts and Estimated Fair Values of Financial Instruments

The carrying amounts and estimated fair values of the Economic Entity's financial assets and financial liabilities are as follows:

	Carrying Amount		Fair Value	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Financial assets				
Cash	160,556	275,035	160,556	275,035
Receivables				
Current	426,990	566,818	426,990	566,818
Non current	351,317	108,654	330,487	95,075
Other financial assets				
Listed entity investments	190,928	152,491	112,485	102,633
Unlisted entity investments	11,079	30,137	11,079	30,137
Greenhouse gas options	1,204	1,204	1,204	1,204
Unrealised receivable on open interest rate hedges	2,733	-	2,757	-
Financial liabilities				
Payables	354,941	452,284	354,941	452,284
Provisions				
Dividend payable	306,667	400,000	306,667	400,000
Interest bearing liabilities	1,662,104	1,414,925	1,662,104	1,414,925
Other liabilities				
Unrealised liability on open oil price hedges	116,881	467,934	118,971	455,479
Unrealised liability on open fx hedges	148,877	133,207	143,881	134,654
Unrealised liability on gas purchase commitments	27,310	-	27,310	-

There are no 'off balance sheet' hedge instruments. All instruments are recognised in this Financial Report.

The methods and assumptions used to estimate the fair value of financial instruments capable of being estimated are outlined below. Carrying amounts of assets and liabilities have not been adjusted to fair value in accordance with accounting policies outlined in Notes 1(a) and 1(o).

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Receivables

Current - primarily represent financial rights in exchange for hydrocarbon products and other services delivered by the Economic Entity. Due to the short term nature of these financial rights, their carrying amounts are estimated to represent their fair values.

Non Current - Employee share plan receivable is valued on the basis of expected repayment profile discounted to present value. This receivable has not been revalued to fair value as all advances related to the employee share plan are expected to be recovered.

Advances to other entities are at commercial rates therefore the carrying value approximates fair value.

Other financial assets

Listed entity fair values are based on 31 December quoted share price. The investments have not been revalued to fair values as management's assessment of the investment's recoverable amount exceeds its carrying value. The carrying value of unlisted entities is considered to approximate their fair value.

Payables

Payables primarily represent financial obligations incurred in exchange for goods and services provided by other entities. Due to the relatively short term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Provisions

The carrying amount of the dividend liability approximates fair value due to its short term nature.

Interest bearing liabilities

These are commercial borrowings at commercial interest rates; the carrying value of the debt principals therefore approximates fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

33. RISK MANAGEMENT / FINANCIAL INSTRUMENTS (Continued)

Hedge contracts

Fair values for commodity hedge contracts are determined on a mark-to-market basis using forward rates for both oil price and exchange rates. Fair values of currency hedge forward and option contracts are determined on a mark-to-market basis using forward exchange rates. Fair values for interest rate hedge contracts are determined on a mark-to-market basis using forward rates.

Other liabilities

The carrying value for gas purchase commitments is determined as present value of expected cashflows which approximates fair value.

(c) Interest Rate Exposures

The Economic Entity's exposure to interest rate risks and the effective interest rates on its financial assets and liabilities as at 31 December 2001 is as follows:

	Floating Interest Rate \$000	Fixed Interest Rate 1 Year or less \$000	Between 1 and 5 Years \$000	Maturing in More Than 5 Years \$000	Non- Interest Bearing \$000	Total \$000
Financial assets						
Cash	27,604	132,952	-	-	-	160,556
Receivables						
Current	-	79,616	-	-	347,374	426,990
Non Current	-	-	220,717	26,500	104,100	351,317
Other financial assets	-	-	-	-	205,944	205,944
	27,604	212,568	220,717	26,500	657,418	1,144,807
Weighted average interest rate	3.4%	3.8%	10.0%	13.0%		
Financial liabilities						
Payables	-	-	-	-	354,941	354,941
Provisions	-	-	-	-	306,667	306,667
Interest bearing liabilities	-	586,625	-	1,075,479	-	1,662,104
Other liabilities	-	-	-	-	293,068	293,068
	-	586,625	-	1,075,479	954,676	2,616,780
Weighted average interest rate		2.5%		6.6%		
Net financial assets/(liabilities)	27,604	(374,057)	220,717	(1,048,979)	(297,258)	(1,471,973)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

33. RISK MANAGEMENT / FINANCIAL INSTRUMENTS (Continued)

(c) Interest Rate Exposures (continued)

The Economic Entity's exposure to interest rate risks and the effective interest rates on its financial assets and liabilities as at 31 December 2000 was as follows:

	Floating Interest Rate \$000	Fixed Interest Rate Maturing in 1 Year or less \$000	Between 1 and 5 Years \$000	More Than 5 Years \$000	Non- Interest Bearing \$000	Total \$000
Financial assets						
Cash	7,254	267,781	-	-	-	275,035
Receivables						
Current	-	30,103	-	-	536,715	566,818
Non Current	-	-	-	26,500	82,154	108,654
Other financial assets	-	-	-	-	183,832	183,832
	7,254	297,884	-	26,500	802,701	1,134,339
Weighted average interest rate	6.3%	6.8%		13.0%		
Financial liabilities						
Payables	-	-	-	-	452,284	452,284
Provisions	-	-	-	-	400,000	400,000
Interest bearing liabilities	-	964,312	-	450,613	-	1,414,925
Other liabilities	-	-	-	-	601,141	601,141
	-	964,312	-	450,613	1,453,425	2,868,350
Weighted average interest rate		6.7%		6.6%		
Net financial assets/(liabilities)	7,254	(666,428)	-	(424,113)	(650,724)	(1,734,011)

(d) Credit Risk Exposures / Economic Dependency

The Economic Entity's maximum exposure (not taking into account the value of any collateral or other security held) to credit risk at balance date in relation to each class of financial asset is the fair value of those assets as indicated in section (b) to this Note 33.

A significant proportion of the output from the operations of the Economic Entity is sold to five major gas customers in Western Australia and to eight Japanese utilities. Exposure to groups of debtors is:

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Domestic energy customers	13,872	22,109	-	-
Japanese energy utilities	21,726	21,021	-	-
Other international customers*	215,608	254,989	-	-
	251,206	298,119	-	-

* Open credit is only provided to customers that meet Woodside's credit policy criteria which is based on minimum credit rating and maximum exposure limits.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
34. EXPENDITURE COMMITMENTS				
(a) Operating Leases				
Operating leases not provided for in the accounts				
Due not later than one year	27,403	33,513	-	-
Later than one year but not later than five years	69,635	29,698	-	-
Later than five years	168,756	3,774	-	-
	265,794	66,985	-	-
Operating lease rentals in current period	66,015	17,115	-	-
Assets leased and average lease duration in years include: helicopters (3yrs), supply vessels (2yrs), cranes (3yrs), operational sites (25yrs), mobile offshore drilling units (<1yr), office premises (15yrs), motor vehicles (4yrs).				
(b) Capital Expenditure				
Expenditure contracted for but not provided for in the accounts				
Due not later than one year	182,190	107,328	-	-
Later than one year but not later than five years	79,461	15,663	-	-
Later than five years	-	-	-	-
	261,651	122,991	-	-
(c) Other Expenditure Commitments				
Other expenditure commitments predominantly for the future supply of services not provided for in the accounts				
Due not later than one year	67,930	54,235	-	-
Later than one year but not later than five years	183,617	147,449	-	-
Later than five years	13,767	31,420	-	-
	265,314	233,104	-	-
(d) Exploration Commitments				
The obligations of the Economic Entity to perform exploration activities in its various Areas of Interest are:				
Due not later than one year	118,132	104,285	-	-
Later than one year but not later than five years	30,991	47,346	-	-
Later than five years	-	1,000	-	-
	149,123	152,631	-	-
Browse	7,000	9,154	-	-
Carnarvon	38,452	46,913	-	-
Timor Sea	19,482	23,475	-	-
Great Australian Bight	14,000	15,520	-	-
Victoria (Bass Strait, Otway)	13,039	8,820	-	-
Gulf of Mexico	22,000	6,000	-	-
West Africa (Mauritania, Senegal)	35,150	40,930	-	-
North Africa (Algeria)	-	-	-	-
Other	-	1,819	-	-
	149,123	152,631	-	-

These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of operations of the Economic Entity.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
35. EMPLOYEE ENTITLEMENTS				
The aggregate employee entitlement liability comprises of:				
Accrued wages, salaries and on costs	18,245	15,434	-	-
Provisions (current)	53,726	52,444	-	-
Provisions (non current)	6,989	3,510	-	-
	78,960	71,388	-	-
The following information relates to those amounts measured at their present value included in the aggregate employee entitlement liability above.				
(i) Weighted average of the assumed rates of increase in the provision of persons employed at year-end over the periods to settlement.	2.9%	2.9%	-	-
(ii) Weighted average discount rate used to measure the provisions' present value.	5.6%	5.6%	-	-

36. SHARE PLAN

Loans are made to employees to fund the on-market purchase of shares, are interest free, have no stipulated repayment period, are non-recourse and are repayable by application of dividends, sales of shares or upon termination. All permanent employees are eligible to participate in the plan. The Company assesses incremental loan offer entitlements in accordance with pre-established criteria based on remuneration levels. The number of shares that can be acquired under the plan is limited to 5% of issued ordinary share capital of Woodside Petroleum Ltd. Further information regarding the recoverability of this receivable is in Note 41.

Under the Plan 1,641 (2000: 1,480) employees were entitled to participate, 1,579 (2000: 1,321) were entitled to receive offers of loans of which 1,573 (2000: 1,307) accepted loans. In 2001, these loans were made in two offerings, of \$35,335,698 and \$6,103,284 (2000: \$22,876,856). This resulted in the acquisition of 2,333,590 and 454,157 (2000: 1,821,319) ordinary shares at \$15.14 and \$13.44 (2000: \$12.56) per share respectively. At balance date, loans outstanding to employees total \$103,100,000 (2000: \$82,154,000).

37. SUPERANNUATION

The Economic Entity sponsors the Woodside Superannuation Fund, of which membership is compulsory for all permanent and fixed term employees. The Fund has a defined benefit category (closed to new members from 1 July 1999) and an accumulation category.

The Economic Entity contributes to both categories. Members may make additional voluntary contributions. The Economic Entity's contributions are not legally enforceable other than those payable in terms of notified award and Superannuation Guarantee obligations.

During the year, the Economic Entity ceased separate sponsorship of the Woodside Executive Fund. The assets and liabilities of that Fund were transferred to the Woodside Superannuation Fund defined benefit category (executives) on 1 November 2001. Prior to the transfer to the Woodside Superannuation Fund, the Actuary certified that the assets in the Woodside Executive Fund were sufficient to meet all liabilities.

Details of defined benefits as extracted from the most recent audited financial reports are presented below. The assets of both Funds were sufficient to satisfy all benefits that would have been vested in the event of termination of the funds and voluntary or compulsory termination of employment of each member.

	Woodside Superannuation Fund (31/12/2000) \$000	Woodside Executive Fund (31/12/2000) \$000
Vested benefits	66,446	11,433
Accrued benefits	66,446	11,693
Net market value of fund assets	107,615	12,806
Surplus of net market value of fund assets over accrued benefits	41,169	1,113

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

38. DIRECTOR REMUNERATION

(a) Directors

The Directors of Woodside Petroleum Ltd. during the year were, Mr C B Goode (Chairman), Mr J H Akehurst, Mr R E S Argyle, Ms J R Broadbent, Mr K A Dean, Mr P J B Duncan, Dr A J Parsley, Dr P J B Rose, Mr R H Searby and Mr R A GVines.

(b) Directors' Income

(i) Income paid or payable, or otherwise made available, in respect of the financial year to Directors, directly or indirectly, by the entities of which they are Directors or any related party:

Economic Entity		Chief Entity	
2001 \$000	2000 \$000	2001 \$000	2000 \$000
3,839	3,048	3,821	3,013

(ii) Number of Directors of the Economic Entity (including non-executive Directors of subsidiaries) whose income was paid by the Economic Entity are in the following bands:

	2001 No.	2000 No.
\$ 0 - \$ 9,999	3	2
\$ 10,000 - \$ 19,999	1	-
\$ 20,000 - \$ 29,999	-	1
\$ 50,000 - \$ 59,999	-	1
\$ 60,000 - \$ 69,999	1	-
\$ 80,000 - \$ 89,999	-	2
\$ 90,000 - \$ 99,999	-	2
\$ 100,000 - \$ 109,999	2	-
\$ 120,000 - \$ 129,999	-	1
\$ 140,000 - \$ 149,999	-	2
\$ 150,000 - \$ 159,999	1	-
\$ 170,000 - \$ 179,999	1	-
\$ 190,000 - \$ 199,999	1	-
\$ 200,000 - \$ 209,999	2	-
\$ 380,000 - \$ 389,999	-	1
\$ 540,000 - \$ 549,999	1	-
\$ 1,800,000 - \$ 1,809,999	-	1
\$ 2,080,000 - \$ 2,089,999	1	-
	14	13

(c) Retirement Benefits

Prescribed benefits paid during the year in connection with the retirement of a person from a prescribed office, being amounts that have been previously approved by the members of the Company in a general meeting.

Economic Entity		Chief Entity	
2001 \$000	2000 \$000	2001 \$000	2000 \$000
-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

39. EXECUTIVE REMUNERATION

All employees, including executives, are employed by subsidiary entities within the Economic Entity. There is therefore no executive remuneration to disclose for the Chief Entity.

- (a) Amounts received or due and receivable by executives of the Economic Entity whose remuneration was \$100,000 or greater:

		Economic Entity	
		2001	2000
		\$000	\$000
		33,868	26,433

- (b) Number of executive officers of the Economic Entity whose remuneration (including superannuation contributions) is within the following bands:

		Economic Entity				Economic Entity	
		2001	2000			2001	2000
		No.	No.			No.	No.
\$ 100,000	- \$ 109,999	-	1	\$ 410,000	- \$ 419,999	-	1
\$ 110,000	- \$ 119,999	1	1	\$ 420,000	- \$ 429,999	2	1
\$ 120,000	- \$ 129,999	1	-	\$ 430,000	- \$ 439,999	2	2
\$ 150,000	- \$ 159,999	-	1	\$ 450,000	- \$ 459,999	-	1
\$ 160,000	- \$ 169,999	-	2	\$ 460,000	- \$ 469,999	2	1
\$ 170,000	- \$ 179,999	-	1	\$ 470,000	- \$ 479,999	2	1
\$ 180,000	- \$ 189,999	-	3	\$ 500,000	- \$ 509,999	1	-
\$ 190,000	- \$ 199,999	1	2	\$ 510,000	- \$ 519,999	-	1
\$ 200,000	- \$ 209,999	1	3	\$ 520,000	- \$ 529,999	-	1
\$ 210,000	- \$ 219,999	-	7	\$ 530,000	- \$ 539,999	1	-
\$ 220,000	- \$ 229,999	4	2	\$ 540,000	- \$ 549,999	1	1
\$ 230,000	- \$ 239,999	4	4	\$ 550,000	- \$ 559,999	-	1
\$ 240,000	- \$ 249,999	4	1	\$ 560,000	- \$ 569,999	2	2
\$ 250,000	- \$ 259,999	10	2	\$ 570,000	- \$ 579,999	1	-
\$ 260,000	- \$ 269,999	5	3	\$ 580,000	- \$ 589,999	1	-
\$ 270,000	- \$ 279,999	4	1	\$ 590,000	- \$ 599,999	-	1
\$ 280,000	- \$ 289,999	5	-	\$ 600,000	- \$ 609,999	1	-
\$ 290,000	- \$ 299,999	3	1	\$ 610,000	- \$ 619,999	-	2
\$ 300,000	- \$ 309,999	1	1	\$ 620,000	- \$ 629,999	1	-
\$ 310,000	- \$ 319,999	1	2	\$ 630,000	- \$ 639,999	2	-
\$ 320,000	- \$ 329,999	1	2	\$ 640,000	- \$ 649,999	1	-
\$ 330,000	- \$ 339,999	1	3	\$ 670,000	- \$ 679,999	1	-
\$ 340,000	- \$ 349,999	-	2	\$ 680,000	- \$ 689,999	2	-
\$ 350,000	- \$ 359,999	2	1	\$ 860,000	- \$ 869,999	1	-
\$ 360,000	- \$ 369,999	1	2	\$ 1,060,000	- \$ 1,069,999	-	1
\$ 370,000	- \$ 379,999	2	1	\$ 1,260,000	- \$ 1,269,999	1	-
\$ 380,000	- \$ 389,999	3	3	\$ 1,800,000	- \$ 1,809,999	-	1
\$ 390,000	- \$ 399,999	2	2	\$ 2,080,000	- \$ 2,089,999	1	-
\$ 400,000	- \$ 409,999	3	3				
						86	75

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

40. RELATED PARTY DISCLOSURES

(a) Loans to Non-Executive Directors

There are no loans to non-executive Directors (2000: Nil).

(b) Loans to Executive Directors

Loans are provided by Woodside Petroleum Ltd. to executive Directors within the Economic Entity under the terms of the Woodside Employee Share Plan (see Note 36) and are on the same terms and conditions available to other employees.

During the year, loans totalling \$8,044,903 (2000: \$2,350,426) were advanced to the following executive Directors within the Economic Entity: Messrs J H Akehurst, D R Adams, R J Beresford, A Brooks, R E Cargeeg, R A Carroll, G Catalano, C J Cronin, R L Fisher, D Gentili, A J Kantsler, E R Kennedy, M S Platt, N G Rogerson, M S Sandman, J Schneider, D K Spector, K Spence and C F Visaggio. Repayments totalling \$2,565,158 (2000: \$668,592) were made by the following executive Directors within the Economic Entity: J H Akehurst, D R Adams, R J Beresford, A Brooks, R E Cargeeg, R A Carroll, G Catalano, C J Cronin, R L Fisher, D Gentili, A J Kantsler, E R Kennedy, M S Platt, N G Rogerson, M S Sandman, J Schneider, D K Spector, K Spence and C F Visaggio.

At balance date, loans advanced by Woodside Petroleum Ltd. to the executive Directors within the Economic Entity were \$17,987,581 (2000: \$12,582,507).

(c) Directors' Shareholdings

During the year, Directors of the Chief Entity and their Director-related entities acquired 121,998 (2000: 37,989) ordinary shares in Woodside Petroleum Ltd. Directors and Director-related entities acquired 121,498 (2000: 34,989) ordinary shares under the terms of the Woodside Employee Share Plan with the remaining shares acquired on-market.

The Directors of Woodside Petroleum Ltd. as disclosed in Note 38 and their Director-related entities held the following number of ordinary shares at the reporting date:

	Ordinary Shares Fully Paid			
	Held as at 31 December 2000	Acquired in 2001	Disposed in 2001	Held as at 31 December 2001
C B Goode	100,000	-	-	100,000
J H Akehurst	464,679	121,498	-	586,177
R E S Argyle	11,400	500	-	11,900
J R Broadbent	30,000	-	-	30,000
K A Dean	1,000	-	-	1,000
P J B Rose	4,000	-	-	4,000
R A GVines	7,400	-	-	7,400

(d) Other Transactions of Directors and Director-Related Entities

A number of Directors of Woodside Petroleum Ltd. hold positions in other companies. It is not considered that the relevant Directors as individuals exercise control over those other companies or have the capacity to affect substantially the financial or operating policies of those companies. Those companies are therefore not considered to be Director-related entities in terms of Accounting Standard AASB1017: Related Party Disclosures. However, the following is a description of relevant relationships and a summary of material dealings between relevant companies and the Economic Entity:

Mr Charles Goode is the Chairman and a non-executive Director of the ANZ Banking Group Limited. Companies within the Economic Entity during 2001 have engaged services from the ANZ Banking Group Limited on normal commercial terms and conditions.

Dr Alan Parsley is, and Mr Ken Dean and Mr Peter Duncan were, Directors of Shell Australia Ltd. Dealings between the Economic Entity and Shell Australia Ltd. and related companies are identified in (f) below.

A Director related entity of JH Akehurst received \$121,639 for HR consultancy services on normal commercial terms and conditions.

(e) Transactions with related parties in the wholly owned group

Dividends, interest received/receivable and diminution in value of investments in subsidiaries are as per Note 2. Amounts owing by controlled entities in Note 7 are inter-company current balances that attract interest at commercial rates. Amounts owing by controlled entities in Note 11 are long term interest free inter-company advances. Amounts owing to controlled entities in Note 27 are long term interest free inter-company advances.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

40. RELATED PARTY DISCLOSURES (Continued)

(f) Other Related Party Transactions

Shell Australia Limited ("Shell") is deemed a related party through its 34.27% interest (228,456,275 ordinary shares) in the shareholding of Woodside Petroleum Ltd. ("Woodside"). Shell and Woodside have common interests in joint ventures (refer Note 43).

In early 2001, the Company continued to be subject to a takeover bid from Shell. In April 2001, the Federal Treasurer made orders under section 18 of the Foreign Acquisitions and Takeovers Act prohibiting Shell from increasing its existing 34.27% shareholding in Woodside. As a consequence of the Treasurer's decision, the foreign investment condition on Shell's takeover bid could not be fulfilled and any acceptances received by Shell were void. Shell withdrew its takeover bid soon after the Treasurer's decision.

During the year petroleum products totalling \$7,658,000 (2000: \$9,693,000) were purchased from Shell by the Economic Entity in its own right or through its participation in joint ventures. These transactions were on normal commercial terms and conditions. At year-end the liability outstanding to Shell in relation to these purchases was \$289,000 (2000: \$371,000).

The Economic Entity did not enter into any venture interest transactions with Shell in 2001 (During 2000 Woodside acquired Shell's interests in the Vic/P19 and Vic/RL2 Joint Ventures for \$52,600,000).

Woodside and Shell are reviewing the broad ranging business alliance covering oil and gas exploration, production, commercialisation and marketing activities established in 1998. Under the alliance Woodside had acted as operator for Shell's upstream exploration and production business in Australia. Woodside and Shell have been holding discussions aimed at ensuring that the relationship between the two companies moves forward on a basis which will create value for the shareholders of both companies.

(g) Relationship with Royal Dutch/Shell Group

Shell Australia Limited ("Shell") is a member of the Royal Dutch/Shell Group. Companies within the Royal Dutch/Shell Group not controlled by Shell Australia Limited are not related parties in terms of Accounting Standard AASB1017: Related Party Disclosures. However, the following is a summary of material dealings between other entities within the Royal Dutch/Shell Group and the Economic Entity:

Provision to the Economic Entity of various technical services, technology, research and information networks and secondment of management and technical staff.

Sales by the Economic Entity of oil and gas products on normal commercial terms and conditions comprising a significant portion of the Economic Entity's Laminaria crude oil sales under a three year contract expiring in 2003 and the agreement of terms of a sale of LNG from the initial capacity of the NWS Venture fourth LNG train.

41. CONTINGENT LIABILITIES

- (a) The Economic Entity has guarantees of \$3,500,000 (2000: \$2,600,000) in place in relation to workers' compensation.
- (b) Woodside Petroleum Ltd., together with certain of its controlled entities have guaranteed the discharge by Woodside Finance Ltd. of its financial obligations under debt facilities mentioned in Note 32. See Note 46 regarding deed of cross guarantee.
- (c) In accordance with the terms and conditions of the employee share plan (see Note 36) loans to employees are non-recourse. The Economic Entity is therefore potentially exposed to losses on termination of employees dependent upon the market value of the shares at that time. The total exposure as at 31 December 2001 based on the market price of Woodside Petroleum Ltd. shares of \$13.39 (2000: \$14.75) is \$3.64 million (2000: \$Nil). On the assumption of normal employee turnover the exposure in the coming year would be \$0.18 million (2000: \$Nil).
- (d) To meet requirements of the Australian Petroleum Submerged Lands Act (PSLA), Woodside may be exposed to the cost of removing a number of remaining wellheads from the seabed, these relate to exploration wells drilled predominantly in the 1970's. The potential cost of these activities is estimated at between \$20 million and \$25 million. (2000 \$).
- (e) Woodside Energy Ltd. holds a 50% interest in Permit T/30P which it acquired from Origin Energy Resources Ltd. in July 1999. Origin holds 30% equity and Benaris International NV, the original Permittee of T/30P, holds 20%. In December 2001 Origin commenced proceedings before the Supreme Court of Tasmania in connection with inter-party rights and obligations. Although the dispute is between Benaris and Origin, for conformity and procedural reasons, Woodside Energy Ltd. has been named as a co-defendant. Woodside does not expect any adverse outcome from the proceedings.
- (f) In January 2002 Woodside Energy Ltd. guaranteed financial support to Pulse Energy Pty Ltd ("Pulse") up to a maximum amount of \$2,500,000 in respect of debts which are incurred in the ordinary course of Pulse's business, within an agreed timeframe and in accordance with the Pulse Shareholders' Agreement.

42. AUDITOR REMUNERATION

Amounts received or due and receivable by the auditors for:

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Auditing of financial report	362	179	20	20
Takeover response support	1,221	206	-	-
Mergers & acquisitions due diligence	2,217	-	-	-
Fundraising due diligence	300	-	-	-
Other services	274	136	-	-
	4,374	521	20	20

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

43. JOINT VENTURES

(a) The Economic Entity has the following interests in joint venture operations:

Joint Venture	Principal Activities	Ownership Interest %	Related Party %
North West Shelf Joint Ventures			
LNG	Development, production and marketing of hydrocarbons	16.7	16.7
Domestic Gas		50.0	8.3
Gas Recycling		16.7	16.7
LPG		16.7	16.7
Incremental Pipeline Gas		16.7	16.7
Related joint venture entities			
North West Shelf Gas Pty. Ltd.		20.0	20.0
North West Shelf Liaison Company Pty. Ltd.		16.7	16.7
International Gas Transportation Company Limited		16.7	16.7
North West Shelf Shipping Services Company Pty. Ltd.		16.7	16.7
Cossack	Development, production and marketing of crude oil	16.7	16.7
Wanaea		16.7	16.7
Hermes		16.7	16.7
Lambert		16.7	16.7
Legendre Project Venture			
WA-20-L	Development, production and marketing of crude oil	45.94	-
Laminaria Project Ventures			
AC/L5	Development, production and marketing of crude oil	50.0	25.0
AC/L5 unitised area		44.9	22.5

	Ownership Interest %	Related Party %		Ownership Interest %	Related Party %
Carnarvon Basin					
Exploration for hydrocarbons					
WA-28-P (incl. related retention lease areas)	16.7	16.7	WA-254-P (P2)	17.1	-
WA-1-P	45.94	-	WA-254-P (P1,3,4)	24.4	-
WA-20-L	45.94	-	WA-294-P	16.0	18.0
WA-191-P	8.2	-	WA-296-P	16.0	15.0
WA-205-P	5.0	23.6	WA-297-P	16.0	18.0
WA-208-P	29.5	-	WA-299-P	1.0	99.0
WA-215-P	40.0	-	WA-300-P	1.0	99.0
Browse Basin					
Exploration for hydrocarbons					
WA-33-P	50.0	8.3	WA-242-P	66.7	-
EP 36	50.0	8.3	WA-275-P	25.0	15.0
TP/4	50.0	8.3			
Timor Sea					
Exploration for hydrocarbons					
AC/P4	80.0	-	WA-279-P	35.0	35.0
AC/P8	85.0	15.0	WA-280-P	35.0	35.0
AC/L5	50.0	25.0	WA-313-P	33.3	33.3
AC/P17	30.0	-	ZOCA 91-01	40.0	-
NT/RL2	35.0	25.0	ZOCA 94-07	10.0	90.0
NT/P49	33.3	66.7	ZOCA 95-19	27.7	32.3
NT/P55	26.7	33.3	ZOCA 96-20	26.7	33.3
NT/P57	90.0	10.0			

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Ownership Interest %	Related Party %		Ownership Interest %	Related Party %
43. JOINT VENTURES (Continued)					
Great Australian Bight					
EPP27	90.0	-	Exploration for hydrocarbons EPP29	40.0	-
EPP28	40.0	-	EPP30	40.0	-
Victoria (Bass Strait, Otway)					
VIC/RL2	30.0	-	Exploration for hydrocarbons VIC/P43	55.0	-
VIC/RL9	50.0	-	T/30P	50.0	-
VIC/RL10	50.0	-			
West Africa (Mauritania, Senegal)					
Area A	35.0	-	Exploration for hydrocarbons Area C (Block C2)	60.0	-
Area B	35.0	-	Area C (Block C6)	59.5	-
Block 7	35.0	-	Casamance Blocks I,II & III	46.25	-
Papua New Guinea					
PPL-188	40.45	-	Exploration for hydrocarbons PPL-218	50.0	-
PPL-199	35.0	-			
Algeria					
Ohanet Risk Service Contract	15.0	-	Exploration and development of hydrocarbons Quest Hassi R'Mel		
Boukechba PSC	50.0	-	Gas Study Agreement	50.0	-
Gulf of Mexico					
WR123	33.33	-	Exploration for hydrocarbons AT371	24.99	-
WR37	33.33	-	AT370	24.99	-
WR81	33.33	-	KC287	16.25	-
KC301	33.33	-	MC294	12.5	-
KC302	33.33	-	MC338 E/2	12.5	-
GC246	33.33	-	MC338 NW/4	12.5	-
AT40	33.33	-	MC338 SW/4	12.5	-
MC1008	33.33	-	MC339	12.5	-
KC387	33.33	-	GC410	12.5	-
KC388	33.33	-	GB935	12.5	-
KC431	33.33	-	GB936	12.5	-
KC434	33.33	-	GB937	12.5	-
KC477	33.33	-	GB979	12.5	-
KC478	33.33	-	GC283	12.5	-
NG15-91	33.33	-	GC284 N/2	12.5	-
NG15-92	33.33	-	GC284 S/2	12.5	-
NG15-93	33.33	-	GC328	12.5	-
KC155	19.74	-	AC73	16.25	-
KC199 N/2	19.74	-	AC117	16.25	-
KC199 S/2	13.0	-	GB563	16.67	-
AC946	16.25	-	WR342	33.33	-
GC688	24.99	-	GC648	25.0	-
AT279	16.67	-	MC449	25.0	-
GC1001	25.0	-	MC554	2.75	-
GC1002	25.0	-	MC447	25.0	-
GC388	25.0	-	MC555	2.75	-
AT0095	40.0	-	MC598	2.75	-
WR77	6.78	-	MC599	2.75	-

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

	Economic Entity		Chief Entity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
43. JOINT VENTURES (Continued)				
(b) The aggregate of the Economic Entity's interest in the assets employed in all joint venture operations is:				
Current Assets				
Receivables	66,043	40,591	-	-
Inventories	34,963	27,203	-	-
	101,006	67,794	-	-
Non Current Assets				
Exploration, evaluation and development	1,104,747	1,040,448	-	-
Property, plant and equipment	2,530,446	2,403,169	-	-
Inventories	4,365	3,700	-	-
	3,639,558	3,447,317	-	-
Total Joint Venture Assets	3,740,564	3,515,111	-	-
(c) The aggregate of the Economic Entity's commitments through joint venture operations is:				
Commitments				
Operating lease	50,433	43,438	-	-
Capital	252,110	121,040	-	-
Other expenditures	230,374	233,103	-	-
	532,917	397,581	-	-

(d) Details regarding joint venture entities related to joint venture operations include:

Entity	Principal Activity	Carrying Amount of Investment \$000
North West Shelf Gas Pty. Ltd.	Agent for venturers in the sale of gas to domestic market.	(\$2.00 only)
North West Shelf Liaison Company Pty. Ltd.	Liaison for venturers in the sale of LNG to Japanese buyers.	23
International Gas Transportation Company Limited	LNG vessel fleet operator	22
North West Shelf Shipping Services Company Pty. Ltd.	LNG vessel fleet management	9

These entities exist as integrated components of the overall North West Shelf Joint Ventures structure and are held proportionally with the other venturers. There have been no changes to the investment in these entities in the period. There are no material impacts of entity assets, liabilities, revenues, expenses or retained earnings upon the Woodside Economic Entity. All relevant commitments arising through these entities are included in disclosures in Note 34.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

43. JOINT VENTURES (Continued)

(e) The Economic Entity has the following interests in joint venture partnerships:

Partnership	Principal Activities	Economic Entity Ownership Interest	
		2001 %	2000 %
Adesi Solutions	Provision of SAP support services	50.0	50.0
		2001 \$000	2000 \$000
Share of the joint venture partnership profits / (losses):			
Revenues		5,031	1,274
Expenses		(3,772)	(722)
Operating profits / (losses)		1,259	552
Carrying amount of investment in joint venture partnership:			
Balance at the beginning of financial year		552	-
Share of profits / (losses)		1,259	552
Balance at the end of financial year		1,811	552
Amount of retained profits of the Economic Entity attributable to joint venture partnership:			
Balance at the beginning of financial year		364	-
Share of profits / (losses)		881	364
Balance at the end of financial year		1,245	364

(f) Details regarding joint venture contingent liabilities are in Note 41.

44. ASSOCIATED ENTITIES

Name	Principal Activities	Economic Entity Ownership Interest	
		2001 %	2000 %
Ceramic Fuel Cells Ltd	Fuel cell research and development	36.9	25.5
HR Connect Pty. Ltd.	Recruitment and personnel agency	33.3	-
North West Utilities Pty. Ltd.	Investment in power generation capacity	46.0	46.0
		2001 \$000	2000 \$000
Share of Associate's profits / (losses)			
Operating profits / (losses) after income tax		(3,843)	-
Adjusted for recoverable amount write down of assets in Associates		-	(364)
Share of Associate's net profits / (losses)		(3,843)	(364)
Carrying amount of investment in Associates			
Balance at beginning of financial year		-	-
Investment now recognised as an Associate		20,000	-
Carrying amount of investment in Associates acquired during the year		15,055	364
Share of Associate's net profits / (losses) for the year		(3,843)	(364)
Carrying amount of investment in Associates at the end of the year		31,212	-
Amount of retained profits of the Economic Entity attributable to Associates			
Balance at the beginning of financial year		(2,244)	(1,880)
Share of profits / (losses)		(3,843)	(364)
Balance at the end of financial year		(6,087)	(2,244)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

45. SEGMENT REPORTING

(a) Business Segments

The consolidated entity has the following reportable segments.

North West Shelf Ventures

Exploration, evaluation, development, (LNG, Domgas, Condensate, LPG and Crude Oil) from the North West Shelf Venture

Australian Oil

Exploration, evaluation, development, production and sale of crude oil, in assigned permit areas and from the Laminaria and Legendre developments

Group and Unallocated

This segment comprises the activities undertaken by all other business units and corporate costs

(b) Geographical Segments

The consolidated entity's divisions operate in two main geographical segments

Australia

The main operating activities of the entity, producing assets and a significant portion of sales are within Australia.

Asia

The majority of the entity's sales are made to customers within this region

Other

Exploration, evaluation and development activities outside of Australia ie. Mauritania, Senegal, Algeria and Gulf of Mexico. It also reflects sales to customers in the US.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

45. SEGMENT REPORTING (Continued)

Segment accounting policies

Segment accounting policies are the same as the consolidated entity's policies described in Note 1.

Primary Reporting - Business Segments

	North West Shelf Ventures		Australian Oil		Group and Unallocated		Consolidated	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Revenue								
Revenue from oil & gas operations	1,462,750	1,368,804	935,555	978,645	-	-	2,398,305	2,347,449
Cost of Sales								
Production costs	(117,246)	(96,829)	(70,528)	(28,060)	-	-	(187,774)	(124,889)
Royalties, Excise and PRRT	(205,183)	(219,535)	(122,140)	-	-	-	(327,323)	(219,535)
Shipping and marketing	(84,135)	(100,545)	(13,840)	(15,487)	-	-	(97,975)	(116,032)
Depreciation and amortisation	(129,937)	(134,498)	(213,755)	(255,735)	-	-	(343,692)	(390,233)
Restoration provision	(14,203)	(15,136)	(4,385)	(8,224)	-	-	(18,588)	(23,360)
Total cost of sales	(550,704)	(566,543)	(424,648)	(307,506)	-	-	(975,352)	(874,049)
Gross Profit	912,046	802,261	510,907	671,139	-	-	1,422,953	1,473,400
Other revenue	20,232	12,010	9,939	13,446	258,311	158,825	288,482	184,281
Share of net profit of equity accounted associates	-	-	-	-	(2,584)	188	(2,584)	188
Borrowing costs expensed	-	-	-	-	(102,766)	(116,932)	(102,766)	(116,932)
Other expenses from ordinary activities	(45,081)	(4,783)	(10,580)	(2,498)	(289,664)	(126,380)	(345,325)	(133,661)
Segment result	887,197	809,488	510,266	682,087	(136,703)	(84,299)	1,260,760	1,407,276
Income tax expense							(351,207)	(440,639)
Net profit							909,553	966,637
Segment Assets	2,788,660	2,830,567	1,076,659	1,567,804	2,249,547	1,570,427	6,114,866	5,968,798
Segment Liabilities	297,592	546,088	183,678	513,609	3,079,422	2,797,813	3,560,692	3,857,510
Other segment information								
Associates & other investments	-	-	-	-	235,030	183,180	235,030	183,180
Acquisition of property, plant and equipment, intangible assets and other non-current assets (excluding exploration)	129,755	73,512	89,609	23,348	291,926	148,120	511,290	244,980
Non-cash expenses other than depreciation and amortisation	50,677	136,073	98,855	248,868	256,583	146,079	406,115	531,020

Secondary Reporting - Geographical Segments

	Australia		Asia		Other		Consolidated	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Segment Revenue	441,508	299,190	1,768,734	1,805,327	188,063	242,932	2,398,305	2,347,449
Segment Assets	5,261,213	4,850,673	269,879	627,342	583,774	490,783	6,114,866	5,968,798
Other Segment Information								
Acquisition of property, plant and equipment, intangible assets and other non-current assets	306,707	244,980	-	-	204,583	-	511,290	244,980

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

46. CONTROLLED ENTITIES

All controlled entities are 100% owned

	Contribution to Consolidated Profit after Eliminating Controlled Entities Dividends	
	2001 \$000	2000 \$000
Chief Entity		
Woodside Petroleum Ltd. (c)	(3,214)	(29,443)
Controlled Entities		
Woodside Energy Ltd. (c)	903,613	974,392
Woodside Energy Holdings Pty. Ltd.	(64,369)	-
Woodside Energy Holdings (USA) Inc.	(53,717)	7,934
Woodside Energy (USA) Inc.	(77,329)	(9,005)
Woodside Energy (North Africa) Inc.	(95)	-
Woodside Eastern Energy Pty. Ltd.	(2,694)	(2,541)
Woodside Petroleum (Timor Sea 7) Pty. Ltd.	(5)	-
Woodside Energy (Senegal) Pty. Ltd.	(35)	-
Woodside Energy (Algeria) Pty. Ltd.	95	-
Woodside SSW Solutions Pty. Ltd.	879	552
Woodside Petroleum NEDSP Pty. Ltd.	-	-
Woodside Technical Services Pty. Ltd.	15	-
Woodside Mauritania Pty. Ltd.	(2,777)	1
Metasource Pty. Ltd. (b)	(15,105)	-
Woodside West Kimberley Energy Pty. Ltd.	-	-
Woodside Energy Holdings (Guangdong LNG) Pty. Ltd.	-	-
Guangdong LNG Technical Services Pty. Ltd.	-	-
Woodside Mauritania Investments Pty. Ltd. (b)	-	-
Woodside Energy Holdings (UK) Pty. Ltd. (b)	-	-
Woodside Energy (UK) Ltd. (b)	-	-
Woodside Energy (Iran) Pty. Ltd. (b)	-	-
Woodside Quest Energy Pty. Ltd. (b)	-	-
Woodside Petroleum Development Pty. Ltd. (c)	-	-
Mid-Eastern Oil Ltd. (c)	-	-
Woodside Finance Ltd.	28,344	20,434
Woodside Holdings Pty. Ltd.	-	-
Woodside Petroleum Holdings Pty. Ltd.	7,954	8,857
Woodside Petroleum (Timor Sea 1) Pty. Ltd.	(722)	(26)
Woodside Petroleum (Timor Sea 3) Pty. Ltd.	(108)	-
Woodside Petroleum (Timor Sea 4) Pty. Ltd.	-	-
Woodside Petroleum (Timor Sea 19) Pty. Ltd.	(149)	(6,203)
Woodside Petroleum (Timor Sea 20) Pty. Ltd.	(5)	(234)
Woodside Petroleum (PNG) Pty. Ltd.	(3,459)	(9,256)
Woodside South East Asia Pty. Ltd.	73	(9,885)
Australia LNG Pty. Ltd.	(166)	98
Mermaid Sound Port and Marine Services Pty. Ltd.	-	-
Woodside Development Asia Pty. Ltd.	-	-
Woodside Executive Superannuation Fund Pty. Ltd.	-	-
Woodside Financial Services Ltd.	-	-
Woodside Group Staff Superannuation Pty. Ltd.	-	-
Woodside LNG Pty. Ltd.	-	-
Woodside Offshore Petroleum Pty. Ltd.	-	-
Woodside Petroleum (Northern Operations) Pty. Ltd.	-	-
Woodside Petroleum (W.A. Oil) Pty. Ltd.	-	-
Glyde Point Pty Ltd.	-	-
Consolidation adjustments	192,529	20,962
Operating Profit after Income Tax	909,553	966,637

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

46. CONTROLLED ENTITIES (Continued)

- (a) All controlled entities are incorporated in Australia other than Woodside Energy Holdings (USA) Inc., Woodside Energy (USA) Inc. and Woodside Energy (North Africa) Inc. which are incorporated in Delaware USA, and Woodside Energy (UK) Ltd. which is incorporated in UK.
- (b) Entities incorporated during the year were Woodside Energy Holdings (UK) Pty. Ltd. (23 May 2001), Woodside Energy (UK) Ltd. (11 June 2001), Woodside Energy (Iran) Pty. Ltd. (Initially incorporated as Woodside Taiwan Pty. Ltd.) (21 June 2001), Woodside Mauritania Investments Pty. Ltd. (2 July 2001), Woodside Quest Energy Pty. Ltd. (18 October 2001). In addition Woodside Sustainable Energy Solutions Pty. Ltd. changed its name to Metasource Pty. Ltd. on 2 April 2001.
- (c) Pursuant to Class Order 98/1418, relief has been granted to these controlled entities of Woodside Petroleum Ltd. from the Corporations Law requirements for preparation, audit and publication of accounts. As a condition of the Class Order, Woodside Petroleum Ltd. and the controlled entities subject to the Class Order, Woodside Energy Ltd., Woodside Petroleum Development Pty. Ltd. and Mid-Eastern Oil Ltd., are parties to a deed of cross guarantee. The effect of the deed is that Woodside Petroleum Ltd. has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that Woodside Petroleum Ltd. is wound up.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the Year ended 31 December 2001

46. CONTROLLED ENTITIES (Continued)

- (d) The consolidated financial performance and Statement of Financial Position of the entities which are members of the Closed Group are as follows:

	2001 \$000	2000 \$000
Consolidated financial performance		
Operating profit before income tax	1,184,401	1,374,566
Income tax attributable to operating profit	(339,355)	(432,278)
Operating profit after income tax	845,046	942,288
Retained profits at the beginning of the financial year		
Dividend provided for or paid	(466,667)	(546,667)
Retained profits at the end of the financial year	1,601,740	1,223,361
Consolidated Statement of Financial Position		
Current assets		
Cash	6,762	29,190
Receivables	503,179	694,625
Inventories	34,963	27,203
Other financial assets	171,663	349,072
Other assets	41,556	57,076
Total current assets	758,123	1,157,166
Non-current assets		
Receivables	351,317	108,654
Inventories	4,365	3,700
Other financial assets	342,446	494,994
Exploration, evaluation & development	1,423,984	1,243,441
Property, plant & equipment	2,590,974	2,437,885
Tax assets	402	322
Other assets	514,254	400,854
Total non-current assets	5,227,742	4,689,850
Total assets	5,985,865	5,847,016
Current liabilities		
Payables	310,095	446,983
Interest bearing liabilities	67,221	-
Current tax liabilities	100,271	187,526
Provisions	360,394	452,444
Other liabilities	204,036	375,940
Total current liabilities	1,042,017	1,462,893
Non-current liabilities		
Interest bearing liabilities	1,662,104	1,414,924
Deferred tax liabilities	637,946	573,759
Provisions	98,423	75,568
Other liabilities	153,437	306,313
Total non-current liabilities	2,551,910	2,370,564
Total liabilities	3,593,927	3,833,457
Net assets	2,391,938	2,013,559
Shareholders' equity		
Share capital	708,291	708,291
Reserves	81,907	81,907
Retained profits	1,601,740	1,223,361
Total shareholders' equity	2,391,938	2,013,559

DIRECTORS' DECLARATION

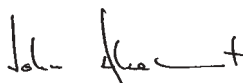
In the opinion of the Directors of Woodside Petroleum Ltd.:

- (a) the financial report and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2001 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 46 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors.



Chairman



Managing Director

Melbourne, 20 February 2002

INDEPENDENT AUDIT REPORT

To the members of Woodside Petroleum Ltd.

Scope

We have audited the financial report of Woodside Petroleum Ltd. for the financial year ended 31 December 2001, as set out on pages 70 to 110, including the Directors' Declaration. The financial report includes the financial statements of Woodside Petroleum Ltd., and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at year's end or from time to time during the financial year. The Company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

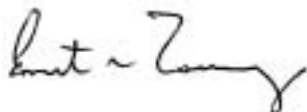
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, 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 report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Woodside Petroleum Ltd. is in accordance with:

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2001 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.



Ernst & Young



J P Dowling
Partner

Perth
Date: 20 February 2002

SHAREHOLDING INFORMATION

As at 15 February 2002

1. Number of Shareholders

There were 60,732 shareholders. All issued shares carry voting rights on a one for one basis.

2. Distribution of Shareholding

Size of Shareholding	Number of Shareholders	% of Holders	Number of Shares	% of Shares
1- 1,000	36,010	59.29	19,956,269	2.99
1,000 – 5,000	20,663	34.02	47,266,877	7.09
5,001 – 10,000	2,493	4.11	18,327,899	2.75
10,001 – 100,000	1,408	2.32	33,343,135	5.00
100,001 and over	158	0.26	547,772,487	82.17
Total	60,732	100.00	666,666,667	100.00

3. Unmarketable Parcels

There were 434 members holding less than a marketable parcel of shares in the Company.

4. Listing

The Company's shares are quoted on the Australian Stock Exchange.

5. Twenty Largest Shareholders

	Shares Held	% of Issued Capital
Shell Australia Limited	228,456,275	34.27
Chase Manhattan Nominees Limited	62,674,411	9.40
National Nominees Ltd.	46,251,467	6.94
Westpac Custodian Nominees Limited	43,457,180	6.52
ANZ Nominees Limited	15,872,256	2.38
Queensland Investment Corporation	12,746,538	1.91
Commonwealth Custodial Services Limited	11,051,068	1.66
Australian Mutual Provident Society	10,643,918	1.60
Citicorp Nominees Pty. Limited	10,138,254	1.52
Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund A/C)	5,727,502	0.86
HSBC Custody Nominees (Australia) Limited	5,447,944	0.82
National Mutual Life Association of Australasia Ltd.	4,078,689	0.61
MLC Limited	3,930,717	0.59
Citicorp Nominees Pty Limited (CFS WSLE Australian Share Fund A/C)	3,283,714	0.49
Citicorp Nominees Pty Limited (CFS Imputation Fund A/C)	3,274,095	0.49
Cogent Nominees Pty Limited	2,859,526	0.43
JP Morgan Custodial Services Pty. Ltd.	2,400,226	0.36
Zurich Australia Limited	2,373,502	0.36
RBC Global Services Australia Nominees Pty. Limited (PI Pooled A/C)	2,290,553	0.34
NRMA Nominees Pty Limited	2,172,171	0.33
Total	479,130,006	71.88

Substantial shareholders as disclosed in substantial shareholder notices given to the Company are as follows:

Shell Australia Limited	228,456,275	34.27%
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6. Geographic Location of Shareholders by Registered Address

	Number of Shareholders	Number of Shares
Australian Capital Territory	1,224	2,347,781
New South Wales	14,705	213,080,277
Northern Territory	287	424,658
Queensland	6,223	26,421,955
South Australia	3,724	11,944,183
Tasmania	1,045	1,800,087
Victoria	18,663	377,676,218
Western Australia	10,961	25,941,704
Total Australia	56,832	659,636,863
New Zealand	902	2,144,190
United Kingdom	2,008	2,751,657
United States	193	319,438
Other	797	1,814,519
Total	60,732	666,666,667