TRANSFORMATION

A Year of Outstanding PERFORMANCE

AND

TRANSFORMATION
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OUR PURPOSE

Enhancing the quality of life by meeting society’s energy needs in ways in which we are proud.

OUR VALUES

Working Together | Creativity | Integrity and Trust | Freedom to Act | Care | Respect
2000 has been an exceptional year for the Company because of its outstanding operational and financial performance and significant external events. It has also been a period of major transformation as we are now no longer dependent for our entire revenue stream on oil and gas production from the North West Shelf Venture. This follows the successful commissioning of oil production from the Laminaria and Corallina oil fields in the Timor Sea.

The Company continued to make significant progress towards its strategic growth objectives through new oil and gas discoveries in Australia, new gas marketing initiatives in Australia and with international LNG customers, and a commitment by the North West Shelf Venture to the Echo-Yodell condensate development. In addition the Legendre oil development project will commence production in April 2001, some three months earlier than expected.

An excellent operational performance from the Cossack Pioneer and Northern Endeavour floating production, storage and offloading facilities resulted in the Company being well positioned to extract the benefits of higher than anticipated oil prices and favourable exchange rates. This performance by the Company’s oil assets greatly enhanced the highly reliable production of LNG, condensate, domestic gas and LPG from the North West Shelf Venture assets.

As a result, sales revenue increased by 138.1% from A$988.8 million in 1999 to A$2,353.9 million. Net profit for 2000, which includes A$108.7 million (after tax) from the divestment of 10% of the Greater Sunrise gas and condensate fields, was A$966.6 million, an increase of 191.8% over the 1999 profit of A$331.3 million (including abnormals). This is the eighth consecutive year of increasing profits. Earnings per share in 2000 increased to 145 cents compared to 49.7 cents in 1999.
The record results reflect significantly higher oil prices and lower Australian dollar exchange rates during 2000. In both cases the benefits of favourable oil prices and exchange rates were offset by the Company's oil price and exchange rate hedging position.

Debt at the end of 2000 was US$785 million, a decrease of US$415 million compared to 1999. Gearing ended the year at 34% compared with 50% at the end of 1999.

Woodside will pay a final dividend of 60 cents per share (fully franked) on 30 March 2001. This will consist of an 18 cents per share dividend (fully franked) and a special dividend of 42 cents per share (fully franked). Together with the interim dividend of 12 cents per share (fully franked) and a special interim dividend of 10 cents per share (fully franked), this makes a 2000 total dividend of 82 cents per share (fully franked). This compares with the 1999 total dividend of 26 cents per share (fully franked).

Significant external events during 2000 included Shell's initial asset transfer proposal and subsequent take-over offer and revised asset transfer proposal.

In March 2000, Woodside received an unsolicited proposal from the Shell Group of Companies. Shell's proposal was that Woodside should:

• acquire all Shell's upstream assets in Australia and most of its upstream assets in New Zealand, plus a minority interest in two projects in Iran, at Shell's estimated fair market value of A$7.9 billion;
• assume about A$2.1 billion of debt in the companies holding the assets; and
• issue 428.9 million new Woodside shares to Shell, increasing Shell's shareholding in Woodside from 34.27% to 60%.

The independent Directors (i.e. the non-Shell appointed Directors) decided that acceptance would be justified only if analysis of the proposed transaction demonstrated that it would clearly provide a significant enhancement of the capacity of the Company to deliver value to all shareholders in the future.

The proposal was considered in detail with the benefit of extensive expert advice, and the independent Directors concluded that the proposal fell well short of any proposal that could be accepted and recommended to shareholders. Woodside subsequently proposed to Shell that the Alliance agreement signed by both companies in 1998 provided the preferred way forward for constructive cooperation between the two companies.

In late November, Shell announced a take-over offer of A$14.80 and one conditional call option for each Woodside share and a proposal to transfer a large parcel of Shell's assets to Woodside in return for the placement of 333.3 million new Woodside ordinary shares (revised asset transfer proposal).

Woodside responded to the take-over offer with a Target's Statement in late December. The Statement contained the independent Directors' formal response to the offer in the form of a recommendation that Shell's offer of A$14.80 and a conditional call option for each Woodside share should be rejected. The key reasons for recommending rejection were:

• The independent expert concluded that the offer is neither fair nor reasonable;
• The offer does not contain an adequate premium for control of Woodside; and
• The offer does not fully reflect the growth initiatives of Woodside.

The independent Directors in preparing the Target's Statement, chose not to assess Shell's revised asset transfer proposal at that time as information about some of Shell's assets was insufficient to enable a detailed recommendation to be made to shareholders within the timeframe allowed under Corporations Law for preparing this statement.

The revised asset transfer proposal is now being assessed with the assistance of expert advice, so that a considered recommendation can be put to shareholders.

At the time of writing this report, Shell had extended the expiry date for its take-over offer to 12 April 2001. The offer also remained conditional upon obtaining the approval of the Treasurer under the Foreign Acquisitions and Take-overs Act 1975.

In 2001, the Company will be seeking to add further shareholder value. We expect to finalise contract arrangements with our Japanese LNG customers and commence construction of a fourth LNG processing train and associated infrastructure on the Burrup Peninsula. We will also be pursuing the development of an LNG facility in Darwin. The Company's oil-producing assets will be further expanded in April when the Legendre oilfields commence production and we expect to continue to progress development plans for the Greater Sunrise gas and condensate fields and the Vincent–Enfield–Lavenda oil discoveries in Permit WA-271-P. In parallel, Woodside has planned a major exploration program, with wells to be drilled in a number of promising prospects in Australia, Gulf of Mexico and West Africa.

The Company will also address the challenge of resolving the outstanding issues with Shell to preserve the close strategic relationship that has existed between the two companies for a number of years.

There were no changes to the composition of the Board during 2000. In order to deal with the matters arising out of Shell's take-over offer and asset transfer proposals, the Board established a Shell Relationship Committee which met a number of times during the year.

On behalf of the Directors, I would like to thank the Managing Director, John Akehurst, his management team and the Company's employees and contractors for their contributions during what was a particularly busy 2000. Woodside's achievements are a direct result of their competence, enthusiasm and dedication.

I look forward to reviewing the Company's performance and prospects with you in more detail at the Annual General Meeting to be held on Wednesday 23 May 2001 at the Sheraton Hotel, Perth.

Charles Goode
Chairman
22 March 2001
MANAGING DIRECTOR’S REPORT

Year 2000: A Big Year For Woodside

With earnings and net cash flow for 2000 around three times 1999 levels and with two unsolicited offers from Shell designed to create a change of control of the Company, 2000 was certainly a big year for Woodside. In reporting to Shareholders on the Company’s performance during what was a remarkably busy period, I would first like to acknowledge the outstanding dedication and consistency of performance of the people who together are Woodside.

Despite the uncertainties generated by Shell’s offers and the very high media profile which they received, Woodside people across the Company have delivered unprecedented performances, both in operational and business development areas, to produce 2000’s excellent results. I would like to thank all the men and women who have chosen to work at Woodside, almost all of whom are shareholders, for the very high level of commitment that they have shown to the successful execution of their business plans in 2000 and to the creation of an exciting future for the Company, while at the same time dealing with the work load associated with the two Shell offers.

Health, Safety and Environment

There was one area of real disappointment for us all during 2000. An increased number of Woodside people and others involved in the Company’s activities suffered injuries, some of them serious. This reversed the long-term trend of reduced injuries to our people over recent years. The importance of the health and safety of all those affected by our activities, and of the integrity of the environment in which we operate is paramount for Woodside. While we are striving to achieve consistent top quartile operating and financial performance relative to our global peers, the Company’s fundamental philosophy remains that, if a conflict arises between safety and other business activities, safety must take priority.

In my discussions with people working on our production facilities and elsewhere in operational roles, it is clear to me that the fundamentals of good health, safety and environmental management are in place and that the commitment of the Board and senior management to this high level philosophy is fully acknowledged. Those in supervisory roles in the Company’s operations clearly feel confident that they will be supported if they call a halt to activities because of health, safety or environmental concerns. Building on this strong cultural starting point, Woodside people across the Company are committed to ensuring that the rigour and discipline of our management system, which is in place to ensure the safety of colleagues and the integrity of the environment, will be reinforced during 2001 by a greater sense of caring for the individuals for whom we have responsibility.

Health, safety and environmental matters are dealt with in greater detail in pages 42 to 45 of this report as are the efforts which are being directed at re-establishing the previous trend towards zero injuries and incidents in our activities.
Strategic Objectives

In 1996, following the discovery of the Laminaria and Corallina oil fields, Woodside embarked on a strategy to maximise the value to be derived from its substantial existing asset base while, at the same time, broadening its portfolio of profitable new oil, gas and sustainable energy investment opportunities. High level strategic objectives were defined as follows:

Gas Strategy
- Existing Business:
  - Maximise returns from developed assets and current long-term contracts
- Growth:
  - Win profitable new LNG and domestic gas contracts
  - Position North West Shelf as a processing hub for third parties
  - Monetise our Australian static gas resources, starting in Darwin
  - Develop a strong position as an eastern states gas supplier

Oil and Condensate Strategy
- Maintain an appropriate balance of revenues from oil, condensate and gas
- Maximise value extraction from existing assets
- Arrest declining condensate production by infill drilling and further liquids-rich developments
- Seek new oil discoveries around existing infrastructure to arrest projected natural decline in oil production

Development:
- Legendre oil fields development on time and budget
- Define preferred development plan for WA-271-P discoveries
- Evaluate Basker, Manta and Gummy fields

Growth:
- Pursue exploration of highly prospective oil-prone areas in Australia
- Develop self-sustaining production businesses in a small number of countries outside Australia through exploration and brownfield developments

Sustainable Energy Solutions
- Pursue a portfolio approach to the development of a number of profitable sustainable energy businesses starting in Western Australia.

In pursuit of these strategic objectives, 2000 saw the achievement of a number of significant milestones for the Company.

Maximising the Value of Existing Assets
In 2000, Woodside’s share of product sales increased significantly to 64.7 million barrels of oil equivalent (MMboe) compared with 39.1 MMboe in 1999. Substantially increased oil production and steady gas and liquids production and processing levels and improved product prices throughout 2000 resulted in an increase in sales revenues of 138.1% to a record A$2,353.9 million in 2000 compared with A$988.8 million in 1999.

Cash flow from operating activities in 2000 (before net interest and tax) was A$488 million, an increase of A$52 million compared to 1999. A return on shareholders’ equity of 45.7% was achieved compared to 19.6% in 1999.

Net profit after income tax, which includes A$108.7 million (after tax) derived from the divestment of 10% of the Greater Sunrise gas and condensate fields, was A$966.6 million, an increase of 191.8% compared with A$331.3 million in 1999. The opportunity cost of oil price hedging and currency hedging in 2000 (after tax) was A$381.6 million and A$24.3 million, respectively. The Company has provided for an income tax liability on the profit of A$440.6 million of which A$336.7 million is current.

Woodside’s gas lifting costs in 2000 increased by A$0.08 to A$1.79 per barrel of oil equivalent (boe) due mainly to slightly lower gas production volumes compared to 1999. As expected, oil lifting costs decreased by A$3.35 (compared to 1999) to A$1.18 per barrel in response to a full twelve months of production from the Cossack Pioneer and Northern Endeavour FPSOs during 2000. These unit cost levels place Woodside in or around the top decile with respect to competitors.

The Company’s finding cost for 2000 was A$0.61 per boe, compared to a finding cost of A$0.52 per boe in 1999.

At the end of 2000, Woodside’s net debt was US$785 million, representing a net debt to equity ratio of 34%. Capital expenditure, including exploration was A$488 million, an increase of A$52 million compared to 1999. A return on shareholders’ equity of 45.7% was achieved compared to 19.6% in 1999.

Gas Developments in Australia
Real progress was made with the Woodside-led negotiations with major Japanese customers to secure new LNG sales contracts.
By early 2001, the North West Shelf Venture had signed Letters of Intent with four customers for additional volumes of 2.4 million tonnes of LNG per annum, with deliveries commencing in the second half of 2004. We now expect to conclude letters of intent with at least three further customers in the first half of 2001. Joint venture approvals of the final investment decision for a fourth LNG processing train on the Burrup Peninsula with a design capacity of 4.2 million tonnes per annum, are anticipated by the beginning of April. Woodside has a 16.7% interest in this investment.

In parallel, marketing activities by Australia LNG Pty. Ltd. (ALNG) on behalf of the six North West Shelf joint venturers were intensified in pursuit of two specific LNG supply opportunities of 3 million tonnes each per annum commencing in 2006, to both China and South Korea. If tenders for these contracts are successful, investment in a fifth LNG processing train will also be required.

On the domestic front, a conditional gas sales agreement and two memorandums of understanding for gas supply were signed between the North West Shelf Venture and three potential new Western Australian based gas customers, namely Syntroleum Sweetwater Operations, Plenty River Corporation and Austeel Pty Ltd. The successful start-up of these projects could see the Venture supplying an additional 400 plus terajoules of gas per day with first gas deliveries in 2003. Woodside has a 16.7% interest in these new domestic gas opportunities.

The North West Shelf Venture also committed to the development of the Echo-Yodel gas fields which are rich in condensate. Production from Echo-Yodel will mitigate the effects of declining condensate production due to the progressive depletion of the Goodwyn reservoirs. The development is expected to produce 37 million barrels of condensate over a four-to five-year period commencing in 2002.

In recognition of the increasing need for upstream LNG suppliers to become involved in investment in new receiving terminals in order to secure LNG supply contracts, Woodside formed a consortium to bid for a major LNG receiving terminal and pipeline network in China in support of ALNG’s preparations to bid for LNG supply contracts to China. The consortium, comprising Woodside, Chevron and the Korea Gas Corporation was one of four foreign bidding consortia short-listed to develop these facilities in association with a number of Chinese-based organisations. In March, it was announced that BP-Amoco was the successful bidder.

In northern Australia, plans to realise the commercial potential of the Greater Sunrise gas and condensate fields have progressed with the signing of a conditional Letter of Intent with a foundation gas customer, Methanex Corporation and the inclusion of a potential customer, Osaka Gas, as an upstream partner. The signing in late 2000 of an in-principle agreement with Phillips Petroleum Company of Australia (operator of the Bayu-Undan project) to pursue a cooperative development of both companies’ gas resources in the region was a significant achievement.

During the first quarter of 2001 further progress was made with agreement being reached to transfer to Phillips a 16.39% interest in the Greater Sunrise fields. In addition, Phillips and El Paso Corporation announced a Letter of Intent for new LNG supply from Darwin (details are contained on page 20 of this report).

Woodside is actively exploring for gas in offshore Victoria. Two interesting gas prospects have been identified from seismic data in the Otway Basin. The Company acquired additional interests in the Kipper gas field and Basker-Manta-Gummy oil and gas fields in Bass Strait and established a 10% founding interest, with Shell, Energy Partnership Ltd and United Energy at 40%, 25% and 25% respectively, in a Victorian-based energy retailer, Pulse Energy and an energy merchant business, EdgeCap.

Oil Developments in Australia

Oil production from the Cossack Pioneer is expected to commence natural decline within the next six months and Northern Endeavour oil production is expected to see progressive decline over 2001. The successful execution of the final stages of the Legendre oil field development in which Woodside has a 45.94% interest will result in additional production of 40,000 barrels per day at plateau levels. Production is due to commence in April 2001. The Company will also drill several oil prospects within tie-back distance of the Northern Endeavour and Ocean Legend during 2001, which if successful, will prolong the production plateau of both assets.

The Company’s exploration activities in Permit WA-271-P, west of Exmouth in north-western Australia where Woodside has a 100% equity interest, have resulted in the discovery of three new oil fields out of a total of five exploration wells drilled to date.
This, together with a successful appraisal program has resulted in a significant upgrade to reserves and scope for recovery estimates in the permit. A combined development of the Enfield and Laverda fields is being targeted at mid-2005 with initial production levels projected at 100,000 barrels per day.

The high success rates experienced in Permit WA-271-P are largely the result of the excellent seismic quality and the ability of the Company to enhance the imaging of direct hydrocarbon indicators using far offset AVO techniques. Woodside intends to drill at least two further exploration prospects and carry out additional appraisal work in this permit during 2001.

Exploration
In addition to the exploration activities in Permit WA-271-P, Woodside’s International Exploration group has continued with a series of initiatives designed to build significant long-term exploration and production businesses in a small number of countries outside Australia. During 2000, the Company secured additional exploration acreage in Mauritania and in the Gulf of Mexico to add to its existing international oil exploration portfolio.

More recently, the Company secured a 15% interest in a committed gas and liquids development in Algeria together with interests in a study agreement and onshore exploration program in the region.

Reserves
As a result of activities undertaken during 2000, growth in Woodside’s hydrocarbon reserves at the Probable level exceeded production for the fifth year in succession. Woodside’s reserves replacement ratio was 186% at the Probable level.

As at 31 December, Woodside’s reserves position had increased to 919.6 million barrels of oil equivalent (MMboe) at the Proved level and increased to 1,192.8 MMboe at the Probable level. A full breakdown of changes to Woodside’s hydrocarbon resource portfolio during 2000 is presented in the Reserves Statement in this report.

Sustainable Energy Solutions
A power purchase agreement was agreed with Western Power Corporation for the supply of electricity in the remote area of west Kimberley in Western Australia which will be fuelled by LNG to be trucked from the onshore gas processing plant on the Burrup Peninsula. The Company has since submitted proposals to supply electricity on a similar basis to the remote Western Australian towns of Esperance, and Exmouth. The supply of LNG is a greenhouse friendly substitute for diesel. In the case of Esperance it is intended to be the precursor to a biomass project using oil mallee trees as the supply source.

Other key activities include an investment in a US-based company Ocean Power Technologies, a leading developer of wave energy power systems which use the energy in ocean wave motion to generate competitively priced electricity. The Company has also invested a further A$15 million in Ceramic Fuel Cells Limited and is continuing to work closely with Curtin University in developing synthetic natural gas hydrate as an alternative fuel for road transport in the future.

Focussing on our People
Back in 1994, the Company embarked on a series of major business improvement campaigns which have radically reduced operating costs, improved business processes and created the discipline of a comprehensive management system across all the Company’s activities. In 1999, it became clear from opinion surveys that many Woodside people were looking for something more than best practice. There was a growing desire for a more inclusive, supportive and inspiring culture which would complement the discipline of the Company’s management systems by liberating the creative energy of all employees in the workplace.
In looking for the next stage of performance improvement, the Company engaged McKinsey and Co in late 1999 and, following a detailed diagnosis of existing organisation capability, a performance leadership program was developed, in conjunction with Gita Bellin and Associates. The intention of this ongoing program, which involved more than 1,300 employees during 2000, is to stimulate new ways for employees to work together to achieve the next level of business performance through the personal development of individuals and work groups.

The success of this transformation program has enabled us progressively to develop more supportive and productive interpersonal relationships in the work place. This in turn has created the confidence to increase the levels of delegation within work teams with better defined accountabilities and, through the widespread use of 360 degree feedback, facilitated a clear understanding of where further performance improvements can be achieved.

The benefits of these changes have played an integral role in enabling Woodside to deal with the major challenges throughout 2000 with reduced levels of stress, a greater sense of personal enjoyment and achievement and a fuller understanding of the true diversity of value which each individual brings to the work place.

Conclusion

During 2000, Woodside has continued to deliver against its key strategic objectives. We have extracted a high level of value from our existing business which exhibits a high return on equity and unit operating and unit finding costs which benchmark well against competitors. We have made good progress with our capital investments and gas marketing activities and we have made a number of important exploration discoveries. The Company now has a comprehensive opportunities portfolio and is well positioned to fund and to resource the investment program it requires to meet its long-term growth targets from its own cash flow. It has certainly been a big year for Woodside.

J H Akehurst
Managing Director
22 March 2001

Woodside Petroleum Ltd.
2000 Annual Report
Woodside’s existing North West Shelf Venture business delivered a sound operational performance in 2000 with production and processing volumes for most major products exceeding target levels.

The Cossack Pioneer floating production, storage and offloading facility (FPSO) has continued to perform exceptionally well since the completion of a major upgrade at the end of the first half of 1999.

The environmental management performance of the onshore gas plant during 2000 was particularly notable through the achievement of record production and processing levels without a single reportable environmental incident or an environmental licence exceedance. The plant was also presented with the third Woodside Environment award for developing a process to re-route flash gas to LP fuel. This will enable the amount of hydrocarbon gas vented from the LNG sulfonol process to be reduced, which in turn will reduce the plant’s Greenhouse emissions by 300,000 tonnes of carbon dioxide equivalent per annum.
Liquefied Natural Gas

The North West Shelf Venture sold 128 cargoes of LNG to Japanese customers in 2000. In addition to the contract sales to existing customers, four cargoes were sold on a FOB basis to CMS Energy in the USA and one to the Korea Gas Corporation, taking the North West Shelf Venture’s total sales in 2000 to 133 cargoes. This total includes two cargoes purchased by the Venture as replacements for scheduled deliveries which were disrupted by the unscheduled shutdown of LNG train one in October 2000.

The existing Japanese customers continue to support the North West Shelf Venture with deliveries to Japan in 2001 currently planned at 127 cargoes. Potential exists for additional spot sales in 2001 although realising this potential will be challenging as it will require access to additional LNG shipping capacity which is in short supply worldwide.

Woodside’s share of 2000 LNG production was 1,279,944 tonnes compared with 1,291,740 tonnes in 1999.

Domestic Gas (Domgas)

Production of Domgas for the Western Australian market during 2000 was slightly less compared with the same period in 1999, largely as a result of reduced demand from BHP’s Direct Reduced Iron plant in Port Hedland. Production during the period averaged 484 terajoules per day (Tj/d) compared with 494 Tj/d in 1999.

Woodside’s share of Domgas sales from the North West Shelf Venture averaged 242 Tj/d during 2000 compared with 247 Tj/d in 1999.

Gas marketing highlights in 2000 include significant progress towards securing three potential new Western Australian based gas customers with the signing of:

- A conditional gas sales agreement with Syntroleum Sweetwater Operations Ltd for 130 Tj/d of gas to a proposed gas-to-liquids plant. First gas may be supplied as early as October 2002;
- A Memorandum of Understanding with Plenty River Corporation Limited for 70 Tj/d of gas to a proposed ammonia-urea plant. First gas may be supplied as early as 2003; and
A Memorandum of Understanding with Austeel Pty Ltd for 315 Tj/d of gas to a proposed integrated iron and steel project. This project has since been restructured and its gas requirements are now expected to be in the order of 200Tj/d.

Woodside’s interest in each of these new domestic opportunities is 16.7%.
Condensate

Condensate production averaged 98,864 barrels per day (bbl/d) in 2000 compared to 101,000 bbl/d in 1999. Woodside’s share of condensate production was 8,935,707 barrels (bbl) compared with 9,130,320 bbl in 1999. Production levels were higher than expected due to the sustained performance of the Goodwyn reservoir.

During 2000, Woodside continued to maintain a balance between spot and term sales to domestic and export customers. Approximately 40% of Woodside’s entitlement to condensate was sold on a spot basis allowing the Company to secure sales at the then prevailing firm spot market price. The balance was under term contracts. Export sales accounted for 80% of sales volumes.

LPG

LPG production was 133,655 tonnes in 2000 compared to 107,978 tonnes in 1999.

Woodside’s entire 2000 entitlement to LPG was sold into Japan, completing a three-year term contract. Woodside entered a new three-year term contract to sell its LPG entitlement to an existing customer, commencing in January 2001.

Crude Oil

Production from the Cossack Pioneer FPSO in 2000 averaged 115,869 bbl/d, which represents a significant improvement compared with the facility’s performance of 85,000 bbl/d before the upgrade.

Woodside’s share of Cossack crude oil production in 2000 was 7,068,041 barrels compared with 2,281,375 barrels in 1999. Approximately 45% of Woodside’s entitlement to Cossack crude oil was sold under term contracts during 2000. Approximately 50% of Woodside’s entitlement was sold to Australian refineries with the balance exported to the United States and Asia.
### Condensate Production/Revenue 2000

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<td>2,444,036</td>
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<td>Q2</td>
<td>2,334,609</td>
<td>1,982,088</td>
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<td>Q3</td>
<td>2,045,611</td>
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<td>Q4</td>
<td>2,111,451</td>
<td>1,541,779</td>
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<tr>
<td>Total</td>
<td>8,935,707</td>
<td>8,759,449</td>
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### Revenue (A$m) 2000

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<td>Q1</td>
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<td>Q3</td>
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<td>Q4</td>
<td>84.5</td>
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### Condensate Sales 1996 - 2000

#### Condensate Sales 1996 - 2000

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</tr>
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### Cossack Crude Oil Production/Revenue 2000

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<th>Production</th>
<th>Sales</th>
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<tbody>
<tr>
<td>Q1</td>
<td>1,735,362</td>
<td>2,071,658</td>
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<tr>
<td>Q2</td>
<td>1,763,846</td>
<td>1,348,539</td>
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<td>Q3</td>
<td>1,683,245</td>
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<td>Q4</td>
<td>1,885,589</td>
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<td>Total</td>
<td>7,068,042</td>
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### Revenue (A$m) 2000

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<tr>
<td>Q1</td>
<td>74.4</td>
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<td>87.0</td>
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### Cossack Crude Oil Sales 1996 - 2000

#### Cossack Crude Oil Sales 1996 - 2000

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<tr>
<td>1996</td>
<td>3.9</td>
</tr>
<tr>
<td>1997</td>
<td>3.7</td>
</tr>
<tr>
<td>1998</td>
<td>4.2</td>
</tr>
<tr>
<td>1999</td>
<td>1.9</td>
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<tr>
<td>2000</td>
<td>7.3</td>
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### LPG Production/Revenue 2000

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Production</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>35,156</td>
<td>-</td>
</tr>
<tr>
<td>Q2</td>
<td>36,335</td>
<td>38,920</td>
</tr>
<tr>
<td>Q3</td>
<td>31,479</td>
<td>44,133</td>
</tr>
<tr>
<td>Q4</td>
<td>30,685</td>
<td>44,578</td>
</tr>
<tr>
<td>Total</td>
<td>133,655</td>
<td>127,631</td>
</tr>
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### Revenue (A$m) 2000

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>-</td>
</tr>
<tr>
<td>Q2</td>
<td>20.8</td>
</tr>
<tr>
<td>Q3</td>
<td>23.1</td>
</tr>
<tr>
<td>Q4</td>
<td>27.7</td>
</tr>
<tr>
<td>Total</td>
<td>71.6</td>
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</table>

### LPG Sales 1996 - 2000

#### LPG Sales 1996 - 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (000 tonnes)</th>
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<tbody>
<tr>
<td>1996</td>
<td>51.6</td>
</tr>
<tr>
<td>1997</td>
<td>88.7</td>
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<td>1998</td>
<td>100.3</td>
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<tr>
<td>1999</td>
<td>137.4</td>
</tr>
<tr>
<td>2000</td>
<td>127.6</td>
</tr>
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</table>
Japanese LNG Market Outlook

During 2000, the structure of the commercial negotiations between the North West Shelf Sellers and Japanese LNG customers for additional LNG sales volumes changed with the eight existing customers and a new customer, Tohoku Electric, negotiating their LNG requirements individually rather than as a consortium as had previously been the case. The Japanese customer-consortium of the eight original customers remains in place for the existing contracts.

The North West Shelf Sellers made significant progress towards securing additional LNG sales volumes during the year.

In late September, Letters of Intent for a total of one million tonnes of LNG per year from mid-2004 for a 25-year period were signed with Tokyo Gas and Toho Gas. In early 2001, Letters of Intent were signed with Osaka Gas for one million tonnes per year over a 30-year period and Tohoku Electric for 400,000 tonnes per year over a 15-year period. These will be followed by Sales and Purchase Agreements during 2001.

In early 2001, key commercial terms had been agreed between the North West Shelf Venture and customers for a further 1.3 million tonnes per year. Letters of Intent for these additional volumes of LNG are expected to be concluded by mid 2001 with Sales and Purchase Agreements to follow later in the year.

The new LNG sales volumes to Japan will underpin a A$2.4 billion expansion of the North West Shelf Venture’s gas processing facilities (Woodside’s interest 16.7%). This will include the construction of a fourth LNG train capable of processing 4.2 million tonnes per year, a 42-inch sub-sea gas trunkline and associated infrastructure, beginning in early 2001. The engineering, procurement, construction and commissioning activities are expected to take 38 months and will be completed in time to meet customer requirements in mid-2004.

Woodside expects further negotiations with both existing and new Japanese LNG customers will result in additional sales volumes being contracted to Japan over the next two years.

Echo-Yodel Condensate Development

Planning for the Echo-Yodel condensate development progressed during the first half of 2000, culminating in an expected final investment decision in the third quarter of 2000.

The Echo-Yodel fields are 23 kilometres from the Goodwyn-A offshore production platform. The development is based on two sub-sea production wells tied back to the Goodwyn platform for processing, with production being exported to the onshore gas plant via the existing sub-sea trunkline. It is designed to take advantage of spare condensate processing capacity on the Goodwyn platform post-2000 as Goodwyn condensate production declines. It also provides the infrastructure to develop further satellite fields in the wider Echo-Yodel area.

Production of 37 million barrels of condensate and 0.4 trillion cubic feet (Tcf) of recoverable gas are expected over an estimated five-year field life. Start-up is planned in the first half of 2002 at 27,000 barrels per day of condensate and the capital expenditure budget is about A$200 million (Woodside’s interest 16.7%).

Modifications to equipment on the Goodwyn platform for the tie-ins to the processing equipment were completed during a planned maintenance shut-down in late 2000 in readiness for the next stage of this development.
North West Shelf Venture Exploration

In mid-2000, Woodside acquired BP-Amoco’s rights to undeveloped oil discoveries and future oil discoveries in the North West Shelf Venture area. This included BP-Amoco’s one-sixth share of reserves associated with the undeveloped Egret and Dixon oil discoveries and BP-Amoco’s one-sixth share of any subsequent oil discoveries. In return, Woodside assumed the costs associated with exploring and developing these resources as well as carrying A$4 million of BP-Amoco’s costs in the North West Shelf Venture project area in 2000.

Under a separate arrangement, the Company will provide BP-Amoco with additional equity in three gas exploration permits WA-294-P, WA-296-P and WA-297-P in the offshore Canning Basin, while retaining a strategic 16% interest in each permit. Woodside will also cover BP-Amoco’s share of exploration costs of A$8.5 million in these permits over the next three years.

Two oil exploration wells were drilled in the North West Shelf Venture’s acreage in the second half of 2000 in search of opportunities to use future spare capacity on the Cossack Pioneer FPSO. Unfortunately, both the Cavalier-1 well in Licence WA-9-L and the Castor-1 well in Licence WA-5-L failed to find hydrocarbons. However, the Gaea-1 gas/liquids exploration well drilled in late 2000, encountered a 30-metre gross gas column in the upper reservoir and a 210-metre gross gas column in the lower reservoir. This discovery is located halfway between the Goodwyn-A and North Rankin-A offshore production platforms and is considered to be economically viable although no decision has been made on the timing of development.

Non-Japanese LNG Markets

Since commencing operation in mid-1999, Australia LNG (ALNG) has been pursuing a range of LNG market opportunities, outside of Japan, based on the uncommitted gas reserves of the Greater North West Shelf.

ALNG has continued to pursue LNG sales opportunities in Taiwan, China, Korea and India throughout 2000.

In Taiwan, ALNG has been working with a number of companies to supply LNG to Taipower’s planned 4,000 megawatt power station in northern Taiwan. Progress with this LNG supply opportunity depends on the power station project proceeding and selection of the preferred gas supplier.

A proposal to supply three million tonnes per annum to the Guangdong LNG project in China from 2005 was submitted to Chinese officials in April 2000 during a visit by ALNG and the Managing Directors of each of the North West Shelf Venture Sellers. A formal LNG supply tender is expected to be issued in the first half of 2001 and the preferred LNG supplier is expected to be announced during the second half of 2001.

ALNG is also developing new LNG market opportunities in India and other countries in the Asia-Pacific region and is actively working opportunities in South Korea to supply LNG. South Korea is the second largest importer of LNG after Japan and offers significant LNG supply opportunities as the Asian economies continue to improve.

Australia is well placed to meet Korea’s additional LNG requirements through ALNG which is pursuing long-term supply and winter peak cargo opportunities with the Korea Gas Corporation. The timeframe in which these sale opportunities may be realised will be influenced by the timing of plans to break up the Korean Gas Corporation into separate business units and subsequent privatisation of these business units.
During 2000, Woodside continued to make significant progress towards its strategic objective of commercialising its Australian gas resources by becoming a major gas supplier to the Northern Territory as well as developing a strong position as a major gas supplier to eastern Australia.

The Company’s activities in support of its strategic objective have been focused on five key areas, namely:

- The development of domestic gas market opportunities and LNG processing in Darwin;
- Divestment of a portion of Woodside’s 66% equity in its northern Australian gas resources to support commercialisation activities through the inclusion of potential customers or new strategic joint venture partners;
- Acquisition of gas resources in eastern Australia to accelerate the development of these reserves to satisfy the demand and diversity of supply requirements of eastern Australia;
- Exploration activities in the Gippsland and Otway Basins to identify new gas supplies close to markets; and
- Direct involvement in energy retailing activities to develop relationships and market knowledge to assist in the capture of market opportunities.

Northern Australia

In early 2000, Woodside signed a conditional Letter of Intent with Methanex Corporation for the supply of 110 petajoules of gas per year to a proposed large-scale synthesis gas generation facility near Darwin in northern Australia. This is an important step towards securing a foundation customer to underpin the development and commercialisation of the Sunrise, Sunset and Troubadour (Greater Sunrise) gas and condensate fields, enabling the Company to pursue additional gas market opportunities in the Northern Territory and in eastern Australia.

Methanex has since established a presence in Darwin and has worked closely with Woodside as operator of the Sunrise gas project, to resolve outstanding issues to enable the project to proceed to a final investment decision. Commercial negotiations with other potential gas customers in the region are being progressed. These include Nabalco which operates the alumina refinery at Gove and the Northern Territory Power and Water Authority.

Marketing activities for Timor Sea gas reserves also extended beyond the Northern Territory with the Company participating in a proposal to the Queensland Government to provide gas supplies to a power project in Townsville. Long-term plans to take Timor Sea gas to the other eastern states markets have continued via commercial discussions with infrastructure providers, aimed at providing the necessary pipeline infrastructure between Darwin and the gas supply hub at Moomba, as the market grows.
In mid-2000, Woodside’s development plans for the Greater Sunrise area were enhanced through the divestment of 10% of the Company’s interest in the Greater Sunrise gas and condensate fields to Osaka Gas for US$67.2 million. This area contains Scope for Recovery volumes estimated to be 9.17 Trillion Cubic Feet of Dry Gas and 321 million barrels of condensate at the Probable level.

The divestment of upstream equity is consistent with the Company’s previously stated strategy of introducing new partners to improve commercialisation prospects for these world-class gas resources. Osaka Gas has extensive gas distribution and marketing knowledge in Japan and is a significant potential gas customer in its own right.

In late 2000, the Company’s plans were further enhanced when in-principle agreement was reached with Phillips Petroleum Company of Australia to pursue co-operative development of the two companies’ gas resources in the Timor Sea. The agreement is designed to combine the early gas delivery potential of the Phillips operated Bayu-Undan gas and condensate development to meet customers’ initial gas requirements (operations are planned to commence in 2004) with the large reserve base of the Greater Sunrise fields. This arrangement will see Greater Sunrise commence gas production as soon as either domestic or LNG markets require additional gas volumes.

During early 2001, Woodside, Phillips and Shell have been working on finalising the co-operative arrangement.

In late February 2001, Woodside agreed to transfer to Phillips a 16.39% interest in the Greater Sunrise fields. In return, Phillips agreed to pay Woodside’s capital costs for development in Sunrise permit NT/RL2 to the value of US$176 million, escalated at 10% nominal per year. In early March 2001, Phillips and El Paso Corporation announced a Letter of Intent which is intended to result in the delivery of 4.8 million tonnes of LNG per year from a new LNG plant in Darwin. Deliveries will commence as early as 2005 for an expected period of twenty years.

Eastern Australia

Woodside’s participation in the eastern Australian energy market was strengthened during 2000 with the acquisition of additional Bass Strait interests from Shell. A 27.5% interest in Retention Lease VIC/RL2, containing the majority of the Kipper gas field, was purchased for A$42.6 million, increasing Woodside’s interest in VIC/RL2 to 30%. A 94.04% interest in exploration permit VIC/P19B, containing 100% of the Basker oil discovery and approximately 90% of the Manta and Gummy gas discoveries was purchased for A$10.0 million, increasing Woodside’s interest in VIC/P19B to 100%.

Retention Leases were granted to Woodside over blocks containing the Basker, Manta and Gummy discoveries to allow future development options to be assessed. The remainder of Bass Strait exploration permit VIC/P19 (50% Woodside interest) was relinquished after technical studies failed to identify any drillable prospects. However, technical studies conducted in 2000 suggest that a gas development involving Kipper, Manta and Gummy fields is likely to be feasible in a 2005 timeframe. Further studies are planned in 2001 to confirm this.

Two significant gas prospects were identified in Woodside’s Otway basin permits VIC/P43 and T/30P from seismic survey data acquired during 2000. Up to two wells are planned in 2001.

Woodside also secured its involvement in energy retailing in eastern Australia through the establishment of a new energy retailer, Pulse Energy which is owned by United Energy Ltd (25%), Energy Partnership (25%), Shell Australia (40%) and Woodside (10%). Pulse Energy currently services the requirements of more than one million Victorian energy customers.

Further deregulation of eastern Australian energy markets was planned to commence from January 2001 which would have provided Pulse Energy with access to additional customers and enable it to offer Australia’s first large-scale combination of electricity and gas services to energy consumers.
As a result of the delays in energy market deregulation, Pulse Energy is actively looking for merger and partnership opportunities in other parts of the east coast of Australia to increase its customer base, reduce supply costs and increase the profitability of its business.

Woodside also has an interest in an energy merchant business EdgeCap, which was formed in October 2000. EdgeCap is owned by United Energy (50%), Shell (40%) and Woodside (10%) and has commenced trading electricity and gas in the wholesale energy market. EdgeCap also provides risk management and hedging services to Pulse Energy.

Woodside’s investment of A$30 million to secure a 10% interest in Pulse Energy and EdgeCap is designed to enhance the Company’s prospects of commercialising its eastern and northern Australian gas interests.

**Downstream Investment Opportunities**

In late 2000, responsibility for Woodside’s strategy to pursue potential downstream investment opportunities to enhance the commercialisation of the Company’s undeveloped upstream gas resources was moved to the Australian Gas business unit following the restructure of Woodside’s Downstream Development business unit. Two key business opportunities were progressed in this area during 2000.

**China LNG Terminal**

In early 2000, Woodside formed a consortium to bid for the Guangdong LNG import terminal and pipeline network in China. The consortium comprised Woodside, Chevron and the Korea Gas Corporation.

The Guangdong LNG Project is sponsored by the Chinese State Development and Planning Commission, China National Offshore Oil Company, Shenzhen Investment Holding Company, Guangdong Electric Power Holding Company and Guangdong Gas Company, which between them will hold 70% of the project. The successful foreign consortium will hold 30%.

The proposal includes the development, financing and construction of LNG receiving and regasification facility with initial capacity of three million tonnes per annum, and the first phase of a transmission trunkline around the Pearl River Delta. The project is expected to involve capital expenditure of up to US$600 million, with commissioning in 2005.

In October, the consortium was one of four bidders short-listed for a second round of bidding. The second round bid was submitted in November 2000. In March 2001, BP-Amoco was announced as the preferred terminal bidder.

**Tidco LNG Regasification and Power Project**

The Dakshin Bharat Energy Consortium (Woodside’s interest 15%) is continuing to progress plans to finance, build, own and operate a US$1.6 billion LNG importation terminal and power station at Ennore, in the State of Tamil Nadu, in south-east India.

In early 2000, the project was restructured to secure the support of the Indian Government’s Ministry of Power through signing a Joint Development Agreement and commencing Power Purchase Agreement negotiations with the federal Power Trading Corporation. Back to back negotiations are also underway with the Tamil Nadu Electricity Board and neighbouring State Electricity Boards to agree the electricity off-take quantity commitments and payment support mechanism. Negotiations and discussions with LNG supplier RasGas are being conducted in parallel with the power purchase agreement negotiations.

During the year, the consortium conducted the LNG terminal engineering, procurement and construction contract tendering process and is negotiating details with a preferred contractor.
An Echidna, resident of the Burrup Peninsula.
Laminaria and Corallina Oilfields

The performance of the Northern Endeavour floating production, storage and offloading facility (FPSO) in 2000 was outstanding in achieving an average production rate of 148,451 barrels per day (Woodside’s share 71,466 barrels per day). In early 2000, production of 180,000 barrels per day was achieved during high-rate testing, demonstrating the facility’s capacity to produce at rates higher than its nameplate capacity of 170,000 barrels per day. Total production during 2000 was 54.3 million barrels, 6% higher than originally expected (AC/L5 share 50.4 million barrels).

The performance of the operations team on this facility was exceptional as they achieved “oil uptime” availability of 95% which benchmarks favourably against world best practice for FPSOs. The facility did experience a fire in the debutaniser run-down cooler in late October resulting in modifications to the seawater/firewater system to prevent a similar occurrence in future. The operations team was able to recover production within two days and full production resumed within eight days.

Production and reservoir behaviour have been largely in line with expectations. Onset of water breakthrough and the rate of increase in water production have been largely as predicted. Coincident with the onset of water, the oil producing capacity of individual wells has declined. This effect is typical of watercut wells. The decline in productive capacity has been in line with models constructed for the field development plan but more pronounced than forecast in more recent models. Operational adjustments have largely mitigated the short-term impact of the effect.

The interpretation of reprocessed 3-D seismic data over the Laminaria and Corallina oilfields was completed during the year and reserves estimates for Laminaria Phase-1 were updated in late 2000 to incorporate production data and revised reservoir modelling. As a result, no material change was made to previous estimates of expectation level oil reserves, but proven levels have increased.

Planning for a Phase-2 Laminaria development consisting of two additional horizontal infill production wells was completed in early 2001. The wells will be completed by mid-2002 and will add incremental reserves of 9 million barrels at the Probable level as well as enabling the production of both incremental reserves and accelerated oil volumes of between 15 to 19 million barrels in the period 2002 to 2003.
Plans were matured for the drilling of an exploration well on the Pandorina structure in Permit AC/P8 which is within tie-back distance of the Northern Endeavour FPSO. In addition, Woodside is now operator of the adjacent ZOCA 91-01 Production Sharing Contract (Woodside interest 40%) which contains the Kuda Tasi prospect. Both prospects were drilled in early 2001. The Pandorina-1 well was dry and the Kuda Tasi-1 well encountered a 17.5-metre gross oil column.

In late 2000, Woodside finalised an agreement with BHP Petroleum (BHPP) on the timing of payment and arrangements for receipt of a production entitlement to be paid by BHPP to Woodside. The entitlement is part of the 1994 farmin agreement between the two companies, where BHPP undertook to pay a 5% production entitlement on the 16.67% interest earned, payable once project revenues match project costs. As a consequence Woodside accepted a 0.833% production entitlement “in kind” through modifications to the Northern Endeavour offtake schedule.

As a result of a full twelve months of production from the Laminaria and Corallina oil fields, Laminaria crude has established itself in the oil market and is now well recognised by the key consuming markets of refining and petrochemical production.

In 2000, Woodside sold approximately 75% of its entitlement under a variety of term contracts. Approximately 55% of Woodside’s entitlement was processed in Asia and only 5% in Australia. The balance was consumed in the United States.

Legendre Oilfields Development

During 2000, excellent progress was made in the development of the Legendre North and Legendre South oil fields, 34 kilometres south-east of the Wanaea and Cosack fields in Production Licence WA-20-L (Woodside’s interest 45.94%).

Engineering, construction and procurement activities are progressing in line with the targets established at project sanction. Oceaneering International Inc. completed conversion work on the Ocean Legend from a jack-up drilling rig to a production facility in early November. The facility was transported to Dampier in Western Australia on the heavy-lift vessel Transshelf, arriving in early January 2001. The Legendre Venture will pay Oceaneering an agreed day rate for production services utilising the Ocean Legend. Oceaneering own the facility and will be responsible for its installation and ongoing operation, manning and maintenance.

A contract to provide a tanker to be used as a floating storage and offloading facility (FSO) was signed with Karatha Spirit Limited (a wholly-owned subsidiary of

<table>
<thead>
<tr>
<th>Laminaria Crude Oil Production/Revenue 2000</th>
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</thead>
<tbody>
<tr>
<td>(Woodside share)</td>
</tr>
<tr>
<td>Production Barrels</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Q1 5,520,573</td>
</tr>
<tr>
<td>Q2 6,518,595</td>
</tr>
<tr>
<td>Q3 6,977,968</td>
</tr>
<tr>
<td>Q4 6,574,857</td>
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<td>Total 25,591,993</td>
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<table>
<thead>
<tr>
<th>Laminaria Crude Oil Sales 1999 - 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodside share</td>
</tr>
<tr>
<td>Q1 169.4</td>
</tr>
<tr>
<td>Q2 200.1</td>
</tr>
<tr>
<td>Q3 322.5</td>
</tr>
<tr>
<td>Q4 286.7</td>
</tr>
<tr>
<td>Total 978.7</td>
</tr>
</tbody>
</table>

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| Northern Endeavour support vessel Total Provider assisting the Olympic Spirit offtake tanker. |
Teekay Shipping-Canada) in late 2000. Work to convert a tanker to the FSO, is under way at the Keppel shipyard in Singapore. The FSO will be known as the Karratha Spirit and, in a similar manner to the Ocean Legend, will be owned and operated by Karratha Spirit Limited with the Legendre Joint Venture paying an agreed day rate for storage and offloading services.

All the components of the crude oil export system (sub-sea flowlines, CALM buoy and anchor system) were manufactured and ready for installation at the end of 2000.

Installation of the Ocean Legend and associated equipment together with the drilling of the first of four horizontal production wells and one gas re-injection well, commenced in mid-January. The installation work for the export pipeline and mooring buoy is being carried out by Coflexip Stena Offshore utilising the vessel CSO Venturer and the five production wells are being drilled by the Ensco 56 jack-up drilling rig.

At the end of February 2001, the project was 78% complete. The projected start-up of oil production is early in the second quarter of 2001 and maximum production of 50,000 barrels per day is expected. The capital expenditure budget remains unchanged at A$110 million (Woodside’s share 45.94%).

In March 2001, Woodside commenced drilling the Delilah-1 exploration well in Permit WA-208-P. This is the first of two exploration wells targeting potential tie-back opportunities to the Ocean Legend production facility. Exploration success, in the timeframe that Oceaneering will have their facility in the Legendre fields, will allow additional small discoveries to be optimally exploited.

Legendre Crude Oil is a 43-degree API, light sweet crude oil similar in quality to Malaysian Tapis Crude Oil. Woodside expects to sell a significant proportion of its entitlement into Australian refineries, commencing in April 2001.

Vincent-Enfield-Laverda Oilfields

During the first half of 2000, expenditure of A$54.6 million was approved to progress development of the Vincent and Enfield discoveries in Permit WA-271-P (Woodside interest 100%).

This followed completion of screening studies which demonstrated that, at the time, a stand-alone field development of Enfield was likely to be commercially viable.

Studies were also conducted on the adjacent Vincent oil accumulation, which is assessed to be larger than Enfield. The development of the Vincent field is technically more challenging and it straddles the border with Permit WA-155-P.

An Enfield appraisal well drilled in the fourth quarter of 2000 encountered a 49.3-metre gross oil column which flowed at 7,026 barrels per day and 1.58 million standard cubic feet of gas per day. This was followed by the drilling of the Laverda-1 exploration well, a prospect within tie-back range of the Enfield development which encountered a 61-metre oil column and a 9-metre gas column.

The exploration and appraisal results to date, assessed in the light of recent seismic data, indicate that Permit WA-271-P contains reserves and scope for recovery of more than 254.4 million barrels. This consists of Enfield reserves and scope for recovery of 62.6 and 18.1 million barrels respectively; Vincent reserves and scope for recovery of 59.9 and 57.5 million barrels respectively; and Laverda scope for recovery of 56.3 million barrels.

The Company has also identified at least four more prospects from current 3-D seismic data and a number of additional prospects and leads have been identified on 2-D seismic data previously acquired over the adjacent part of the block. A number of these prospects and leads are at the same stratigraphic level as Enfield and display amplitude responses consistent with the presence of hydrocarbons.

The work program in 2001 will consist of field development planning for Enfield, and further and ongoing studies for Vincent, with a possible appraisal well being drilled in the third quarter of 2001. Feasibility studies will be undertaken on the Laverda field, possibly leading to an appraisal well some time in the second half of 2001.

Exploration activities in 2001 will include at least two exploration wells being drilled during the year. The first exploration well Montesa-1, was completed in March 2001 and was dry. Consideration will be given to the acquisition of either a 2-D or 3-D seismic survey in the western part of Permit WA-271-P.

A range of possible start-up dates exist for these oil fields. Enfield could be developed as early as late-2004 on a stand-alone basis, or by mid-2005 as a combined development with Laverda. In contrast, the Vincent field is more likely to be developed in combination with Enfield and Laverda. The start-up date of a combined development could be around 2006.

Basker-Manta-Gummy Oilfields

During 2000, screening studies to determine the commercial viability of developing the Basker-Manta-Gummy oilfields were undertaken and these have progressed to the stage where development concepts are now being evaluated.

In 2001, the Company will evaluate whether further appraisal of the Basker and Manta fields is warranted and if so, a well may be drilled. Further studies to evaluate the development of the fields will also be carried out.
Exploration Strategy

Woodside’s growth strategy includes a significant continued exploration program within its core Australian acreage combined with developing international interests in a small number of key geographic areas. Woodside’s exploration portfolio comprises 105 permits, of which 36 are operated by the Company. Some 43 of these permits are located in Australia with core Australian acreage being located on the greater North West Shelf. Woodside’s Australian exploration effort is focussed on discovering oil in Permit WA-271-P and adjacent to existing producing facilities as well as new prospects for low-cost gas close to infrastructure and markets in offshore north-west, northern and south-eastern Australia.

Woodside has been active in the Otway Basin and Bass Strait during 2000 in search of opportunities to supply gas to the east-coast of Australia and will drill two exploration wells in the region during 2001. The Company has also secured a significant tranche of frontier acreage in the Great Australian Bight with the award of three new permits to a joint venture consisting of Woodside, Anadarko and PanCanadian. Woodside is operator of Permits EPP-28, EPP-29 and EPP-30 in which it has a 40% interest.

Despite Woodside’s successful exploration track record in Australia, an increasing portion of readily monetisable oil reserves required to replace production and significantly expand the Company’s development opportunity base will need to be sourced internationally. This is because Australia may not be able to provide all of the projects required to maintain production levels in the intervals between successfully marketing and developing a new tranche of the Company’s existing large gas assets.

The search for international opportunities is focussed on a small number of proven hydrocarbon provinces, which are assessed to have greater potential for oil or monetisable gas, and a higher probability of success, than similar opportunities in Australia. The Company aims to build a significant position in these areas in order to maintain the number, diversity and quality of prospects in the portfolio.

Whilst the focus remains on proven hydrocarbon provinces, the portfolio will accommodate opportunities that combine low-entry cost, suitable exit options and significant upside potential such as Mauritania. The Company’s international exploration and production expansion plans are currently based on four focus areas, each of which offers the potential to commercialise discoveries within three to five years. The focus areas selected for Woodside’s expansion are the Gulf of Mexico, north-west/north Africa, south-east Asia and Iran.

In support of its exploration strategy, Woodside has a substantial ongoing exploration program planned at a level of between A$200 to A$250 million per year. In 2001, the Company plans to drill up to 26 exploration wells, of which 20 will be in Australia and 6 in international acreage. The program is targeting a 130% replacement of production at a finding cost of less than A$3.00 per barrel of oil equivalent.
Australian Activities

During 2000, 2,100 kilometres of 2-D and 7,602 square kilometres of 3-D seismic data were acquired in support of future Australian drilling programs. A total of four exploration wells were drilled in Australian acreage. This included two dry exploration wells in the greater northwest shelf area, Tyche-1 in Timor Sea Permit NT/P49, and Titania-1 in Permit WA-269-P in the Carnarvon Basin. Although Titania-1 was dry, Woodside achieved a record drilling performance for this well in terms of both time and cost. Woodside’s interests in the two permits are 33.33% and 40% respectively.

Woodside made two significant new discoveries in 2000. The first was in Browse Basin Permit WA-33-P where the Brecknock South-1 well encountered a 167-metre gross hydrocarbon column over a single interval in the primary reservoir objective. As a result, re-mapping of the Brecknock and Brecknock South gas and condensate fields has been undertaken and substantial scope volumes added. The second was in the Exmouth sub-basin in Permit WA-271-P where the Lavarda-1 well encountered a 70-metre hydrocarbon column comprising a 9-metre gas column and a 61-metre oil column. The well enhanced the chance of success of a number of adjacent prospects evident on 3-D seismic data. Woodside’s interests in the two permits are 50% and 100% respectively.

Woodside entered into agreements to secure a 30% interest in Permit AC/P17 in the Timor Sea and a 40% interest in Permit WA-215-P in the Carnarvon Basin through farmin. The permits are operated by OMV Australia and Apache Energy, respectively. The Audacious-1 exploration well was drilled in Permit AC/P17 in January 2001 and encountered an 11.5-metre oil column. The Leaf-1 exploration well will be drilled in Permit WA-215-P in the second quarter of 2001.

During 2000, the Company relinquished Timor Sea Permits NT/P50 and NT/P51 where it previously held interests of 50% and 33%, respectively and partially relinquished Permits WA-248-P and VIC/P19 in the Carnarvon and Gippsland Basins where it has 100% equity in the retained positions. Woodside also divested to Osaka Gas a 10% interest in the Greater Sunrise Permits NT/RL2, NT/P55, ZOCA 95-19 and ZOCA 96-20.

In February 2001, Woodside agreed to transfer to Phillips a 16.39% interest in the Greater Sunrise fields as part of an agreement to pursue the cooperative development of Timor Sea gas resources. Subject to the finalisation of unitisation arrangements, Woodside’s remaining equity in the Greater Sunrise permits will be 26.33% in NT/P55 and ZOCA 95-20, 27.33% in ZOCA 95-19 and 35.00% in NT/RL2.
International Activities

During 2000, 1,653 square kilometres of 3-D seismic data were acquired in offshore Mauritania, Areas A, B and C (Woodside’s interests 35%, 35% and 37.5%, respectively) to develop a portfolio of prospects and leads for future drilling. Interpretation of the processed data is well advanced. Planning for a two to three well drilling campaign in the first half of 2001 has been completed.

A total of three exploration wells were drilled in the Company’s International acreage. Both the Helena-1 (Block 165) and Berlin-1 (KC155/199) wells in the Gulf of Mexico were dry. The Anama-1 well in Papua New Guinea Permit PPL 188 was also dry. Woodside’s interests in the three wells were 6%, 19.74% and 40.45%, respectively.

The Company acquired additional international exploration acreage in early 2000 in the form of a 6% interest in Walker Ridge Blocks 77, 121, 165, 166, 209 and 210 in the Gulf of Mexico. Woodside and Marathon successfully bid on the March Central Gulf Lease Sale and were jointly awarded Mississippi Canyon Blocks 449 and 554, and Green Canyon Blocks 338, 648 and 1001. Woodside has a 25% interest in each of these blocks. Up to 4 exploration wells are expected to be drilled in the Gulf of Mexico acreage during 2001.

The Company also acquired an additional interest in offshore Mauritania and interests in neighbouring acreage in offshore Senegal through farmin activities. As a result, Woodside has an opportunity to earn a 35% interest in the Dana Petroleum-operated Block-7 in Mauritania and a 46.25% interest in the three Casamance production sharing contracts operated by Roc Oil in Senegal. Activities in these areas in 2001 will focus on the evaluation of existing seismic data and the acquisition of new 3-D and 2-D seismic data in Mauritania and Senegal respectively.

In December 2000, the Company entered into a cooperative agreement with BHP Petroleum in North Africa. Under the agreement Woodside acquired a 15% interest in the Ohanet Risk Service Contract, a 50% interest in the Boukhechba Production Sharing Contract and a 50% interest in the Ouest Hassi R’Mel study agreement for a total payment of US$22.5 million.

The Risk Service Contract commits the joint venture to establishing commercial production of 710 million standard cubic feet of wet gas per day. Production is expected to commence in October 2003 and reserves at the Probable level are estimated to be 3.4 Tcf of pipeline quality gas, 107 million barrels of condensate and 116 million barrels of LPG.

In addition, the Company will participate in a one-well exploration drilling program associated with the Boukhechba Production Sharing Contract and the study of seismic and well data from an area immediately adjacent to the giant Hassi R’Mel gas field. The latter may assist in securing future exploration licences in this region.

During 2000, the Company relinquished Blocks V and VI in offshore Cambodia and withdrew from Papua New Guinea Permit PPL184. Before relinquishment and withdrawal, Woodside’s interests were 40%, 45% and 30%, respectively.
## Woodside’s Exploration and Production Interests

### Non-operated Permits

<table>
<thead>
<tr>
<th>Location / Number</th>
<th>Current Interest%</th>
<th>2000 Work Program</th>
<th>2000 Exploration Expenditure</th>
<th>2001 Planned Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Algeria</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olaniet Risk Service Contract</td>
<td>15.00%</td>
<td>Development of 4 gas/condensate reservoirs</td>
<td>3-D seismic, development drilling and facilities construction</td>
<td></td>
</tr>
</tbody>
</table>

### Beagle/Canning

<table>
<thead>
<tr>
<th>WA-208-P</th>
<th>100.00%</th>
<th>Acquired 2.127 km 2-D seismic, and geological studies.</th>
<th>A$0.8 million</th>
<th>Acquire 1,718 km 2-D seismic, geological studies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA-209-P</td>
<td>14.00%</td>
<td>Acquired 2.365 km non-exclusive 3-D seismic data.</td>
<td>A$5.5 million</td>
<td>Complete interpretation of new 2-D and 3-D datasets with the intention of possibly drilling one exploration well in 2002-2003.</td>
</tr>
<tr>
<td>WA-296-P</td>
<td>14.33%</td>
<td>Completed acquisition and interpretation of approximately 8,686 km of new 2-D seismic data and integrated with vintage 2-D data. Designed 555 sq km 3-D survey over Whirlie prospect.</td>
<td>A$1.2 million</td>
<td>Acquire, process and interpret 3-D seismic over Whirlie prospect.</td>
</tr>
<tr>
<td>KA-297-P</td>
<td>14.00%</td>
<td>Completed acquisition and interpretation of approximately 6,997 km of new 2-D seismic data and integrated with vintage 2-D data. Designed 285 sq km 3-D survey over Huwsonia prospect.</td>
<td>A$1.0 million</td>
<td>Acquire, process and interpret 3-D seismic over Huwsonia prospect.</td>
</tr>
</tbody>
</table>

### Browse Basin

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WA-242-P</td>
<td>66.66%</td>
<td>General permit administration and studies.</td>
<td>A$0.2 million</td>
<td>Acquisition of 1,000 km 2-D seismic data.</td>
</tr>
<tr>
<td>WA-275-P</td>
<td>25.00%</td>
<td>Processed and interpreted 285 sq km Brecknock South-3 3-D seismic data.</td>
<td>A$0.7 million</td>
<td>Seismic interpretation and geological studies. Retention lease applications related to Brecknock-Brecknock South.</td>
</tr>
</tbody>
</table>

### Carnarvon

| WA-28-P              | 45.00%            | Exit permit                                                                                                                       | A$0.3 million | Study completed. Evaluation work. |
| Block V               |                    |                                                                                                                                   |              |                                  |
| Block VI              |                    |                                                                                                                                   |              |                                  |
| Offshore Study Agreement (blocks 1-4 & 7) | 98.00% | Study completed. Evaluation work.                                                                                         |              |                                  |

### Carnarvon (Carnarvon)

| WA-28-P              | 45.00%            | Exit permit                                                                                                                       | A$0.3 million | Study completed. Evaluation work. |
| Block V               |                    |                                                                                                                                   |              |                                  |
| Block VI              |                    |                                                                                                                                   |              |                                  |
| Offshore Study Agreement (blocks 1-4 & 7) | 98.00% | Study completed. Evaluation work.                                                                                         |              |                                  |

### Gippsland Basin

| VIC/R/L1* (formerly VIC/P19B) | 100.00% | Retention Lease over the Balker, Marta and Gummy fields awarded 30 October 2000. Studies on the development feasibility of the resources, costs and economics. | Development studies, possible appraisal well on the Balker or Marta fields. |
| VIC/P9*                 | 50.00%  | Geological and geophysical reviews. 12 out of 14 gathers. 14 blocks relinquished November 2000. Retention leases on applications pending on two gathers blocks (VIC/R/L9) (former VIC/P19B) and VIC/R/L10. | Secure Retention Leases. Development studies. |
| VIC/R/L2*               | 30.00%  | Geological and geophysical reviews.                                                                                             | Geological and geophysical reviews. |

### Great Australian Bight

| EPP29                | 40.00% | 2-D seismic planning and stakeholder consultation.                                                                                 | A$0.3 million | Acquire, process and interpret seismic and potential fields data. |
| EPP29                | 40.00% | 2-D seismic planning and stakeholder consultation.                                                                                 | A$0.4 million | Acquire, process and interpret seismic and potential fields data. |
| EPP50                | 40.00% | 2-D seismic planning and stakeholder consultation.                                                                                 |              | Acquire, process and interpret seismic and potential fields data. |

### Gulf of Mexico

| MC-100x              | 33.33% | Permit acquired in late 1999.                                                                                                      | Permit acquired in late 1999. |                    |
| MC-100x              | 33.33% | Permit acquired in late 1999.                                                                                                      | Permit acquired in late 1999. |                    |

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*Non-operated Permits*
### Woodside’s Exploration and Production Interests

#### Gulf of Mexico

**Non-operated Permits**

- **NT/P49**: 33.33% One exploration well (Tychie-1). Seismic interpretation: A$4.0 million. Seismic interpretation and geological studies.
- **WA-280-P**: 65.00% Acquired 560 sq km 3-D seismic data (Thresher survey). A$8.6 million. One exploration well (Thresher-1).
- **WA-279-P**: 65.00% Acquired 376 sq km 3-D seismic data (Blacktip survey). A$4.9 million. One exploration well (Blacktip-1).
- **NT/P55**: 23.34% Acquired and processed Mescal 3-D survey. Complete 3-D evaluation. Update field development plan.
- **NT/P53**: 50.00% Seismic interpretation and geological studies. A$0.1 million. Relinquish permit.
- **NT/P51**: 33.33% Completed 750 km 2-D seismic reprocessing and 100 km seismic interpretation. A$0.5 million. Relinquish permit.
- **NT/RL2**: 56.67% Acquired and processed Mescal 3-D survey. Complete 3-D evaluation. Update field development plan.
- **ZOCA 96-20**: 23.34% Acquired and processed Mescal 3-D survey. Complete 3-D evaluation. Update field development plan.
- **ZOCA 95-19**: 23.34% Acquired and processed Mescal 3-D survey (3,200 sq. km). Complete 3-D evaluation. Update field development plan.
- **PPL-199**: 35.00% Geological studies. A$0.1 million. Geological studies.
- **Area C**: 35.00% Acquisition and interpretation of 3,500 sq km 3-D seismic data. A$3.1 million. Geological studies.
- **Senegal**
  - **PPL-184**: Exited permit.
  - **T/30P**: 50.00% 2-D/3-D Seismic acquisition/processing/interpretation. A$2.6 million. One exploration well (Thylacine-1).
  - **Otway**
    - **Block 7**: Acquisition of 2,000 km 2-D seismic data. A$0.0 million. Geological studies.
    - **MC554**: Permit acquired in mid 2000. Seismic acquisition, interpretation, and geological studies.
    - **GC648**: Permit acquired in mid 2000. Seismic acquisition, interpretation, and geological studies.
    - **GC100**: Permit acquired in mid 2000. Seismic acquisition, interpretation, and geological studies.
    - **WR342**: Permit acquired in late 1999. Seismic acquisition, interpretation, and geological studies.
    - **GC328**: Permit acquired in late 1999. Seismic acquisition, interpretation, and geological studies.
    - **GC283**: Permit acquired in late 1999. Seismic acquisition, interpretation, and geological studies.
    - **GC269**: Permit acquired in late 1999. Seismic acquisition, interpretation, and geological studies.
    - **GC240**: Permit acquired in late 1999. Seismic acquisition, interpretation, and geological studies.
    - **GC239**: Permit acquired in late 1999. Seismic acquisition, interpretation, and geological studies.
    - **GC195**: Permit acquired in late 1999. Seismic acquisition, interpretation, and geological studies.
    - **GB936**: Permit acquired in mid 2000. Seismic acquisition, interpretation, and geological studies.
    - **GB935**: Permit acquired in mid 2000. Seismic acquisition, interpretation, and geological studies.
    - **GB934**: Permit acquired in mid 2000. Seismic acquisition, interpretation, and geological studies.

#### Total cost of the Gulf of Mexico acquisition: A$89.8 million

#### Mauritania

- **Area A**: 35.00% Acquisition of 2,000 km 2-D seismic data. A$0.6 million. Geological studies.
- **Area B**: 35.00% Acquisition of 2,000 km 2-D seismic data. A$0.6 million. Geological studies.
- **Area C**: 37.50% Acquisition of 2,000 km 2-D seismic data. A$0.6 million. Geological studies.

#### Papua New Guinea

- **PPL-212** (formerly PPL-106): 25.00% Post-Tamuliki-1 exploration well review.
- **PPL-184**: Exit permit.
- **PPL-338**: 45.00% One exploration well (Aurora-1). A$2.9 million. Post-Aurora-1 technical evaluation, evaluate value of Uturau gas.
- **PPL-359**: 35.00% Geological studies. A$0.1 million. Geological studies.
- **PPL-208**: 25.00% Geological studies. A$0.1 million. Geological studies.
- **PPL-218**: 50.00% Geological studies. A$0.1 million. Geological studies.

#### Senegal

- **Casamance Maritime II & III**: 46.25% Geological studies. A$0.6 million. 1,500 km 2-D seismic.

#### Timor Sea

- **AC/P4**: 80.00% Purchased 30.7 sq km multi-client 3-D seismic data. A$1.2 million. Seismic interpretation and geological studies.
- **AC/P8**: 75.00% Completion of updated prospect form and Departure of BHP. A$1.3 million. Seismic interpretation and geological studies.
- **AC/L5**: 50.00% Re-interpretation of reprocessed 3-D seismic dataset and re-build of reservoir simulation model. Pre-project evaluation of Laminaria Phase 2. Evaluated for development.
- **AC/P16**: 60.00% Seismic interpretation and geological studies. A$0.4 million. One exploration well (Koda Tua-1). One exploration well (Koda Tua-1). General permit administration. Preparation for relinquishment in 2002. Seismic interpretation and geological studies.
- **AC/P15**: 30.00% Acquired interest. A$0.5 million. Seismic interpretation and geological studies.
- **ZOCA 91-01**: 40.00% Seismic interpretation and geological studies. A$0.1 million. Seismic interpretation and geological studies.
- **ZOCA 94-07**: 10.00% Seismic interpretation and geological studies.
- **ZOCA 95-19**: 24.34% Acquired and processed Mescal 3-D survey (3,200 sq km). 3-D seismic interpretation. Unravelling activities. Equally reduced from 33.34% to 23.34% June 2000. One exploration well (Pandorina-1). Preparations for injection. One exploration well (Pandorina-1). Preparations for injection. 
- **ZOCA 96-20**: 23.34% Acquired and processed Mescal 3-D survey. 3-D seismic interpretation. Unravelling activities. Equally reduced from 33.34% to 23.34% June 2000. Complete 3-D evaluation. Complete 3-D evaluation. 
- **NT/LR2**: 56.67% Acquired and processed Mescal 3-D survey. 3-D seismic interpretation. Unravelling activities. Equally reduced from 66.67% to 56.67% June 2000. Complete 3-D evaluation. Complete 3-D evaluation. 
- **NT/P90**: 50.00% Seismic interpretation and geological studies. A$0.1 million. Relinquish pre-stack depth migration. Relinquish pre-stack depth migration. 
- **NT/P51**: 33.33% Seismic interpretation and geological studies. A$0.1 million. Seismic interpretation and geological studies. Relinquish permit. Relinquish permit. 
- **NT/P53**: 50.00% Seismic interpretation and geological studies. A$0.1 million. Seismic interpretation and geological studies. Relinquish permit. Relinquish permit. 
- **NT/P55**: 23.34% Seismic interpretation and geological studies. A$0.1 million. Seismic interpretation and geological studies. Complete 3-D evaluation. Complete 3-D evaluation. 
- **WA-279-P**: 65.00% Acquired 376 sq km 3-D seismic data (Blacktip survey). A$4.9 million. One exploration well (Blacktip-1). One exploration well (Blacktip-1). 
- **WA-280-P**: 65.00% Acquired 560 sq km 3-D seismic data (Thylacine survey). A$6.0 million. One exploration well (Thylacine-1). One exploration well (Thylacine-1). 
- **NT/P49**: 33.33% One exploration well (Tychie-1). Seismic interpretation and geological studies. A$4.0 million. Seismic interpretation and geological studies. Seismic interpretation and geological studies.
WOODSIDE’S EXPLORATION AND PRODUCTION INTERESTS

Australia

South Australia

Victoria

Great Australian Bight

Echuca

Ceduna

Port Lincoln

Melbourne

Bass Strait

Woodside Operator (Production Licence)
Woodside Operator (Permit)
Woodside Non-Operator Interests
WOODSIDE’S EXPLORATION AND PRODUCTION INTERESTS International

Mauritania

Senegal

Algeria

Gulf of Mexico

Cambodia

Papua New Guinea
Reserves Statement

This statement presents a summary of the changes to Woodside’s hydrocarbon resource portfolio during 2000 in order of the main Permit areas and the resulting reserves position as at 31 December 2000. Unless otherwise indicated, all Reserves and Scope For Recovery volumes quoted herein are 100% permit or licence totals.

As a result of activities and studies undertaken during 2000, Probable hydrocarbon recovery attributable to Woodside has increased by an amount that exceeds production for a fifth successive year. Woodside’s reserves replacement ratio in 2000 was 186% at the Probable level. A summary of Woodside’s year-end reserves position is provided in the table above.

Full replacement of 2000 production and improved reserves position were realised primarily as a result of new Reserves bookings in the Enfield and Vincent oil fields. Commercially viable developments have been demonstrated for both fields, following appraisal wells and multi-disciplinary studies during the year. The combined increase in Oil Reserves is 80.2 MMbbl at the Proved and 122.5 MMbbl at the Probable level (Woodside share 100%).

Other increases came from the following activities:

- An upgrade of oil recovery associated with the Hermes field as a result of multi-disciplinary studies using the greater Lambert/Hermes 3-D seismic and Lambert-5 well results; and
- The Gaea discovery in the North West Shelf Venture area.

North West Shelf Ventures - Gas Recovery

The booking of additional gas recovery in 2000 was based on multi-disciplinary technical studies, well and production results. The Gaea exploration well resulted in a gas-condensate field discovery. This well is located between the North Rankin and Goodwyn platforms and encountered gas in two accumulations.

Development of the field has been shown to be economically viable, but timing has yet to be determined. Dry Gas Reserves in this field are estimated to be 0.07 Tcf at the Proved level and 0.11 Tcf at the Probable level.

Continuing studies of the Echo-Yodel field in support of development planning resulted in an increase in Dry Gas Reserves of 0.01 Tcf at the Proved level and 0.06 Tcf at the Probable level.

Other changes, reflecting decreased uncertainty following study work, resulted in minor increases at the Proved level and decreases at the Probable level. The most significant was attributable to the Goodwyn Field, where Proved Dry Gas recovery was increased by 0.11 Tcf, while Probable decreased by 0.16 Tcf. These changes incorporate the results of significant study work and the results of continued production in the main GD/GE/GFA reservoirs. They also include a new booking in the unappraised area of the GD reservoirs, where a development well is planned in 2001.

Probabilistic addition of reserves across the North West Shelf/Venture acreage, which takes into account dependencies between fields, indicates that an incremental 2.06 Tcf of Dry Gas is available with a higher degree of certainty. This gives a total of 19.09 Tcf of Dry Gas Reserves at the Probable level and 22.15 Tcf at the Probable level.

Excluding the adjustment for inter-field dependencies, Woodside’s share of total remaining Dry Gas Reserves is 3.74 Tcf at the Proved level and 4.60 Tcf at the Probable level.

North West Shelf Ventures - Condensate

Additional condensate recovery, associated with the increase in Gas Reserves for the Gaea discovery, was booked, resulting in an increase in Reserves of 1.9 MMbbl at the Proved level and 3.4 MMbbl at the Probable level. Reassessment of Sea Ripple condensate content and recovery efficiency also resulted in a Condensate Reserves addition of 1.9 MMbbl at the Proved level and 0.7 MMbbl at the Probable level.

Associated with the gas changes in Goodwyn and Echo-Yodel, were an overall increase in condensate recovery at the Proved level of 1.6 MMbbl and a decrease at the Probable level of 11.1 MMbbl for the two fields.

Woodside’s share of total remaining Condensate Reserves is 112.4 MMbbl at the Proved level and 149.4 MMbbl at the Probable level.

North West Shelf Ventures - Oil

Multi-disciplinary studies incorporating the reprocessed greater Lambert/Hermes 3-D seismic data, a revised geological model, and the results of Lambert-5 and the subsequent sidetrack resulted in a combined increase in the Reserves for the Lambert and Hermes oilfields, which produce to the Cossack Pioneer FPSO. Based on this work, the oil volumes originally in place have been increased for Hermes and decreased to a lesser extent for Lambert. The combined changes result in an increase in recovery of 5.7 MMbbl at the Proved level and 10.4 MMbbl at the Probable level.

In addition, Proved recovery was increased by 5.1 MMbbl for the Cossack field, following its continued good production performance. The Probable estimate has not changed.

Woodside’s share of total remaining Oil Reserves is 17.1 MMbbl at the Proved level and 31.4 MMbbl at the Probable level.

Laminaria and Corallina Venture (AC/L5)

The Northern Endeavour FPSO continued its strong production performance, reaching its peak processing capacity of 180,000 bbl/d. Production for the year 2000 of 50.4 MMbbl (AC/L5 share) was in line with original expectations.

<table>
<thead>
<tr>
<th>Woodside’s share</th>
<th>Proved</th>
<th>2000</th>
<th>1999</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas (Tcf)</td>
<td>3.74</td>
<td>3.85</td>
<td></td>
<td>4.60</td>
<td>4.72</td>
</tr>
<tr>
<td>Condensate (MMbbl)</td>
<td>112.4</td>
<td>120.1</td>
<td></td>
<td>149.4</td>
<td>159.2</td>
</tr>
<tr>
<td>Oil (MMbbl)</td>
<td>151.1</td>
<td>93.8</td>
<td></td>
<td>236.4</td>
<td>146.1</td>
</tr>
<tr>
<td>Total (MMboe)</td>
<td>919.6</td>
<td>889.3</td>
<td></td>
<td>1,192.8</td>
<td>1,133.4</td>
</tr>
</tbody>
</table>
This performance, plus the results of multi-disciplinary studies, resulted in an overall increase in Proved oil recovery for the combined Laminaria and Corallina fields of 15.5 MMbbl, reflecting reduced uncertainty about future performance. Probable recovery decreased by 2.8 MMbbl.

Woodside’s share of total remaining AC/L5 Reserves is 43.1 MMbbl at the Proved level and 62.2 MMbbl at the Probable level.

**Legendre Oil Development (WA-20-L)**

Project execution activities dominated activity in 2000 in the development of reserves in the Legendre North and Legendre South oil fields. All major pieces of project hardware have been contracted and were either completed, under construction or undergoing conversion to meet Legendre Project specifications.

Reserves remained unchanged from the 31/12/1999 levels of 23.3 MMbbl at the Proved and 44.1 MMbbl at the Probable level. Woodside’s share is 10.7 MMbbl at the Proved level and 20.3 MMbbl at the Probable level.

**Vincent and Enfield Oil Accumulations (WA-271-P)**

Previously in Scope For Recovery, oil volumes in the Enfield and Vincent fields have progressed to the Reserves category following further appraisal and studies, which concluded that commercial developments are feasible for both fields.

In Enfield, the Enfield-3 appraisal well demonstrated thicker reservoir and improved reservoir properties. It also improved the understanding of the geological setting. Geological and engineering studies have resulted in a development plan for the field that assumes sub-sea wells producing to an FPSO. The Oil Reserves booked for Enfield are 42.8 MMbbl at the Proved level and 62.6 MMbbl at the Probable level.

Oil initially in place in the Vincent Field has increased significantly, based on the interpretation of new 3-D seismic acquired over the field. Multi-disciplinary studies have carried these results through to a development plan assuming joint development with Enfield and utilising the same FPSO. Vincent would have a wellhead platform and would be drained by multi-lateral wells. Reserves of 37.4 MMbbl at the Proved level and 59.9 MMbbl at the Probable level have been booked for this field.

As a result of these bookings, the combined Reserves are 80.2 MMbbl at the Proved level and 122.5 MMbbl at the Probable level. These volumes are 100% Woodside share and apply to the WA-271-P area only.

**Scope for Recovery**

A significant increase in the Scope For Recovery for Woodside-operated fields was also achieved. Scope for Recovery estimates for Dry Gas and Liquids increased by 2.30 Tcf and 84.4 MMbbl, respectively, at the Probable level. Woodside’s share of the Dry Gas decreased by 0.31 Tcf due to the sale of equity in Sunrise/Troubadour, while liquids increased by 13.6 MMbbl, boosted by the inclusion of Laverda oil.


The Brecknock South exploration well resulted in the discovery of a new field straddling the boundary between WA-33-P (Woodside 50%) and WA-275-P (Woodside 25%). Initial mapping and studies indicate a Probable Scope For Recovery of 3.92 Tcf of Dry Gas and 87.0 MMbbl of Condensate. Woodside’s share is 1.36 Tcf of Dry Gas and 30.0 MMbbl of Condensate.

Multi-disciplinary studies on the Brecknock and Scott Reef Fields, involving remapping post-seismic reinterpretation, resulted in small combined changes. Scott Reef volumes increased by 0.10 Tcf of Dry Gas and 8.0 MMbbl of Condensate, while Brecknock volumes decreased by 1.67 Tcf of Dry Gas and 12.0 MMbbl of Condensate. Woodside’s share in these fields is 50%.

Total Probable Scope For Recovery in these Permits is 20.49 Tcf of Dry Gas and 311.0 MMbbl of condensate. Woodside’s share is 9.65 Tcf and 142.0 MMbbl.

These fields continue to be considered commercially viable, but await firm development plans dependent on significant growth in domestic gas and LNG markets.

**Sunrise and Troubadour Gas Discoveries (NT/RL2 and P55, ZOCA 95-19 and 96-20)**

During 2000, an industrial-domestic market in Darwin from 2005 was identified and a Letter of Intent signed with Methanex. Concept selection has confirmed the preferred development as offshore export of condensate and a dry gas pipeline to Darwin. Initial development will be from a platform on the Sunrise Field in 160 metres of water with a phased development of four additional drilling centres, one on Troubadour.

Total field Scope for Recovery has remained unchanged from the 31/12/1999 levels of 9.17 Tcf of Dry Gas and 320.9 MMbbl of condensate at the Probable level. However, Woodside’s overall share of this volume has been reduced to approximately 50% following the sale of 10% equity to Osaka Gas. At the end of 2000, Woodside’s share of Probable Scope for Recovery was 4.57 Tcf of Dry Gas and 159.9 MMbbl of condensate.
Subsequent to booking Oil Reserves volumes for these fields, there remains some further Scope For Recovery (100% Woodside). In Enfield, Probable Oil Scope For Recovery of 18.1 MMbbl is carried, representing the interpreted increase in volumes demonstrated by the Enfield-3 appraisal well. These volumes have not yet been firmed up sufficiently to incorporate into reserves.

Scope For Recovery of 57.5 MMbbl at the Probable level is carried for Vincent. These volumes are based on the potential for additional recovery from infill drilling and extending the field’s production life beyond current assumptions.

Laverda Oil Discovery (WA-271-P)

Following on from the Enfield and Vincent discoveries, Laverda-1 found another oil accumulation in this prospective permit. The well encountered a total column of 70 metres (9-metre gas and 61-metre oil) in the same horizon as Enfield. The oil is biodegraded with an API gravity of 20. Good quality 3-D seismic data supports mapping over the lateral and vertical extent of the field in two main zones.

Scope For Recovery of 56.3 MMbbl at the Probable level is carried for Laverda.

Bass Strait Oil and Gas Fields (VIC/RL6, VIC/RL9, VIC/RL10)

During 2000, Woodside increased its equity in, and assumed operatorship of, several retention fields in the Bass Strait. The Basker and Manta oil fields are contained entirely in VIC/RL6 (100% Woodside), as are most of Manta and Gummy gas fields. Parts of Manta and Gummy gas fields extend into the neighbouring blocks for which Retention Lease applications (VIC/RL9 and VIC/RL10, both Woodside 50%) have been submitted. Scope For Recovery volumes for Basker, Manta, and Gummy in all three leases have been transferred into the ‘Woodside-operated’ totals. Combined, a total Scope For Recovery of 0.17 Tcf of Dry Gas, 6.1 MMbbl of Condensate, and 27.0 MMbbl of oil are carried at the Probable level. Woodside’s share is 0.16 Tcf, 5.8 MMbbl, and 27.0 MMbbl, respectively.

### Hydrocarbon Reserves as at 31 December 2000

#### Production Licence Area, North West Shelf

<table>
<thead>
<tr>
<th>Area</th>
<th>Proved</th>
<th>Probable, including Proved</th>
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<tbody>
<tr>
<td>WA-1-L</td>
<td>12.25</td>
<td>210.9</td>
</tr>
<tr>
<td>WA-3-L</td>
<td>1.30</td>
<td>59.0</td>
</tr>
<tr>
<td>WA-5-L/6-L</td>
<td>4.76</td>
<td>176.9</td>
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<tr>
<td>WA-3-L/9-L</td>
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<tr>
<td>WA-11-L/9-L</td>
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<tr>
<td>WA-16-L/3-L</td>
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<td>1.7</td>
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<tr>
<td>Total Remaining Recovery</td>
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<td>452.2</td>
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<td>Woodside Reserves Share (refer notes)</td>
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<td>102.5</td>
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#### Permit Area WA-28-P and Retention Leases WA-7-R, 9-R and 11-R

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<tbody>
<tr>
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<td>WA-7-R</td>
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<td>WA-9-R</td>
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<tr>
<td>WA-11-R</td>
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<tr>
<td>Total Remaining Recovery</td>
<td>0.97</td>
<td>59.6</td>
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<td>59.6</td>
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<tr>
<td>Woodside Reserves Share (refer notes)</td>
<td>0.14</td>
<td>9.9</td>
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#### Production Licences AC/L5 and WA-20-L

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<tr>
<td>Future Fuel and Flare Gas</td>
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<tr>
<td>Woodside Reserves Share (refer notes)</td>
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#### Permit Area WA-271-P

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</tr>
<tr>
<td>Woodside Reserves Share (refer notes)</td>
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</tr>
</tbody>
</table>

Remark:

To add transparency to the reserves tables, Future Fuel and Flare is shown as a visible bottom line item. Future Fuel and Flare Gas for the processing and transportation to the delivery point for Domgas and LNG is 12.9% of Dry Gas.
### Reconciliation of Hydrocarbon Reserves between 31 December 1999 and 31 December 2000

#### Dry Gas

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<td>WA-3-L</td>
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<td>1.76</td>
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<td>1.30 1.76</td>
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<tr>
<td>WA-5-L/6-L</td>
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<td>6.72</td>
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<td>0.00 0.00</td>
<td>0.00 0.00</td>
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<td>WA-11-L/9-L</td>
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<td>0.16</td>
<td>0.00 0.00</td>
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<td>WA-16-L/3-L</td>
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<tr>
<td>WA-7-R</td>
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<td>WA-9-R</td>
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<td>0.39</td>
<td>0.74</td>
<td>0.00 0.00</td>
<td>0.39 0.74</td>
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</tbody>
</table>

Total Remaining Recovery: 19.96 26.01 0.19 0.01 0.59 19.56 25.43

Future Fuel and Flare Gas: 2.97 3.36

Total Reserves: 17.39 22.65

* Remarks: Probable including Proved

#### Condensate

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<td>Oil [MMbbl]</td>
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<td>0.00 59.0 84.5</td>
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<td>WA-5-L/6-L</td>
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<td>3.2</td>
<td>4.7</td>
<td>(0.0)</td>
<td>0.0 (0.1) 3.3 4.8</td>
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<td>0.1 (0.1)</td>
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<td>40.4</td>
<td>(3.2)</td>
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<tr>
<td>WA-7-R</td>
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<td>20.1</td>
<td>0.0 0.0</td>
<td>0.0 15.0 20.1</td>
</tr>
<tr>
<td>WA-9-R</td>
<td>5.7</td>
<td>8.1</td>
<td>0.0 0.0</td>
<td>0.0 5.7 8.1</td>
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<tr>
<td>WA-10-R</td>
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<td>0.0</td>
<td>0.0 0.0</td>
<td>0.0 0.0 0.0</td>
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<tr>
<td>WA-11-R</td>
<td>12.7</td>
<td>23.8</td>
<td>0.0 0.0</td>
<td>0.0 12.7 23.8</td>
</tr>
</tbody>
</table>

Total Reserves: 539.1 773.8 5.6 -7.0 32.9 511.8 733.9

* Remarks: Probable including Proved

#### Oil

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<td>Proved [MMbbl]</td>
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<tr>
<td></td>
<td>Oil [MMbbl]</td>
<td>Oil [MMbbl]</td>
<td>Oil [MMbbl]</td>
<td>Oil [MMbbl]</td>
</tr>
<tr>
<td>WA-3-L/9-L</td>
<td>9.9</td>
<td>32.5</td>
<td>5.1 0.0</td>
<td>7.7 7.3 24.8</td>
</tr>
<tr>
<td>WA-11-L/9-L</td>
<td>96.5</td>
<td>139.9</td>
<td>0.0 0.0</td>
<td>27.0 69.5 112.9</td>
</tr>
<tr>
<td>WA-16-L/3-L</td>
<td>22.6</td>
<td>36.7</td>
<td>5.7 10.4</td>
<td>7.6 20.7 39.5</td>
</tr>
<tr>
<td>WA-10-R</td>
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<td>11.6</td>
<td>0.0 0.0</td>
<td>4.7 11.6</td>
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<tr>
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<td>80.2 122.5</td>
<td>0.0 80.2 122.5</td>
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<tr>
<td>AC/L5</td>
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<td>44.1</td>
<td>0.0 0.0</td>
<td>23.3 44.1</td>
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</tbody>
</table>

Total Reserves: 278.1 442.4 106.5 130.1 92.7 291.9 479.8

* Remarks: Probable including Proved

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1. **Definitions**

   - *Condensate* is defined as “C5+” hydrocarbon components.
   - *Dry Gas* is defined as “C4 minus” hydrocarbon components plus inert. These volumes include LPG (propane and butane) Reserves.
   - *Tcf* means trillion (10^12) standard cubic feet of gas.
   - *MMbbl* means millions of standard barrels of oil, NGLs and condensates.
   - *MMBoe* means millions of barrels of oil equivalent.
   - “Possible Reserves” are those Reserves which analysis of geological and engineering data suggest are more likely than not to be recoverable. There is at least a 50% probability that reserves recovered will exceed Probable Reserves. Unless otherwise indicated, for the purposes of this reserves statement, Possible Reserves are inclusive of Probable Reserves.

Woodside’s share of Dry Gas Reserves is an estimate based on the hydrocarbon quantities required to be produced for Woodside’s Domestic Gas interest, currently 50% and Woodside’s 16.7% LNG interest. Woodside’s exact share of Domgas production depends on the volume sold and capacity delivered.

Woodside’s exact share of Condensate Reserves depends on the percentage of total production derived from Domgas sales (Woodside’s interest currently 50%), LNG (Woodside’s interest 16.7%) and Gas Recycling ventures.

Oil and Condensate volumes have been rounded to the nearest 0.1 MMbbl. Gas volumes have been rounded to the nearest 0.01 Tcf, 284.7 MMbbl and 185.3 MMbbl respectively.

Woodside’s share of Dry Gas Reserves is an estimate based on the hydrocarbon quantities required to be produced for Woodside’s Domestic Gas interest, currently 50% and Woodside’s 16.7% LNG interest. Woodside’s exact share of Domgas production depends on the volume sold and capacity delivered.

Woodside’s exact share of Condensate Reserves depends on the percentage of total production derived from Domgas sales (Woodside’s interest currently 50%), LNG (Woodside’s interest 16.7%) and Gas Recycling ventures.

Oil and Condensate volumes have been rounded to the nearest 0.1 MMbbl. Gas volumes have been rounded to the nearest 0.01 Tcf.

---

2. **Notes**

   - Net cumulative production of Dry Gas, Condensate and Oil from the North Rankin, Perseus, Goodwyn, Wanaera, Cosack, Hermes and Laminaria/Corallina fields to 31 December 1999 was 6.13 Tcf, 284.7 MMbbl and 185.3 MMbbl respectively.

Woodside’s share of Dry Gas Reserves is an estimate based on the hydrocarbon quantities required to be produced for Woodside’s Domestic Gas interest, currently 50% and Woodside’s 16.7% LNG interest. Woodside’s exact share of Domgas production depends on the volume sold and capacity delivered.

Woodside’s exact share of Condensate Reserves depends on the percentage of total production derived from Domgas sales (Woodside’s interest currently 50%), LNG (Woodside’s interest 16.7%) and Gas Recycling ventures.

Oil and Condensate volumes have been rounded to the nearest 0.1 MMbbl. Gas volumes have been rounded to the nearest 0.01 Tcf.
During 2000, Woodside continued with its strategy to develop a sound base of investments and projects to serve the growing market for renewable and clean energy.

In late 2000, Woodside’s Downstream Development business unit was restructured to create a new business unit responsible for sustainable energy solutions. This group is pursuing opportunities to provide fit-for-purpose solutions to meet customers’ clean energy needs and make investments in promising clean and renewable energy technologies.

By year-end the Company had assembled a small portfolio of exciting opportunities which it will continue to pursue and expand during 2001.

**West Kimberley Power Project**
The Woodside–Energy Equity Corporation joint venture executed a Power Purchase Agreement with Western Power Corporation in late 2000 for the supply of electricity to Western Power to meet the requirements of the West Kimberley region. The joint venture will build gas-fired power stations at Broome, Fitzroy Crossing, Halls Creek and Carnballin. Gas from the North West Shelf Venture’s onshore gas plant on the Burrup Peninsula will be transported to the sites as LNG in road tankers. The estimated cost for the start-up phase of the project is circa A$100 million (Woodside’s share 50%).

The agreement with Western Power contains a number of conditions precedent which are to be met within nine months.

**Esperance Power Project**
In late 2000, the Woodside–Energy Equity Corporation joint venture submitted a tender for the supply of power to the Esperance region of Western Australia. The tender is based on electricity generation through an integrated power station fuelled by LNG trucked from the Burrup Peninsula, supplemented in 2006 with a 5-megawatt biomass fuelled generation facility based on feedstock from oil-mallee (Eucalyptus) trees grown on farm properties in the surrounding region.

Contract negotiations are expected to commence with short-listed tenderers and Western Power Corporation and the Western Australian Government’s energy regulator (Office of Energy) in early 2001.

**Joint Venture with the Oil Mallee Company**
Woodside and the Oil Mallee Company of Western Australia are working together to establish a one-million-tree, oil mallee crop in the Esperance region and to develop a mallee harvester. Woodside will initially contribute A$50,000 to this first phase, which, if successful, would lead to the establishment of 7 million trees needed to supply the Esperance biomass plant. Woodside considers that this development has the potential to be applied to other regions in Australia and overseas.
Exmouth Power Project

Western Power Corporation and the Office of Energy also invited expressions of interest in late 2000 for the supply of electricity to Exmouth in the north-west of Western Australia. Woodside, together with its joint venture partner Energy Equity, have submitted an expression of interest based on a power station fuelled by trucked LNG sourced from the Burrup Peninsula and possibly augmented with wind energy and/or wave energy deploying Ocean Power Technologies’ equipment. Tenders are expected to be called by Western Power during the second or third quarter of 2001.

Wave Power

In late 2000, Woodside purchased a 5% stake in the US-based wave power generation company, Ocean Power Technologies Inc for US$3.62 million. The company is a leading developer of wave energy power systems, which use the energy in ocean wave motion to generate competitively priced electricity in increments of one megawatt or more from structures called PowerBuoys™.

The investment also gives Woodside the option to purchase by 2012, 500,000 tonnes of carbon credits (CO₂ equivalent credits) from Ocean Power Technologies at a discount to prevailing market prices and a further option to acquire a 40% equity stake in Ocean Power Technologies’ Australian-based subsidiary, Ocean Power Technologies (Australasia) Pty Ltd. Ocean Power Technologies (Australasia) has the rights to intellectual property for commercial applications in Australia, New Zealand and the South Pacific islands and is in the process of installing a PowerBuoy™ unit off the coast of Portland, Victoria for Powercor Australia Ltd., in conjunction with the Australian Greenhouse Office.

Investment in Ceramic Fuel Cells Limited

Woodside increased its investment in Ceramic Fuel Cells Limited (CFCL) in 2000 by a further A$15 million. This follows the Company’s initial A$5 million investment in 1999.

CFCL’s work program aims to develop commercial electricity generation products that provide high energy conversion efficiencies, greatly reduced Greenhouse emissions, lower power generation noise levels and competitive electricity costs. The first commercial product is expected for delivery in 2003.

CFCL is developing solid oxide fuel cell products that will enable customers to generate electricity on their own premises, using natural gas as the fuel source. This on-site power generation paradigm is gaining increasing attention throughout the world, particularly in the USA, and market assessment studies indicate substantial global demand for this type of product.

Natural Gas Hydrate Research

Natural gas hydrate is formed from water and natural gas and occurs naturally in deep oceans and under permafrost. It appears as an “ice-like” structure in which the natural gas is entrained within ice crystal cages forming a “solid gas”. In naturally occurring gas hydrate, this structure is stable at minus 15 degrees Celsius.

Woodside, in conjunction with Curtin University, has developed a process producing synthetic natural gas hydrate (SNGH) that is stable at warmer temperatures. Many times the “ice” volume of gas is contained within the structure potentially making this an ideal method of transporting gas without high-pressure containment. Woodside’s SNGH also contains more gas than the naturally occurring variety. Because of these properties there are many potential applications for this technology ranging from recovery of offshore gas to alternative fuels for road transport.

During 2000, a three-year rolling agreement with Curtin University to fund the Chair of Hydrocarbon Research was signed. Within this agreement Woodside has committed A$600,000 annually with additional milestone payments for success in accomplishing specific targets on hydrate research. The first milestone payment has already been made as a result of the successful commissioning of a pilot plant to manufacture SNGH in a semi-continuous mode. Work is continuing with the pilot plant to further optimise the process in the near term with a view to commercialisation.
Risk Management

Woodside defines business risk as any event or action which has the potential to prevent the Company achieving its objectives. The definition is wide ranging to ensure that due consideration is given to all issues (both opportunity and hazard) with the potential to impact upon Woodside’s business.

In order to properly identify and develop strategies and actions to manage risk, the Company has put in place a business risk-management framework which is based on the following key elements:

- A process to identify specific business risks;
- The measurement of the identified risk in terms of potential impact and likelihood of occurrence;
- An assessment of the external environment and the control environment in place to manage the risk;
- The development of further plans which may be required to manage the risks; and
- Monitoring to ensure controls to manage the risk are fit for purpose, properly implemented and subject to ongoing improvement.

Woodside’s approach to risk management has historically focussed on the management of health, safety and the environment, day-to-day operations and financial issues. However this approach has been expanded to encompass all areas of activity ranging from regulatory compliance, product supply reliability, human resources through to external relationships including joint venture partners, government, customers and investors. Once a business risk is identified, Woodside’s key management processes and systems are aimed at providing the necessary framework to enable the risk to be managed.

As part of Woodside’s quality assurance process, a major review of the business risk-management framework was undertaken during 1999. The review highlighted a number of additional business risk areas which were progressively addressed during 2000.

Financial Risk Management

As a growth company with a long-term focus operating in a volatile commodity market, Woodside enters into financial transactions for the purposes of managing, through hedging, exposure to oil prices, foreign currencies and interest rates. This approach is intended to ensure that the management of financial risk is performed in a manner which will provide the Company with a greater level of confidence that it can meet its three key objectives, namely:

- To maintain financial stability during sustained periods of unfavourable oil prices, exchange rates and interest rates;
- To ensure the Company will be able to meet its financial commitments including payment of dividends; and
- To ensure the Company can make major investments in pursuit of its business objectives with a greater level of confidence.

In recent years, Woodside’s management of financial risk has been aimed at locking-in a proportion of future revenues and expenditures at prices which will provide funds for the capital investments required to achieve the Company’s long-term growth objectives, whilst retaining a significant exposure to future price movements. This policy reduces some of the potential upside in a high oil price environment while providing some protection against downside price risks in a volatile commodity market.

Hedging levels are governed by Board policy and are monitored by the Board’s Finance Committee. As a matter of principle, forward hedging may not exceed identified real exposure levels and generally, hedge levels do not exceed 50% of exposure for one year into the future, with percentage levels declining into the medium term.
Oil Hedging

Woodside manages its exposure to oil price movements by undertaking hedging activities to cover a proportion of its identified barrels of oil equivalent exposure over a four-year period. This exposure is hedged using a mix of short-term futures contracts, longer term floating to fixed-price swap contracts and oil options contracts. All commodity hedging is priced against the prevailing New York Mercantile Exchange’s West Texas Intermediate (NYMEX-WTI) first and second contracts.

As at 31 December 2000, Woodside had 47 million barrels of oil equivalent (MMboe) hedged at an average price of US$17.99 per barrel for a period of four years on a rolling calendar basis. This hedge cover has been put in place on a progressive basis over the last three years. Details of the latest oil hedge position effective 31 January 2001 are provided in the adjacent table.

Currency Hedging

Currency hedging is undertaken against specific future expenditure commitments by way of forward exchange contracts and currency option contracts. Hedging is predominantly the purchase of Australian dollars and is undertaken in respect of identified Australian dollar net exposures taking into consideration known and forecast receipts and payments.

Interest Hedging

The Company maintains a diversified funding portfolio designed to meet both its ongoing requirements and to ensure ready access to liquidity to be in a position to take advantage of new business opportunities as they materialise. Whilst the nature and timing of these opportunities will dictate the exact term and structure of the debt facilities, the Company’s objective is to spread the source of borrowings for both repayments and interest rate changes.

In addition Woodside also hedges this exposure by maintaining a portion of its total debt liabilities under a fixed-rate borrowing agreement.

Opportunity Cost of Hedging

The opportunity cost of oil price and currency hedging (after tax) included in the Statement of Financial Performance for 2000 was A$381.6 million and A$24.3 million, respectively.

<table>
<thead>
<tr>
<th>Year</th>
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<td>2,243</td>
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<td>43.43</td>
<td>21.46</td>
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<tr>
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<tr>
<td>Total</td>
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<td>% Cover of exposure</td>
<td>53.12</td>
<td>43.43</td>
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</table>
MANAGING HEALTH SAFETY AND THE ENVIRONMENT

Safety Management

Woodside’s management and employees view all injuries and industry-related diseases as preventable. We are striving continuously to improve the health and safety of our employees and contractors.

Regrettably, in the last 12 months, 85 of our people sought the services of a medical practitioner as a result of workplace injuries. In some cases the impact on the person’s health, lifestyle and family was considerable and is continuing. There were also 44 incidents which had the potential to cause serious injury or even fatalities.

Experience globally in the oil and gas industry suggests that at some point the potential in these incidents will be realised unless the root cause deficiencies are addressed. At the heart of the majority of these incidents is a failure in one of the processes which contribute to the integrity of facilities. Very often these failures are “sleepers” which may have remained undetected for a number of years. These were the circumstances surrounding a serious incident in April 2000 where part of the lifting device failed on a fast rescue craft during a routine lift on board the Cossack Pioneer. The vessel and its five occupants fell more than 10 metres into the sea. Thankfully all five occupants survived although one remains seriously disabled as a result of this incident.

In response, we have formed a dedicated project team to review and recommend improvements to engineering processes. One area of safety management that continues to improve is the hazard reporting culture. We believe that the hazard that is identified today prevents an accident tomorrow. For this reason, it is pleasing to see the ratio of hazard reports to accident reports continuing to improve.

It is important to acknowledge that the number of injuries and incidents in 2000 is unacceptable and we must now mobilise the continuing support of the entire workforce in order to reduce significantly the number of incidents and injuries in 2001.

Protecting and Promoting the Health of Our People

Caring for people is a key value at Woodside. We are committed to protecting and promoting the health of our workforce and their families.

Close attention continued to be paid to health promotion during 2000. The corporate health promotion theme was Gender Health and numerous presentations on this important lifestyle issue were made to staff. In addition, Woodside again sponsored the Heart Foundation’s “Climb to the Top” stair climbing campaign which continues to be popular amongst Woodside personnel. More than 100 teams from Woodside were involved in the event and again this was the highest number of teams from any participating company in Western Australia.

Emergency Response Management

Over 70 emergency response exercises were successfully conducted during 2000 resulting in a high level of learning and necessary changes to practices were identified and implemented. This program included a major exercise with the Northern Endeavour, a mobilisation of oil-spill equipment involving major government agencies and international exercises to test the Company’s ability to support incidents in selected overseas locations.

A number of significant training programs for Emergency Teams which included the participation of overseas trainers to enhance the quality of the programs were completed during the year. A comprehensive project to define all the competency standards required for each role within the Woodside emergency response management system, was under-taken. This is a major milestone as no other project of its kind has been completed in Australia or overseas for this industry. The results will be used to develop assessment criteria for employees and contractors in emergency response and support training programs in the future.

Managing the Environment

At Woodside, we share the desire of the community to develop resources in a way that meets the needs of the present, without compromising the ability of future generations to meet their own needs. We remain committed to achieving excellent results in environmental management and in continuing to improve environmental performance.

A high level of employee interest and commitment is an essential component of Woodside’s bid to continue to improve its environmental performance. This was again evident by the level of interest in the third Woodside Environment Award. The award, which was inaugurated in 1997, is designed to recognise the contribution and initiatives of employee and contractor work groups in improving environmental management.
Six submissions covering a range of excellent initiatives were received and the award was presented to the Karratha onshore gas plant team for developing a process to re-route flash gas to LP fuel. This will enable the amount of hydrocarbon gas vented from the LNG sulfinol process to be reduced, which in turn will reduce the plant’s Greenhouse emissions by 300,000 tonnes of carbon dioxide equivalent per annum.

**Changing Environmental Legislation**

The *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC) was implemented on 16 July 2000. The Act, which provides protection for matters of national environmental significance, has resulted in a more complex and potentially longer environmental approval process.

Since the inception of the Act, Woodside has submitted 12 submissions for approval for works such as seismic surveys, geotechnical investigations, exploration and appraisal wells, condensate field development plans, production wells and pipeline modifications. To date, only the Echo-Yodel project and an appraisal well test in Permit WA-271-P were “controlled actions” under the Act and all approvals are progressing on time. Maintaining open communication with the government is a key element of Woodside’s environmental policy and copies of Woodside’s submissions can be found at Environment Australia’s website ([www.environment.gov.au/epbc/projects.html](http://www.environment.gov.au/epbc/projects.html)).

**Performance Indicators**

More environmental incidents were reported in 2000. The majority of environmental incidents reported were minor contained oil spills which did not result in any external discharge. Woodside believes this increase was attributable to a higher level of participation by employees and contractors in the reporting of environmental incidents.

**Flaring**

Small amounts of gas are flared from Woodside operated facilities during normal operations for safety and operability reasons. This includes continuous low-rate flaring associated with pilot and purge systems and occasional periods of elevated flaring during process upsets.

Gas may also be flared from new facilities, when gas export or re-injection equipment is being commissioned.

Elevated flaring levels were experienced during the commissioning of the Northern Endeavour in late 1999 and continued into early 2000 until completion of the commissioning of gas re-injection facilities. Flaring levels have since been minimised and maintained at planned levels.

Woodside measures and reviews the quantities of gas flared as a proportion of total production and continues to seek opportunities for cost-effective initiatives to reduce the volume of flared gas. Flare flow meters were commissioned at the onshore gas treatment plant in 2000.

Improved identification of flared gas streams on the North Rankin-A offshore production platform has enabled the development of a flare reduction strategy for this facility.

**Produced Formation Water**

Produced and condensed water associated with oil and gas reservoirs must be separated from products and treated to regulatory limits prior to being discharged to sea. The monthly average concentration of oil in produced formation water from the Cossack Pioneer and Northern Endeavour floating, production, storage and offloading (FPSO) facilities were below the regulatory limit of 30 milligrams per litre during 2000.

The North Rankin-A platform’s oil-in-water performance has improved considerably with the installation of a centrifuge system to improve the separation of produced formation water prior to being discharged. Some limited regulatory exceedences were experienced during commissioning. Similarly, the Goodwyn-A platform experienced occasional short-term exceedences during the year, however monthly averages have remained below the regulatory limit. The exceedence periods have resulted in less than 0.1% increase in oil loads during the reporting period. The Western Australian Department of Mines and Energy has been kept fully informed regarding levels of oil in discharged water and the performance improvements which have been made.

The concentration of oil-in-water from the onshore gas plant’s effluent stream has continued to be well below the plant’s licence limit of 10 milligrams per litre.

**Waste Management**

Woodside’s focus on improving waste management practices has continued through 2000 with the implementation of a total waste management contract, a waste disposal database, updated waste disposal procedures and ongoing training and awareness programs. The identification of opportunities for improved waste segregation and recycling continued throughout the year.

Paper consumption is continuing to be monitored as a key environmental performance indicator by Woodside. A concerted effort is being made to reduce paper usage by encouraging the use of paperless office technology which is widely available throughout Woodside. Paper recycling programs have been established at all facilities and are enthusiastically supported by employees and contractors.

**Monitoring and Research**

Woodside has comprehensive environmental monitoring programs in place to assess potential impacts on proposed site locations as well as ongoing programs that monitor the effect of operations on the surrounding environment.

The ChEMMS program monitors the health of key environmental components—corals, mangroves, sediments, oysters and other rocky shore species in Mermaid Sound adjacent to the onshore gas plant. No major variations from general long-term trends were detected in 2000.

Sea-bed monitoring was conducted in the vicinity of the Goodwyn-A platform. The findings support laboratory studies that ester-based drilling fluids degrade rapidly in the waters surrounding the North West Shelf project.

A sediment sampling survey was conducted across three exploration permits in the Joseph Bonaparte Gulf located off the coasts of Western Australia and Northern Territory. The survey assessed the baseline physico-chemical characteristics of sediments and the composition of the sediment biological assemblages for an area where no data previously existed.
A comprehensive environmental baseline study was undertaken for the Legendre oil field in early 2000. This study included grab and dredge samples and sea-bed video surveys.

Environmental assessments were conducted during the year on behalf of the Sunrise Gas project. These included an archaeological and heritage survey, a flora and fauna survey of Glyde Point (north-east of Darwin), a video survey of Sunrise Shoals in the Timor Sea as well as onshore and offshore geo-technical investigations.

Woodside updated its oil-spill modelling capability by installing a new model at the Bureau of Meteorology Special Services Unit. This model enables the Company to predict risks to the environment in the event of an oil spill and to prepare appropriate response strategies.

Environmental Management in New Projects

Otway Basin Seismic Survey

During the year, Woodside developed a comprehensive stakeholder risk management program for a 3-D seismic acquisition program in the Otway Basin in Permit VIC/P43. The primary objective of the program was to identify and ensure key environmental and social values and sensitivities were protected.

The outcomes of this project include a comprehensive stakeholder database, production of the first seismic survey environment plan under the new Act, an environmental resource atlas, and funding of the Deakin University’s Blue Whale Study to assess the abundance and distribution of this species.

Great Australian Bight Seismic Survey

Woodside commenced a 2-D seismic acquisition survey in the Great Australian Bight in late 2000. A comprehensive stakeholder consultation program was developed and implemented in support of this activity. The assessment and approval of the 2-D seismic survey was conducted under the new Act, with approval being granted by the Governor-General to operate within the Great Australian Bight Marine Park.

The Company carried out a whale-monitoring program on board the seismic survey vessel to assist researchers in acquiring information on the abundance, distribution and diversity of whales in the offshore waters of the Great Australian Bight during the summer months.

Vincent / Enfield Exploration and Appraisal

Woodside is continuing exploration and appraisal activity in Permit WA-271-P. All activity has been managed with a very high level of environmental care. A comprehensive community awareness program has been employed. Proactive, best practice measures, have been applied such as the use of Supergreen burners on well tests, avoidance of environmentally sensitive periods and extensive assessment studies (sea-bed and aerial surveys).

In general, the environmental performance has been of a high standard. Regrettably, two environmental incidents have been recorded which involved the loss of seismic streamer and fuel-bunkering near sensitive areas.

Project Approvals

The environmental approvals for the development of the Echo-Yodel gas and condensate project is progressing, with approval from the Commonwealth Environmental Regulatory Authority (Environment Australia) anticipated in the first half of 2001.

Approval for the Legendre project’s Environmental Plan was received from Environment Australia during the year, the first such approval for a production facility.

Environmental approval was obtained from the Western Australian Department of Environmental Protection for the fourth LNG train in the form of a site works approval.

Sustainable Development in Mauritania

Mauritania will be Woodside’s first major international-operated opportunity and the Company is committed to applying Australian standards for health, safety and environmental management in Mauritania.

Where exploration efforts result in a discovery and further development, Woodside is working on a strategy for adopting the principles of Sustainable Development in its Mauritanian operations. In doing so the company intends to:

- manage the safety of all the people involved in, and affected by operations;
- understand the requirements of stakeholders and secure their input into decision-making processes;
- maximise the benefits to the Mauritanian economy from any subsequent developments; and
- minimise the impact on the environment.

In the absence of applicable Mauritanian legislation regarding the development and implementation of environmental management plans for oil and gas exploration activities, Woodside’s environmental management of the 2001 drilling campaign will be carried out according to standards and procedures applied in Australian waters. This includes the preparation of an Environmental Plan, prepared in accordance with Australian regulatory requirements. A key objective of this Plan is to ensure that drilling activities in Area B, offshore Mauritania, conform to Woodside’s corporate environmental policies and health, safety and environmental management system.

The northern inshore region of Mauritania includes the Banc d’Arguin National Park, Africa’s largest coastal and marine national park, a UNESCO World Heritage site and a Ramsar-listed Wetland of International Importance. The Banc d’Arguin is also listed on the Worldwide Fund for Nature Global 200 List.

Woodside and its drilling contractors will maintain a series of comprehensive environmental management controls in order to ensure the environmental integrity of this important area. A comprehensive oil spill contingency plan will be in place in the unlikely event of an oil or fuel spill occurring during drilling and well-testing activities.
Through its sponsorship and donations program and employee involvement, Woodside continues to be a leading force in a range of community-based activities, with particular emphasis on adding energy to really making a difference for the future of our society.

Making a difference for Young Australians

The Company is keen to provide opportunities for young people. This involves establishing partnerships with a diverse group of organisations that provide direction for young people in a range of areas including cultural pursuits, science, technology, education and environmental endeavours.

During 2000, Woodside committed over A$700,000 to support organisations which focus on young people. Ongoing partnerships with WA Youth Orchestra, Scitech, Art Gallery of Western Australia through its Year 12 Perspectives, Canteen, Young Achievers, Camp for Kids, United Way, Diabetes Research at UWA, and the TVW Institute for Child Health Research were strengthened and new partnerships formed. Some of the exciting new long-term partnerships include:

- **Surf Life Saving** - Woodside has pledged a financial commitment to Surf Life Saving WA (SLSWA) and each club in Western Australia to ensure this important organisation can achieve its commitment to community safety and youth development. This three-year partnership sees Woodside become principal sponsor of SLSWA to help ensure our employees, the community and their young families continue to safely enjoy Western Australia’s unique coastal environment.

- **Youth Focus** - Driven by the philosophy “helping teenagers and saving lives”, Youth Focus provides support services to young people (14-18 years of age) at risk of suicide or self-harm. Through a Woodside partnership with United Way, Youth Focus will introduce their innovative camp concept to the Pilbara. In addition, Woodside will provide funding direct to Youth Focus for two full-time professionals to work with and mentor youth at risk in metropolitan Perth. Woodside employees will also have the opportunity to train as mentors and learn vital skills to help prevent this growing trend.

- **Awesome Children’s Festival** - Woodside has committed to becoming a principal partner of the festival. The Awesome Festival aims to inspire young people between 5 and 16 years of age to develop artistic creation and expression. The main objective is to assist youth development through promoting empowerment, building self-esteem and acting as a deterrent to potentially destructive behaviour.

- **Earthwatch** - Woodside is supporting Earthwatch’s mission for promotion and participation of field research and conservation projects. This is a two-tiered partnership that offers opportunities for young people at risk and Woodside employees to participate in fellowships to work with Earthwatch to study and preserve Australian fauna in their natural habitat.

- **Passages** - This unique inner-city resource centre provides a focal point for homeless young people to find a safe place in order to start their journey to finding a healthier and better lifestyle. This three-year partnership with Rotary and the St Vincent De Paul Society, involves both a financial contribution from Woodside as well as employees acting as volunteers in the centre.

- **Black Swan Theatre Company** - Woodside has established a partnership with Black Swan Theatre Company. Over a three-year period, Black Swan Theatre will take their unique expertise to the Pilbara to encourage young people to create their own role in a theatre production that reflects the aspirations of young Western Australians and embraces the region’s geographic diversity.

- **EcHO - WA Symphony Orchestra** - By transforming the partnership with the Western Australian Symphony Orchestra, Woodside is ensuring that the EcHO, the Orchestra’s education arm, is able to bring classical music to young people at risk and living in difficult situations in Perth’s detention centres and prisons.
Employee Champions

Each one of these sponsorship agreements is managed by a group of employee champions who contribute their expertise, passion and leadership to ensure these partnerships are mutually beneficial for both Woodside and the community.

Other project teams are also taking the benefits of working within the community to foster team spirit. The Echo-Yodel team have embarked on an ambitious monthly community project and already have raised over A$2,000 in a Quiz night for Guidedogs for the Blind, given the Suffolk Hostel a newly decorated lease of life and made some speech-and hearing-impaired children’s lives a little bit easier.

In the Pilbara

In Karratha, Woodside continued to support several local community group activities including major sponsorship of junior cricket in the west Pilbara through the Western Australian Cricket Association. The program is designed to provide junior cricketers in the region with the opportunity to receive specialist coaching and involves both Woodside staff and parents. In addition, the company continued to sponsor the Pilbara Tourism Association and the Aboriginal Art Award at the Cossack Art Awards.

In the Gascoyne

The North-West Cape is rapidly becoming Australia’s newest hydrocarbon province. Working closely with the communities in Exmouth, Coral Bay and Carnarvon, Woodside is ensuring community concerns and expectations are addressed. In a unique program, Woodside has made a commitment to keeping the community informed of all exploration and appraisal activities in the region.

Activities have included a comprehensive communication strategy involving monthly activity updates by mail, advertisement and posters, an exclusive 1800 toll-free number for any community questions, visits by the project team, a preliminary capability assessment for local industry involvement and community and environmental workshops for all exploration staff and contractors.

Woodside was also a key sponsor and participant in AquaFest 2000, a local festival celebrating industry and community.

In addition, the Company through its environmental awards program donated A$5,000 to the establishment of tourist and nature paths through the Cape Range National Park. Other planned initiatives include sponsorship of the Scitech Road Show into the region, school information packs and community open days.

Eastern Australia

Woodside returned to its Victorian origins, embarking on exploration activities in the Otway and Bass Strait Basins in offshore Victoria. In 2000, the Company together with its joint venture partners in the Otway Basin donated A$5,000 for a shade cover for the Port Campbell toddler playground.

In the town of Woodside near Yarraw in south-eastern Victoria, the Company donated A$5,000 in support of the Woodside Primary School’s fund-raising program.

Relationships with Indigenous Communities

Key events in 2000 included the official opening ceremony of the Ngarluma and Yindjibarndi Foundation in Roebourne and the building of long-term relationships with the Larrakia people in Darwin and the East Timorese in relation to the Sunrise Gas Project.

The Ngarluma and Yindjibarndi Foundation, the most visible product of the Native Title Agreement for future expansion on the Burrup Peninsula in the Pilbara, is a benchmark concept that will see long-term benefits accessed by all Ngarluma and Yindjibarndi peoples. Focussing on provision of social, economic and cultural programs for this generation and the future, the Foundation now has over 380 registered members, a fully-functional Board of Directors and a Chief Executive Officer.

In addition, all performance indicators have been met in relation to Woodside’s involvement in a local education program - Gumala Miruwarni (“Coming together to learn”) and the employment and training initiative - Warrgamugardi Yirdiyabura (“Pathways to employment”). Both programs are successfully providing opportunities for local indigenous people to directly compete in a rapidly changing environment.

These programs will be expanded in 2001 through the introduction of an Indigenous Cadetship program, to meet the gap in provision of opportunities for local indigenous tertiary students. It is supported by a cross cultural training program for all employees.

A Heritage protocol and Heritage Management Committee have also been established to ensure that all associated heritage issues are managed effectively.

The model applied to indigenous relationships with the North West Shelf’s neighbouring communities is being adopted by the Company in new development areas such as the West Kimberley, Northern Territory, East Timor and the Bowen Basin in Victoria.

In the North (Northern Territory and East Timor)

Woodside, as operator of the Sunrise Gas Project on behalf of Shell, Phillips and Osaka Gas, has worked closely with the communities in Darwin and East Timor.

In Darwin, consultations with a range of community stakeholders regarding potential onshore developments have been undertaken. The Larrakia and Tiwi Aboriginal people are the traditional owners in the Darwin area and during the year a sacred site avoidance survey was undertaken to allow the project to carry out geo-technical studies on the Gunn Peninsula. Larrakia people were also employed as field assistants on the archeological and environmental studies. Discussions continue with the Larrakia and Tiwi in regard to developing a mutual understanding of each others concerns and aspirations and the creation of a shared vision for the Sunrise gas project and both Aboriginal communities.
East Timor

Woodside has been working with the East Timorese community in a number of ways.

After the post-referendum violence in East Timor, more than 300,000 refugees fled to West Timor and were living in refugee camps. In East Timor, the large majority of homes, public buildings and other infrastructure had been destroyed and as a result many people were homeless, sick and injured. Woodside provided medicine, food, mattresses and storage space in Darwin in support of the Australian relief effort.

Woodside also contributed to the Northern Territory Museum’s initiative to retrieve, catalogue and protect the collection at the Dili Museum, which was being threatened by impending monsoon rains.

After being approached by Project Timor, a Perth-based, non-government organisation, Woodside worked with them to develop a program to help the East Timorese people in the Dili suburb of Comoro rebuild and repair their houses and at the same time, receive training in the building trades.

The East Timor National University in Dili re-opened in October 2000. Unfortunately, many students live some distance away from campus and were unable to afford the transport cost. The Sunrise gas project has provided bus transport to resolve this problem.

Woodside was also one of the founding members of a steering committee for education, training and employment of East Timorese in the petroleum industry. The committee aims to facilitate opportunities for East Timorese people to enable them to compete effectively for employment opportunities in the oil and gas industry and related East Timorese government administration roles.

Finding solutions for the future

Helping uncover solutions for the future is an integral part of Woodside’s operating philosophy. In addition to a variety of environmental and energy technology research projects, the Company is also entering the third year of its partnership with the Western Australian Museum to survey the Dampier Archipelago.

Woodside has committed A$630,000 to the museum over a four-year period to support the survey. This survey will add substantial knowledge to the marine biology of the north-west coastal region. It also allows for community involvement and facilitation of wider understanding of this incredible marine environment through the Woodside Dampier Gallery at the Museum and the preparation of an international film documentary on the region.
Board of Directors

CB Goode BCom (Hons), MBA (Columbia), HonLLD (Melb), (Chairman)

Director since 3 February 1988, Chairman of the Nominations and Shell Relationship Committees and ex-officio member of all other Board Committees. Chairman of Australia and New Zealand Banking Group Limited; Australian United Investment Company Limited; Diversified United Investment Limited; The Howard Florey Institute and The Ian Potter Foundation Ltd.; Director, Singapore Airlines Ltd. and Air New Zealand Limited. Age: 62.

JH Akehurst, MA (Oxon), FIMechE, (Managing Director)

Director since 7 February 1996; appointed Executive General Manager of Woodside’s operating subsidiaries from June 1994 until appointment as Managing Director on 3 April 1996; member of the Corporate Governance; Health, Safety and Environmental, Finance and Shell Relationship Committees; Director of Oil Search Limited since August 1999; Member of the Board of the University of Western Australia’s Graduate School of Management; the Board of the Asia Research Centre and the Board of Youth Focus. Over 25 years experience in the international oil industry. Age: 52.

RES Argyle, LLB, DIP PL (Dundee) FAICD

Director since 1 November 1995; Director of Woodside Group Staff Superannuation Pty. Ltd.; Chairman of the Corporate Governance Committee; member of the Finance, Audit, Nominations and Shell Relationship Committees. Chairman of Aurora Gold Ltd. and Leeuwin Ocean Adventure Foundation Ltd. and a Director of Scitech Discovery Centre. Over 35 years experience as a commercial and resources lawyer in Perth. Age: 64.
JR Broadbent, BA (Economics and Maths)

Director since 17 June 1998; member of the Finance, Human Resources and Shell Relationship Committees. Board Member, Reserve Bank of Australia and Coca-Cola Amatil Limited. Vice President, Board of Trustees, Art Gallery of New South Wales; Sydney Advisory Board - Salvation Army Eastern Territory and Director of the Sydney Theatre Company. Over 20 years experience in the finance sector, principally as a senior executive of Bankers Trust. Age: 52.

KA Dean, BCom (Hons), FCPA, MAICD

Director since 18 February 1998; Chairman of the Audit Committee; member of the Finance and Corporate Governance Committees; Chief Executive Officer of Shell Finance Services division of Shell International Limited, London; non-executive Director of Shell Australia Limited. Over 25 years experience in the Australian and international oil industry. Age: 48.

PJB Duncan, BE (Hons.1), DBS

Director since 4 June 1999; member of the Nominations Committee; Chairman of The Shell Group of Companies in Australia; Chairman, Shell New Zealand Limited and Shell New Zealand Holdings Limited. A Director of various Shell Pacific Island companies and Chairman of the Australian Institute of Petroleum. Over 35 years experience in the international oil industry. Age: 59.

Dr AJ Parsley, BSc, PhD

Director since 4 June 1999; member of the Audit, Human Resources and Health, Safety and Environmental Committees; Chief Executive Officer Shell Development (Australia) Pty. Ltd. and Director, Shell Australia Limited. Over 30 years experience in the international oil industry. Age: 57.

Dr PJB Rose, BCom (NZ), DipEc (Camb), PhD

Director since 6 December, 1990; Chairman of Health, Safety and Environmental Committee; member of Audit, Nominations and Shell Relationship Committees. Director of Australian United Investment Company Limited; The Ian Potter Foundation Limited; Australian Ballet Centre; Air New Zealand Limited and Ansett Holdings Limited. Formerly Adviser to Prime Minister, 1977-1983; Director of the University of Melbourne Business School, 1984-2001; Sidney Myer Professor of Commerce and Business Administration, 1978-2000. Age: 65.

RH Searby, QC, MA (Oxon)

Director since 17 June 1998; Chairman of the Human Resources Committee and member of the Corporate Governance and Shell Relationship Committees. Formerly Chairman of The News Corporation Limited; Chairman of Equity Trustees Ltd and non–executive Director of Rio Tinto Group of Companies and of Shell Australia Limited. Chancellor of Deakin University and Director of BRL Hardy Ltd and Amrad Ltd. Appointed Queen’s Counsel in 1971; over 20 years experience in the resources industry. Age: 69.

RAG Vines, BE (Hon), DSc (Cit. WA), FAIM, FAIMM, FTSE

Director since 19 February 1997; Chairman of the Finance Committee; member of the Health, Safety and Environmental, Human Resources, Nominations and Shell Relationship Committees. Director of WMC Limited and Central Norseman Gold Corporation Limited and Chairman of Scitech Discovery Centre; Retired Chairman and Managing Director, Alcoa of Australia Limited. Over 35 years experience with Alcoa internationally and in Australia. Age: 64.
2000 Corporate Governance Statement

This statement summarises the Board's governance practices that were in effect during the year.

Communications with Shareholders

The Board aims to ensure that shareholders are kept informed of all major developments affecting Woodside. Information is communicated to shareholders through the distribution of the Annual and Half-Yearly Reports; releases made by Woodside throughout the year with respect to changes in the business, future developments, exploration and drilling progress and results; and in the Chairman's address delivered at the Annual General Meeting. Shareholders at the Annual General Meeting are encouraged to ask questions regarding matters that may not have been dealt with or may not have been sufficiently covered in the Annual Report. Woodside also posts all ASX and media releases on the Company's website (www.woodside.com.au).

Board Composition

Board membership remained at ten for the year.

All Directors are non-executive with the exception of the Managing Director, Mr John Akehurst. The Chairman and five other Directors are independent non-executive Directors. The remaining three non-executive Directors are officers of Shell Australia Limited, a substantial shareholder of the Company.

In assessing the composition of the Board, the Directors have regard for the following guidelines:

- the Chairman should be both non-executive and independent and an Australian citizen or permanent resident;
- the Managing Director should be a full-time employee of the Company;
- more than half of the Board should comprise Directors who are both non-executive and independent;
- the Board should represent a broad range of qualifications, experience, age and expertise considered of benefit to the Company;
- the Board should ideally comprise nine Directors including the Managing Director, although this number may be increased where it is felt that additional expertise is required in specific areas, or where an outstanding candidate is identified. Where the Board is greater in number than 9 it would be the intention of the Board to return the number to 9 upon the retirement or resignation of the next independent Director, subject to the resulting composition continuing to satisfy Board policy. (Currently the Board comprises 10 Directors including the Managing Director. On the retirement or resignation of the next independent Director, it would be the Board's intention to recommend that the number of Directors on the Board be held at 9.); and
- the number of Shell-nominated Directors, as a proportion of the Board, should approximate the proportion that Shell's holding of fully paid shares in the Company bears to all of the issued fully paid ordinary shares in the Company.

All Directors bring, as they are expected to, an independent view to the Board's deliberations. Details of the age, experience and qualifications of Directors are set out on pages 50 to 51 of this Annual Report.

Whilst election of Directors is a matter for shareholders in general meeting, the Board will bring forward candidates for shareholders' consideration. As a guide to Directors' tenure, the Board's position is expressed in the following policy, adopted in March 1999:

- Non-executive Directors appointed after March 1999 will normally retire on attaining age 70 years or on completion of 15 years service, whichever date occurs first;
- Non-executive Directors in office in March 1999 will normally retire on completion of 15 years service or 8 years from the date of adoption of this policy, whichever occurs later, or on attaining the age of 72 years;
- The Board may support extensions of these dates and periods in particular circumstances; and
- An executive Director may only become eligible for appointment as a non-executive Director after a suitable period away from the Board.

Board Responsibilities

The Board considers that its essential responsibility is to oversee Woodside's business activities and its management.
primarily for the benefit of Woodside shareholders, but at the same time recognising its responsibilities to its employees, the community and environment within which it operates and, where appropriate, other stakeholders. Responsibility for management of Woodside’s business activities is delegated to the Managing Director, who is accountable to the Board.

Having regard to the uncertainties and high costs of the oil and gas business, as well as the need to replace depleting assets, the Board places significant emphasis on long-range planning, as well as participation in joint ventures in order to share risks. To achieve these objectives, management is expected to engage in commercial relations with others in a manner that will continue to make Woodside their “partner of choice”. In addition, management is charged with the responsibility to submit to the Board its proposals for strategic direction, as well as all necessary financial plans and proposals for major projects.

The key responsibilities of the Board include:

- Developing strategy with management and approving plans, new investments and major capital and operating expenditures proposed by management;
- Defining and setting performance expectations for the Company and monitoring actual performance;
- Appointing and reviewing the performance of the Managing Director and senior management;
- Ensuring that there are effective health, safety and environmental procedures in place;
- Arranging for effective budgeting and financial supervision;
- Ensuring that appropriate audit arrangements are in place;
- Ensuring there are effective reporting systems that will assure the Board that proper financial, operational, compliance and risk management controls are in place and functioning appropriately; and
- Reporting to shareholders.

**Board Workings**

- **Performance evaluation**

During the year, the Board carried out its annual performance evaluation to assess its own performance and the effective workings of its committees. Board members complete confidential questionnaires, the results of which are analysed by an external consultant and issues addressed in a formal period outside normal Board meetings. In addition, the Board assesses the performance of the Managing Director by reference to agreed key duties.

The terms of reference and composition of each Board committee are also reviewed each year. As a result of these reviews, the terms of reference for the Nominations Committee were updated and the Acquisitions and Divestments Committee was disbanded.

- **Meetings**

The Board held ten scheduled meetings during the year ended 31 December 2000 and in addition had eleven unscheduled meetings. Senior staff attended and made presentations at Board meetings as considered appropriate and were available for questioning by Board members. In May 2000 the Board visited the North West Shelf Venture’s operations.

- **Conflicts of Interest**

The Board has in place ‘conflict of interest guidelines’ which operate if there is potential for conflict between the personal or other interests of a Director and the business of Woodside. In the event that a conflict of interest exists, the Director does not receive the relevant Board papers regarding such issues and when the matter comes before the Board for discussion, the Director withdraws from the meeting for the period the matter is considered and takes no part in the discussions or decision-making-process.

- **Independent Professional Advice**

With the approval of the Chairman, any Director can seek external professional advice, at Woodside’s expense, in carrying out their duties.

- **Risk Management**

The Board has as one of its main objectives, the monitoring and managing of areas where risk to Woodside is perceived to be significant. A comprehensive business risk review, led by an external consultant and extending to all areas of activity, was completed in March 2000. The results of the risk review are being deployed throughout the Company.

The program is aimed at ensuring that the Company conducts its operations in a manner that allows risks to be identified, assessed and appropriately managed. Management is accountable for the implementation and management of this program. Board papers and management presentations routinely address the risks of all proposals submitted to the Board for approval. Discussion and approval of the Annual Budget and a rolling 10-year forward view presented by management assist the Board to identify significant business risks and, together with management, decide upon and implement ways of managing those risks. Performance is monitored by management and communicated through monthly Board reports.

- **Code of Business Ethics**

The Board has in place a Code of Business Ethics, which applies to all Directors and employees within the group.

- **Directors and Employee Share Dealing**

The Board also has in place a specific share trading policy, binding on Directors and employees, designed to assist Directors and employees to avoid insider trading, and providing guidelines for trading in Woodside securities. The policy stipulates that the only appropriate time for a Director or employee to acquire or sell Woodside shares is when he or she is not in possession of price-sensitive information that is not generally available to the market. Directors wishing to buy or sell Woodside securities in accordance with the policy may only do so after first having advised the Chairman of his or her intention. In the case of employees, there is a corresponding notification requirement.

**Committees of the Board**

During the year, the Board agreed to disband the Acquisitions and Divestments Committee and refer that Committee’s business to the full board. The Committee did not meet during the year.

In March 2000, the Company received a proposal from the Shell Group of Companies in which Shell offered to sell Woodside a portfolio of Shell assets in exchange for Woodside shares. In accordance with the Company’s conflict of interest guidelines, the Shell-nominated Directors on the Board did not participate in the majority of the business conducted at special Board meetings convened to discuss the Shell proposal.
In order to simplify the process of convening meetings of this nature, an ad hoc committee was formed in August 2000 called the Shell Relationship Committee. Its members comprise all the non-Shell-nominated Directors. The purpose of the Committee was to provide a forum in which Directors could discuss any matters relating to the ongoing relationship with Shell, any future proposal by Shell, or any matters relating to the terms or structure of the Alliance Agreement with Shell, in the absence of the Shell-nominated Directors.

In November 2000, Shell Australia Investments Limited, a wholly-owned subsidiary of the Shell Group, made a take-over offer to Woodside shareholders and presented a revised asset transfer proposal to the Company. The Woodside response to the Shell take-over offer has been the subject of a number of meetings of the Shell Relationship Committee and is expressed in the Target’s Statement lodged with the Australian Securities and Investments Commission on 28 December 2000. The revised asset transfer proposal was under consideration by the Shell Relationship Committee at the time of writing this report.

Currently six standing Board committees assist the Board in the discharge of its responsibilities.

They are:
- Audit Committee;
- Corporate Governance Committee;
- Finance Committee;
- Health, Safety and Environmental Committee;
- Human Resources Committee; and
- Nominations Committee.

Other ad hoc committees are convened from time to time to address major transactions or other matters calling for special attention.

Audit Committee

The Audit Committee assists the Board to ensure that there are in place within the Woodside Group appropriate and effective accounting, auditing, internal control, business risk management, compliance and reporting systems, processes and practices.

In particular it:
- reviews and approves accounting policies;
- reviews the draft half-year and annual consolidated accounts of the Group and the Directors’ Report, prior to submission to the Board for approval;
- reviews internal audit reports and progress on implementation of recommendations;
- oversees and reports to the Board upon the internal control and business risk arrangements adopted by management in implementing Board policies;
- makes recommendations to the Board on the appointment of the external auditor;
- approves the annual external audit fee;
- reviews the annual audit plan;
- oversees Group compliance with statutory responsibilities; and
- when considering the annual and half-yearly financial reports, reviews the carrying value of assets, provisions and other accounting issues.

Members of the Committee are Mr KA Dean (Chairman), Mr RES Argyle, Mr CB Goode (ex-officio), Dr AJ Parsley and Dr PJB Rose. The internal and external auditors, the Managing Director, the Chief Financial Officer and the Group Accounting Manager attend Committee meetings by invitation. The Committee met five times during the year.

Corporate Governance Committee

The Corporate Governance Committee advises on and monitors Woodside’s governance practices and assists the Board to ensure that there is in place an appropriate process for the direction and control of the Group. In particular it:
- reviews the way the Board and its committees work and their evaluation processes;
- monitors the management systems and processes in place for compliance with laws and regulatory requirements; and
- monitors the management systems in place for addressing significant business risks and the framework of internal management controls.

Members of the Committee are Mr RES Argyle (Chairman), Mr JH Akehurst, Mr KA Dean, Mr CB Goode (ex-officio) and Mr RH Searby. The Committee met five times during the year.
Finance Committee

The Finance Committee (formerly known as the Finance and Risk Management Committee) reviews and makes recommendations to the Board concerning:

- specific funding proposals;
- borrowing and compliance with loan terms;
- the scope of insurance cover; and
- financial risks resulting from movements in oil prices, interest rates and exchange rates and the extent and methods of any financial hedging which are undertaken.

Recognising that more than one committee has “risk management” responsibilities, the Committee was renamed during the year to reflect its principal area of responsibility.

Members of the Committee are Mr RAG Vines (Chairman), Mr JH Akehurst, Mr RES Argyle, Ms JR Broadbent, Mr KA Dean and Mr CB Goode (ex-officio). The Chief Financial Officer and the Financial Risk Manager attend meetings by invitation. The Committee met nine times during the year.

Human Resources Committee

The Human Resources Committee reviews and makes recommendations to the Board on the operation of key human resource management policies and processes including remuneration packages and policies applicable to the Managing Director, senior executives and Directors. The Committee obtains independent advice to ensure remuneration policies are appropriately positioned with respect to the market and monitors their ongoing operation.

In particular, the Committee considers:

- remuneration policy;
- recruitment policies and performance;
- succession and planning for key positions;
- performance management and appraisal;
- competence development;
- employment practices including Equal Employment Opportunity, Affirmative Action and employee negotiations; and
- compliance with statutory obligations.

Members of the Committee are Mr RH Searby (Chairman), Ms JR Broadbent, Mr CB Goode (ex-officio), Dr AJ Parsley and Mr RAG Vines. The Managing Director and the Management Director with responsibility for human resources attend Committee meetings by invitation. The Committee met four times during the year.

Nominations Committee

The Nominations Committee reviews Board composition and Board succession planning. This includes the finding, evaluating and recommending of candidates for the Board.

In carrying out this role, the duties and responsibilities of the Nominations Committee include:

- reviewing annually the size and composition of the Board;
- considering the mix of desired competencies of Board members;
- evaluating Board candidates and recommending individuals for Board appointment/shareholder election; and
- Board member performance appraisal.

In its evaluation of candidates for the Board, the Committee has regard for normally accepted nomination criteria including:

- integrity and moral reputation;
- appropriate experience and/or professional qualifications;
- the ability to exercise sound business judgement;
- a position of leadership or prominence in a specified field;
- absence of conflicts of interest or other legal impediments to serving on the Board;
- willingness to devote the required time; and
- availability to attend Board and Committee meetings.

In considering overall Board balance, the Committee gives due consideration to the value of a diversity of backgrounds, experiences and location of the members.

Members of the Committee are Mr CB Goode (Chairman), Mr RES Argyle, Mr PJB Duncan, Dr PJB Rose and Mr RAG Vines. The Committee met three times during the year.

Directors’ Emoluments

Details of the nature and amount of each element of the emolument of each Director and the basis upon which those emoluments are determined, are set out in the Directors’ Statutory Report and Note 37 to the financial statements.

Health, Safety and Environmental Committee

The Health, Safety and Environmental (HSE) Committee reviews all aspects of health, safety and the environment which are relevant to Woodside’s activities. In particular it:

- monitors and reports to the Board on occupational health, safety and environmental management systems and goals, due diligence procedures and performance;
- ensures that adequate and proper procedures and benchmarks are in place to support Woodside’s health, safety and environmental policies; and
- oversees incident investigation, audit reports, compliance and procedures for continuing improvement.

Members of the Committee are Dr PJB Rose (Chairman), Mr JH Akehurst, Mr CB Goode (ex-officio), Dr AJ Parsley and Mr RAG Vines. The HSE Manager attends meetings by invitation, as do relevant senior management. The Committee met five times during the year. Members also visited the Company’s North West Shelf operations to gain first-hand experience of the operating environment.
Executive Management Team

Woodside’s Executive Management Team as at 22 March 2001.

Richard Beresford
Director Sustainable Energy Solutions

Richard joined Woodside in mid-1996 after 12 years with British Gas working in research, operations, planning and business development.

Key Accountability: To build a new profitable business for Woodside to meet growing demand from customers for “green” energy, based on new ways of delivering and converting gas for power and other uses, plus selective investments in renewable and other innovative energy technologies. Age: 45

Alan Brooks
Chief Legal Officer

Alan joined Woodside in 1981 and was appointed Manager Legal covering all aspects of Woodside’s activities in 1997.

Key Accountability: To manage the legal aspects of all Woodside activities including the Company Secretariat. Age: 56

Bob Carroll
Chief Financial Officer

Bob joined Woodside in February 1981 as Manager of Corporate Accounting in Melbourne and since October 1985 has held a number of senior finance-related positions.

Key Accountability: To ensure an optimum capital structure which includes the securing of cost-effective funds for ongoing business needs and new opportunities, recommendations on the distribution of capital to shareholders and to drive the process for management review of investment proposals. Bob is also responsible for financial due diligence and governance which includes monitoring and reporting, taxation, financial risk management and investor and stakeholder relations. Age: 56

Chris Cronin
Director Corporate Strategy, Planning and Performance

Chris joined Woodside in 1981 and was previously the General Manager Human Resources, Corporate and Public Affairs.

Key Accountability: To drive the processes for business strategy and planning, performance leadership, executive development and external affairs activities and to provide shareholder value assurance
for Woodside through North West Shelf Venture/Australian LNG (NWSV/ALNG) owner representation. Chris is also accountable for the Corporate Development Department including the acquisition and divestment process and for governance of the human resources processes which are run from within the Shared Services Division. Age: 52.

Chris Haynes
CEO North West Shelf Ventures

Chris was seconded by Shell to Woodside in mid-1999 after 20 years with the Exploration and Production arm of Shell International.

Key accountability: To improve the bottom line business performance of the existing NWSV assets and create and implement profitable growth of the total NWSV business. Chris is also accountable for governance of health, safety and environment performance throughout Woodside. Age: 53

Agu Kantsler
Director New Ventures

Agu was seconded by Shell to Woodside in mid-1995 following 15 years of exploration activity with Shell, mostly on international assignments. In 2000, Agu formally joined Woodside as a permanent employee.

Key Accountability: To build a profitable international exploration and production business and to develop new production opportunities in Australia via successful, low-cost greenfield exploration. Agu is also accountable for providing world-class, sub-surface technical services to all other divisions. Age: 50

Ernie Kennedy
Director Shared Services

Ernie joined Woodside in 1991 as Process Superintendent at the onshore gas plant and has held a number of senior operations positions prior to being appointed as Director Shared Services in December 1999.

Key Accountability: To provide market-competitive services to meet internal customer needs. This new division manages cross-company processes and provides services for finance, procurement and logistics, human resources and information technology. Age: 50

Jeff Schneider
Director Eastern and Northern Australian Gas

Jeff joined Woodside in 1979 and was previously General Manager Commercial.

Key Accountability: To build a profitable new domestic gas business in eastern Australia and to monetise gas reserves in the Timor Sea and Browse Basin. Jeff is also accountable for the capital efficiency project. Age: 50

Keith Spence
Director Australian Oil

Keith joined Woodside in 1998 and was previously General Manager Northern Business Unit. Prior to joining Woodside, Keith was on secondment from Shell to Woodside and was responsible for NWSV exploration.

Key Accountability: To build a best-in-class oil exploration and production business in Australia through brownfield exploration, development and production. Keith is also accountable for governance of information technology and remains the process owner for reserves accounting. Age: 47
**Investor Information**

**Annual General Meeting**

The 30th Annual General Meeting will be held at the Sheraton Hotel, 207 Adelaide Terrace, Perth, Western Australia on Wednesday 23 May 2001. Full details of the Meeting have been sent with this report.

**American Depository Receipts**

The Bank of New York sponsors an American Depository Receipts (ADR) program in the United States of America. ADR holders should deal directly with the Bank of New York, New York telephone (212) 815 2218, fax (212) 571 3050 on all matters relating to their ADRs.

**Dividends**

The Company pays an interim dividend in September and a final dividend in March of each year. The 2000 final dividend will be paid on 30 March 2001.

The following options are available regarding payment of dividends:

i. By cheque payable to the shareholder. Lost or stolen cheques should be reported immediately to the Share Registry, in writing; or

ii. By direct deposit to a bank, building society or credit union account.

Electronic payments are credited on the dividend date and confirmed by a payment advice sent to the shareholder. Request forms for this service are available from the Share Registry at the address shown on page 58 of this report.

**Shareholder Enquiries**

All enquiries should be directed to the Company's Share Registrar.

You should include your Holder Identification Number as it appears on your Holding Statement along with your current address.

Computershare Investor Services Pty. Limited

Level 2, Reserve Bank Building
45 St George’s Terrace
Perth, Western Australia, 6000 Australia

Phone: (08) 9323 2000
Fax: (08) 9323 2033
Freecall: 1800 033 025

A service for shareholders has been introduced to allow website access to general information on Woodside and information specific to your own shareholding.

Visitors to the site can obtain share price and related graphical information. A discrete area of the website provides specific shareholder information. This area can only be accessed by input of your Holder Identification Number (HIN) or Security Reference Number (SRN) as well as other personal information to preserve security.

Additionally, common forms (e.g. change of address notifications) can be accessed on the site.

The Registry website address is www.cshare.com.au.

**Change of Address**

It is very important that shareholders notify the Share Registry immediately, in writing, if there is any change in their registered address.

**Lost Holding Statements**

Shareholders should inform the Share Registry immediately, in writing, so that a replacement statement can be arranged.

**Change of Name**

Shareholders who change their name should notify the Share Registry, in writing, and attach a certified copy of a relevant marriage certificate or deed poll.

**Tax File Numbers (TFN)**

Although it is not compulsory for each shareholder to provide a TFN or exemption details, for those shareholders who do not provide the necessary details, the Company will be obliged to deduct tax from any unfranked portion of their dividends at the top marginal rate. TFN application forms can be obtained from the Share Registry, any Australian Post Office or the Australian Taxation Office.

**Woodside Publications**

The Company’s Annual Report is the main source of information for investors and is mailed to shareholders in April. Shareholders who do not wish to receive the Annual or Half-Yearly Report should advise the Share Registry. Woodside’s financial reports are also available on its website.
Information about Woodside
Requests for specific information on the Company can be directed to the Company Secretary at the following address:
Woodside Petroleum Ltd.
No. 1 Adelaide Terrace
Perth, Western Australia, 6000.
Telephone: (08) 9348 4000
Facsimile: (08) 9348 4142
Woodside Website
Information about Woodside is available on the Internet at www.woodside.com.au.

Directors’ Statutory Report
Woodside Petroleum Ltd.
ACN 004 898 962
The Directors of Woodside Petroleum Ltd. (“the Company”) present their report together with the financial accounts of the Company and the consolidated financial accounts of the consolidated entity, being the Company and its controlled entities, for the year ended 31 December 2000 and the auditor’s report thereon.

Directors
The Directors of the Company in office at any time during the financial year and until the date of this report are:
CB Goode (Chairman)
JH Akehurst (Managing Director)
RES Argyle
JR Broadbent
KA Dean
PJB Duncan
AJ Parsley
PJB Rose
RH Searby
RAG Vines

Company Secretary
KA Lange

Corporate Information
Woodside Petroleum Ltd. is a company limited by shares that is incorporated and domiciled in Australia (Victoria). It is the ultimate parent entity of the Woodside Group.
The registered office of Woodside Petroleum Ltd. is located at No. 1 Adelaide Terrace, Perth, Western Australia, 6000.

Bankers
JP Morgan Chase & Co.

Share Registry
Computershare Investor Services Pty. Limited
Level 2, Reserve Bank Building
45 St George’s Terrace
Perth, Western Australia, 6000 Australia
Telephone: (08) 9323 2000
Fax: (08) 9323 2033
Freecall: 1800 033 025

Auditors
Ernst & Young, Chartered Accountants.

Directors’ Meetings
The number of Directors’ meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are shown below:

Woodside Petroleum Ltd. - Summary of Dividend Payments

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Record Date</th>
<th>Rate(c)</th>
<th>Franking</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 May 1991</td>
<td>19 April 1991</td>
<td>5(F)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>4 May 1992</td>
<td>15 April 1992</td>
<td>8(F)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>6 November 1992</td>
<td>23 October 1992</td>
<td>3(I)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>7 May 1993</td>
<td>23 April 1993</td>
<td>5(F)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>5 November 1993</td>
<td>23 October 1993</td>
<td>3(I)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>6 May 1994</td>
<td>22 April 1994</td>
<td>5(F)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>4 November 1994</td>
<td>21 October 1994</td>
<td>3(I)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>5 May 1995</td>
<td>21 April 1995</td>
<td>6(F)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>3 November 1995</td>
<td>10 October 1995</td>
<td>4(I)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>2 May 1996</td>
<td>18 April 1996</td>
<td>8(F)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>7 November 1996</td>
<td>23 October 1996</td>
<td>6(F)</td>
<td>Unfranked</td>
</tr>
<tr>
<td>2 May 1997</td>
<td>17 April 1997</td>
<td>10(F)</td>
<td>Fully franked @ 36% &amp; 3c unfranked</td>
</tr>
<tr>
<td>7 November 1997</td>
<td>22 October 1997</td>
<td>8(I)</td>
<td>Fully franked</td>
</tr>
<tr>
<td>22 May 1998</td>
<td>6 May 1998</td>
<td>12(F)</td>
<td>Fully franked</td>
</tr>
<tr>
<td>6 November 1998</td>
<td>21 October 1998</td>
<td>9(I)</td>
<td>Fully franked</td>
</tr>
<tr>
<td>21 May 1999</td>
<td>5 May 1999</td>
<td>14(F)</td>
<td>Fully franked</td>
</tr>
<tr>
<td>30 September 1999</td>
<td>16 September 1999</td>
<td>10(I)</td>
<td>Fully franked</td>
</tr>
<tr>
<td>31 March 2000</td>
<td>20 March 2000</td>
<td>16(F)</td>
<td>Fully franked</td>
</tr>
<tr>
<td>22 September 2000</td>
<td>8 September 2000</td>
<td>22(I)</td>
<td>Fully franked (includes 10c special dividend)</td>
</tr>
<tr>
<td>30 March 2001</td>
<td>19 March 2001</td>
<td>60(F)</td>
<td>Fully franked (includes 42c special dividend)</td>
</tr>
</tbody>
</table>

Final Dividend (F) Interim Dividend (I)

<table>
<thead>
<tr>
<th>Board</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>CorpGov</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Finance</td>
<td>A</td>
<td>B</td>
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<tr>
<td>HSE</td>
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<td>B</td>
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<td>HR</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Noms</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>SR</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>CB Goode</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>JH Akehurst</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>RES Argyle</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>JR Broadbent</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>KA Dean</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>*PJB Duncan</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>*AJ Parsley</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>PJB Rose</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>RH Searby</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>RAG Vines</td>
<td>20</td>
<td>19</td>
</tr>
</tbody>
</table>

Column A Indicates number of meetings held during the period of each Director’s tenure.
Column B Indicates the number of those meetings attended by the Director.
* Director unable to participate in a number of meetings due to conflicts of interest.
Directors may at times attend meetings of other Board Committees by invitation. These attendances are not included.
Principal Activities/Subsequent Events
The principal activities and operations of the Company during the financial year were hydrocarbon exploration, development and production. Other than as previously referred to in this Annual Report, there were no other significant changes in the nature of the activities of the consolidated entity during the year.

Number of Employees
As at 31 December 2000, the Company had 2,198 employees (1999: 2,141).

Consolidated Results
The consolidated operating profit attributable to the Company’s shareholders after provision for income tax and abnormal item(s) was A$966.6 million compared with A$331.3 million in 1999.

Review of Operations
A review of the operations during the financial year is set out on pages 2 to 49 and in the financial statements of this Annual Report.

Dividend
The Directors have declared a final dividend out of profits of the Company in respect of the year ended 31 December 2000 of 60 cents per ordinary share, fully franked, in addition to the 22 cents per ordinary share, fully franked, interim dividend, paid to shareholders on 22 September 2000. Of the total 82 cents dividend allocated for the year, 52 cents represented special dividends reflecting profit from the sale of a 10% interest in Greater Sunrise and the benefits during the year of better than expected oil prices.

Environmental Compliance
Woodside is subject to a range of environmental regulations with the most significant being:
- The Western Australian Environmental Protection Act, 1986;
- The Petroleum (Submerged Lands) Act, 1967; and
- The Environmental Protection and Biodiversity Conservation Act, 1999.

During 2000, Woodside met all reporting requirements in relation to the above environmental legislation. Where required by legislation, all incidents were reported to the appropriate regulatory bodies. More detailed information on the Company’s environmental performance is provided on pages 42 to 45 of this Annual Report.

Through its environment policy, Woodside aims to plan and perform so that adverse effects on the environment are either avoided or kept to an acceptable level while meeting all statutory requirements.

Corporate Governance
A statement of the Board’s governance practices in effect during the year is set out on pages 52 to 55 of this Annual Report.

Directors’ and Executives’ Emoluments
Non-executive Directors
Fees paid to non-executive Directors of the Company are based on advice from external remuneration consultants. This advice takes into consideration the level of fees paid to Directors by other major Australian corporations, the size and complexity of the Company’s operations and the responsibilities and work requirements of Board members.

Particulars of emoluments paid to or for the account of Directors during 2000 are set out in Table 1 on page 62. Within the limit of A$1,400,000 set as the aggregate remuneration payable to non-executive Directors and approved by shareholders at the May 1999 Annual General Meeting, from 1 January 2000 Board fees payable to non-executive Directors, are determined as follows:
- For the Chairman, A$229,000 per annum inclusive of all committee work;
- For each other non-executive Director:
  i. a fee of A$53,500 per annum; and
  ii. a fee of A$10,700 per annum for each Board committee or the Board of the trustee of the Woodside Group Staff Superannuation Fund or, where a non-executive Director is chairman of a Board committee or of the Board of the trustee of the Woodside Group Staff Superannuation Fund, then A$16,100 per annum.

Fees payable to non-executive Directors are fixed. Non-executive Directors are not entitled to incentive reward for annual results or otherwise according to the Company’s performance.

All non-executive Directors received a contribution to superannuation equivalent to the superannuation guarantee levy, based on Board and committee fees.
In addition, non-executive Directors other than officers of Shell Australia Limited are entitled to retirement benefits in accordance with a plan approved by shareholders at the Annual General Meeting in May 1999. Under the plan, non-executive Directors accrue a maximum retirement benefit after 10 years service on the Board. That maximum benefit is equal to three times the Director’s average annual emoluments over the three years prior to retirement. A pro-rata benefit is paid for periods of service greater than 3 years but less than 10 years.

Board fees are not paid to executive Directors since the responsibilities of Board membership are considered in determining the remuneration provided as part of their normal employment conditions.

Chief Executive Officer (Managing Director) and Senior Executives

Woodside has designed its remuneration and benefits policy to be consistent for all permanent staff employees, with the quantum relating to the size of the job. Woodside also sources a number of senior staff from its technical adviser, the Shell Group of Companies. The remuneration and benefits paid to Shell expatriate secondees is based on Shell’s international human resources policies and practices, with incentives relating to Woodside performance and approved by the Human Resources Committee.

Woodside’s remuneration policy for senior executives, including Shell secondees, is based on three main components, being base salary and benefits, short-term incentives and long-term incentives.

In determining the compensation payable to senior executives, the Human Resources Committee takes account of advice from the Company’s human resources specialists and advice received from independent remuneration consultants.

Senior executives’ remuneration is made up of three components:

- **Base Salary and Benefits:**
  This element reflects the size of the job and the level of skill and experience of the individual and also includes superannuation and other ancillary benefits.

- **Short-Term Incentive:**
  The amount paid is determined by annual performance against business targets for the Company and the business or service unit for which the executive is responsible. Targets are set for the year and approved by the Human Resources Committee and the quantum of the incentive is then determined and approved by the Committee on the basis of demonstrated performance against those targets at the end of the year.

- **Long-Term Incentive:**
  This is delivered through the Woodside Employee Share Plan and links the executive’s reward directly to the growth in the Company share price. This aspect of the reward program focuses the executive on the future performance of the Company over the next three to five years.

The provision of interest-free loans to purchase shares in the Company is at the discretion of the Board in accordance with the Woodside Employee Share Plan rules approved by shareholders in 1997 and is subject to Company performance. Shell secondees do not participate in this long-term incentive, but may be entitled to participate in the Share Option Plan operated by their parent company, Shell.

Woodside needs to remain competitive in each of these components of its remuneration program in order to secure, retain and motivate top quality executives from a global and highly competitive market. In recent years, the emphasis in executive remuneration, consistent with most other large companies, has been shifting towards the variable elements of the reward program, with particular focus on short-and long-term incentives related to individual and company performance.
Directors’ and Executives’ Benefits

Directors’ related party disclosures are set out in Note 39 to the financial statements.

Table 1 shows remuneration details for each Director of the Company. Table 2 shows the remuneration details for the five most highly remunerated officers of the Company.

### Table 1. The following table shows remuneration details for each Director of the Company: (A$)

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>(a) Base Salary</th>
<th>(b) Board Fees</th>
<th>(c) Incentives &amp; Benefits &amp; Allowances</th>
<th>(d) Share Plan</th>
<th>(e) Total</th>
<th>(f) Contributions to Superannuation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JH Akehurst (MD/CEO)</td>
<td>698,038</td>
<td>-</td>
<td>284,000</td>
<td>522,174</td>
<td>73,492</td>
<td>1,806,529</td>
</tr>
<tr>
<td><strong>Non-Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CB Goode</td>
<td>-</td>
<td>229,000</td>
<td>- 140,005</td>
<td>-</td>
<td>17,175</td>
<td>386,180</td>
</tr>
<tr>
<td>RES Angel</td>
<td>-</td>
<td>301,700</td>
<td>- 35,302</td>
<td>-</td>
<td>7,628</td>
<td>144,630</td>
</tr>
<tr>
<td>JR Broadbent</td>
<td>-</td>
<td>74,900</td>
<td>-</td>
<td>-</td>
<td>5,618</td>
<td>80,518</td>
</tr>
<tr>
<td>KA Dean</td>
<td>-</td>
<td>91,000</td>
<td>-</td>
<td>-</td>
<td>6,828</td>
<td>97,825</td>
</tr>
<tr>
<td>PJB Duncan</td>
<td>-</td>
<td>53,500</td>
<td>- 4,013</td>
<td>-</td>
<td>4,013</td>
<td>57,513</td>
</tr>
<tr>
<td>AJ Parsley</td>
<td>-</td>
<td>85,600</td>
<td>-</td>
<td>-</td>
<td>6,420</td>
<td>92,020</td>
</tr>
<tr>
<td>PJB Rose</td>
<td>-</td>
<td>80,300</td>
<td>- 60,760</td>
<td>-</td>
<td>6,023</td>
<td>147,083</td>
</tr>
<tr>
<td>R.H Searby</td>
<td>-</td>
<td>80,300</td>
<td>-</td>
<td>-</td>
<td>6,023</td>
<td>86,303</td>
</tr>
<tr>
<td>RAG Vines</td>
<td>-</td>
<td>91,000</td>
<td>- 28,205</td>
<td>-</td>
<td>6,023</td>
<td>126,303</td>
</tr>
</tbody>
</table>

(a) Reflects the payment made in 2000 for the Woodside 1999 calendar-year performance.
(b) Reflects the value of allowances and benefits including housing, motor vehicles, health insurance and Directors retiring.
(c) Reflects imputed interest of the Share Plan loan.
(d) Includes SGC contributions (Woodside Defined Benefit Fund on Contribution Holiday from 1/5/00 to 31/12/00 for JH Akehurst).
(e) Board fees for Directors nominated by Shell Australia Limited are paid directly to their employing company, not to the individuals.

### Table 2. The following table shows remuneration details for the five most highly remunerated officers of the Company: (A$)

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>(a) Base Pay</th>
<th>(b) Performance-Based Pay/Bonuses</th>
<th>(c) Benefits &amp; Allowances</th>
<th>(d) Share Plan</th>
<th>(e) Total</th>
<th>(f) Company Contributions to Superannuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Haynes CEO</td>
<td>477,102*</td>
<td>352,203</td>
<td>211,574</td>
<td>-</td>
<td>21,087</td>
<td>1,061,966</td>
</tr>
<tr>
<td>Roger Lewis Group Financial Controller</td>
<td>57,675</td>
<td>41,310</td>
<td>465,049 *</td>
<td>35,598</td>
<td>19,033</td>
<td>618,665</td>
</tr>
<tr>
<td>Manfred Henze General Manager Onshore Expansion Projects</td>
<td>251,037</td>
<td>77,188</td>
<td>188,259</td>
<td>-</td>
<td>78,850</td>
<td>595,335</td>
</tr>
<tr>
<td>Cyril Huijsmans General Manager Supply Operations (Shell Expatriate)</td>
<td>354,749*</td>
<td>68,116</td>
<td>142,684</td>
<td>-</td>
<td>-</td>
<td>565,349</td>
</tr>
</tbody>
</table>

(a) * Expatriate Base Administration Salary.
(b) Reflects the payment made in 2000 for the Woodside 1999 calendar-year performance.
(c) Reflects the value of allowances and benefits including housing, motor vehicles, health insurance/Parent Company expatriate terms and conditions (housing, home leave, boarding fees, etc). (*) Includes one-off, ex-gratia redundancy payment.
(d) Reflects imputed interest of the Share Plan loan.
(e) Woodside Defined Benefit Fund on Contribution Holiday from 1/5/00 to 31/12/00 for Executives.
Directors’ Shareholding

The particulars of shares held by the Directors of the Company in the Company as at 31 December 2000 are set out as follows:

Directors’ Benefits

During or since the end of the financial year, no Director of the Company has received, or become entitled to receive, a benefit by reason of a contract made by the Company, its controlled entities or a related body corporate with a Director or with a firm of which a Director is a member, or with an entity in which a Director is a member, or with an entity in which a Director has a substantial interest other than:

i. a benefit included in the aggregate amount of remuneration received, or due and receivable, by Directors other than as reported in the consolidated accounts;

ii. normal benefits as a full-time employee of the Company or a related corporation; or

iii. as outlined under the headings Indemnification and Insurance.

Indemnification and Insurance of Directors and Officers

The Company has agreed to indemnify all of the current board members of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The relevant agreements stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the financial year, the Company paid a premium under a contract insuring Group Officers of the Company and its controlled entities against liability incurred in that capacity. Those Group Officers include the Directors of the Company, the Company Secretary and other officers of the Company whose functions include the management of oil and gas exploration and production activities, financial management, human resource management, marketing and corporate relations of the Company and its related bodies corporate.

Disclosure of the nature of the liability and the amount of the premium is subject to the confidentiality clause under the contract of insurance. The Company has not provided any insurance for an auditor of the Company or a body corporate related to the auditor.

Rounding of Amounts to Nearest Thousand Dollars

The amounts contained in this report have been rounded off under the option available to the Company under Class Order 98/0100.

On behalf of the Board and in accordance with a resolution of the Board of Directors made on 21 February 2001.

Charles Goode
Chairman

J H Akehurst
Managing Director

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>JH Akehurst</td>
<td>-</td>
<td>462,379</td>
<td>-</td>
</tr>
<tr>
<td>RES Argyle</td>
<td>2,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>JR Broadbent</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>KA Dean</td>
<td>1,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CB Goode</td>
<td>2,000</td>
<td>-</td>
<td>98,000</td>
</tr>
<tr>
<td>PJB Rose</td>
<td>4,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>RAG Vines</td>
<td>-</td>
<td>-</td>
<td>7,400</td>
</tr>
</tbody>
</table>

Note:
1. Beneficial, in own name
2. Beneficial, in own name via Employee Share Plan
3. Beneficial, private company or trust
4. Related interest
1954 Woodside (Lakes Entrance) Oil NL formed to search for oil in Victoria's Gippsland region.

1963 Exploration permits acquired over 367,000 square kilometres off the WA coast. North West Shelf Venture formed.

1971 Major gas / condensate discoveries at Scott Reef, north of Broome and at North Rankin and Angel, north of Dampier.

1972 Goodwyn gas / condensate field discovered.

1974 Sunrise and Troubadour gas / condensate fields discovered.

1976 Shell and BHP respectively acquired significant interests in Woodside.

1980 Contracts signed with state Energy Commission of WA (SECWA) for 20 year supply of natural gas. Construction of Phase 1 of North West Shelf Project commenced.

1981 Project finance secured for phase 1 of North West Shelf Project in January.

1984 Sale of domestic gas to SECWA commissioned.

1985 Shell and BHP increased their respective interests in Woodside to 40% each. Contracts signed with eight Japanese power and gas utilities for 20 year supply of LNG. Construction of North West Shelf LNG Project commenced.

1989 Wanaea oil field discovered. First LNG shipments delivered to Japanese customers.

1990 BHP sold 75% of its interest in Woodside. Cossack oil field discovered.

1994 BHP sold its remaining interest in Woodside. Shell reduced its shareholding from 40% to 34%. Laminaria oil field discovered. Project finance replaced by corporate facility.

1995 Gas / condensate production commenced from Goodwyn A platform. Oil production commenced from Cossack Pioneer FPSO. Onshore LPG plant commissioned. Corallina oil field and Loxton Shoals gas / condensate field discovered.

1996 Perseus gas field discovered.

1997 Formal approval for the Laminaria and Corallina oil fields' development. Northern Australia Gas Venture formed and feasibility study into potential Darwin-based LNG project commenced.

1998 Woodside entered into a comprehensive business Alliance arrangement with Shell International. Vincent oil field discovered in the Exmouth sub-basin. The commercial potential of the Legendre oil fields in the Dampier sub-basin confirmed. International exploration interests secured in offshore Mauritania and Cambodia.

1999 Formal approval for the Legendre oil fields' development. Enfield oil field discovered 10km south-west of the Vincent oil discovery. Fifteen years of Domgas and ten years of LNG production together with 1000th LNG cargo to Japan celebrated. First oil production from the Laminaria and Corallina fields achieved in November. A 14.26% interest acquired in Oil Search Limited and deepwater exploration acreage acquired in the Gulf of Mexico.