FULL FINANCIAL REPORT 2002

WOODSIDE
AUSTRALIAN ENERGY

FINANCIAL REPORT 2002

WOODSIDE PETROLEUM LTD. ABN 55 004 898 962

Contents

STATEMENTS OF FINANCIAL PERFORMANCE

For the Year ended 31 December 2002

	Notes	Economic Entity		Chief Entity	
		2002 $000	2001 $000	**2002 $000**	2001 $000
Revenues from oil & gas operations	4(a)	**2,240,603**	2,398,305	**-**	-
Cost of sales	4(b)	**(946,966)**	(983,421)	**-**	-
Gross profit		**1,293,637**	1,414,884	**-**	-
Other revenues from ordinary activities	4(c)	**96,110**	302,875	**152,720**	501,842
Share of associates' net profits/(losses)	4(d)	**(6,306)**	(2,584)	**-**	-
Borrowing costs expensed	4(e)	**(78,635)**	(102,766)	**-**	-
Other expenses from ordinary activities	4(f)	**(1,237,077)**	(351,649)	**(7,664)**	(34,834)
Profit from ordinary activities before Income Tax		**67,729**	1,260,760	**145,056**	467,008
Income Tax attributable to ordinary activities	5	**(159,721)**	(351,207)	**3,708**	(3,555)
Net Profit/(Loss) attributable to members of Woodside Petroleum Ltd.	6	**(91,992)**	909,553	**148,764**	463,453
Basic and diluted earnings per share (cents)	7	**(13.8)**	136.4		
Dividend per share (cents/share)	8(c)	**62.0**	70.0		

The accompanying notes form part of the financial report.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2002

	Notes	Economic Entity		Chief Entity	
		2002 $000	2001 $000	**2002 $000**	2001 $000
CURRENT ASSETS					
Cash assets	33	**155,352**	160,556	**–**	-
Receivables	9	**296,567**	426,990	**76,272**	398,749
Inventories	10	**39,381**	34,963	**–**	-
Other financial assets	11	**104,310**	172,564	**–**	-
Other assets	12	**20,894**	41,556	**–**	-
TOTAL CURRENT ASSETS		**616,504**	836,629	**76,272**	398,749
NON CURRENT ASSETS					
Receivables	13	**347,016**	351,317	**383,003**	357,838
Inventories	14	**12,364**	4,365	**–**	-
Equity accounted investments	15	**29,666**	33,023	**–**	-
Other financial assets	16	**146,756**	311,361	**394,126**	392,471
Exploration & evaluation	17	**556,019**	730,512	**–**	-
Oil & gas properties	18	**2,866,808**	3,264,213	**–**	-
Other plant & equipment	19	**79,277**	57,269	**–**	-
Deferred tax assets	20	**649**	402	**649**	401
Other assets	21	**355,509**	525,775	**–**	-
TOTAL NON CURRENT ASSETS		**4,394,064**	5,278,237	**777,778**	750,710
TOTAL ASSETS		**5,010,568**	6,114,866	**854,050**	1,149,459
CURRENT LIABILITIES					
Payables	22	**317,032**	354,941	**–**	-
Current tax liabilities	23	**105,152**	94,658	**8,460**	6,306
Provisions	24	**56,848**	360,394	**–**	306,667
Other liabilities	25	**117,746**	204,602	**–**	-
TOTAL CURRENT LIABILITIES		**596,778**	1,014,595	**8,460**	312,973
NON CURRENT LIABILITIES					
Interest bearing liabilities	26	**1,429,580**	1,662,104	**–**	-
Deferred tax liabilities	27	**473,309**	645,065	**–**	-
Provisions	28	**123,345**	98,423	**1,930**	1,591
Other liabilities	29	**67,174**	140,505	**15,537**	15,536
TOTAL NON CURRENT LIABILITIES		**2,093,408**	2,546,097	**17,467**	17,127
TOTAL LIABILITIES		**2,690,186**	3,560,692	**25,927**	330,100
NET ASSETS		**2,320,382**	2,554,174	**828,123**	819,359
EQUITY					
Contributed equity	30	**706,491**	708,291	**706,491**	706,491
Reserves	31	**–**	81,907	**–**	93,725
Retained profits	32	**1,613,891**	1,763,976	**121,632**	19,143
TOTAL EQUITY		**2,320,382**	2,554,174	**828,123**	819,359

The accompanying notes form part of the financial report.

STATEMENTS OF CASH FLOWS

For the Year ended 31 December 2002

	Notes	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**2,388,888**	2,426,866	**-**	-
Interest received - controlled entities		**-**	-	**4,471**	4,151
Interest received - other entities		**9,472**	14,592	**8,180**	6,039
Dividends received - controlled entities		**-**	-	**446,667**	560,000
Dividends received - other entities		**9,183**	9,813	**-**	-
Payments to suppliers and employees		**(488,092)**	(542,899)	**(6,930)**	(5,029)
Borrowing costs paid (net of capitalised amounts)		**(79,839)**	(94,115)	**-**	-
Management and other fees - other entities		**52,050**	24,304	**69**	337
Royalty, Excise and PRRT payments		**(373,688)**	(297,001)	**-**	-
Income tax/GST paid		**(311,123)**	(433,172)	**5,615**	(4,661)
Net Cash from Operating Activities	33(b)	**1,206,851**	1,108,388	**458,072**	560,837
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for capital and exploration expenditure		**(691,255)**	(743,833)	**-**	-
Proceeds from sale of investments		**2,195**	-	**-**	24,648
Proceeds from sale of exploration and evaluation		**3,039**	-	**-**	-
Proceeds from sale of oil and gas properties		**1,514**	10,647	**-**	-
Investments in controlled entities		**-**	-	**(1,662)**	(7,545)
Investments in other entities		**(9,950)**	(57,207)	**-**	-
Advances(to)/from other entities		**-**	-	**-**	-
Loans for employee share plan		**(35,458)**	(20,946)	**(35,458)**	(20,946)
Net Cash used in Investing Activities		**(729,915)**	(811,339)	**(37,120)**	(3,843)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		**364,327**	1,741,184	**-**	-
Repayment of borrowings		**(434,162)**	(1,592,756)	**-**	-
Advances (to)/from controlled entities		**-**	-	**25,715**	3,006
Advances (to)/from other entities		**32,653**	(1,050)	**-**	-
Dividends paid		**(446,667)**	(560,000)	**(446,667)**	(560,000)
Debt establishment costs paid		**-**	(5,836)	**-**	-
Net Cash used in Financing Activities		**(483,849)**	(418,458)	**(420,952)**	(556,994)
NET INCREASE/(DECREASE) IN CASH HELD		**(6,913)**	(121,409)	**-**	-
CASH AT BEGINNING OF FINANCIAL YEAR		**160,556**	275,035	**-**	-
Effects of exchange rate changes on the balances of cash held in foreign currencies		**1,709**	6,930	**-**	-
CASH AT THE END OF THE FINANCIAL YEAR	33(a)	**155,352**	160,556	**-**	-

The accompanying notes form part of the financial report.

1. Basis of Preparation of Financial Report

Basis of Accounting

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

(i) Exploration and evaluation (Note 2(b)),

(ii) Recoverable amounts for non current assets (Note 2(d)), and

(iii) Recognition of provisions (Note 3(p)).

The financial report has been prepared in accordance with the historical cost accounting convention, except for hedge financial instruments that are measured on a fair value basis (also see Note 36(b)).

Where appropriate, figures for the financial year ended 31 December 2001 have been re-stated to make them comparable with amended classifications adopted for the financial year ended 31 December 2002. Significant classification changes have been made in the presentation of exploration and evaluation costs; this is discussed more fully in Note 2(b).

2. Critical Accounting Policies

The following accounting policies are critical to the reported financial performance and position of the Economic Entity. For each policy a discussion of the intent and major implementation issues, including, where relevant, the nature and reliability of underlying estimates precedes the statement of policy.

(a) Joint Ventures

Discussion

Within the oil and gas industry it is common practice to conduct activities within joint venture structures to spread risks and provide flexibility for entry and exit.

Woodside is Operator of a large number of joint ventures in its core focus areas and, in its role as Operator, contracts on behalf of the relevant joint venture for the activities undertaken. The costs and financial position for each joint venture are calculated for each joint venturer in line with their respective interests. Participation in production joint ventures entitles Woodside to its relevant proportion of the production, which Woodside markets and sells in its own right.

Woodside is also a non-operator joint venture participant in a number of joint ventures, mainly in international areas of focus. As a non-operator Woodside incurs and recognises its share of costs for each joint venture.

The financial performance and position of Woodside therefore only recognises Woodside's interest in joint ventures.

Policy

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

The Economic Entity's interests in joint venture partnerships are brought to account by applying the equity accounting method. Joint venture partnerships are written down to recoverable amount where this is less than their equity accounted carrying value.

(b) Exploration, Evaluation and Development

(i) Change in accounting policy regarding exploration and evaluation costs carried forward

Description of change

Until 31 December 2001, the Economic Entity capitalised all costs associated with its exploration, evaluation and development activities on an area of interest basis, with the areas of interest established on the basis of either a geological basin/region or a country. When production commenced within an area of interest, relevant capitalised exploration and evaluation costs were transferred to the production phase and amortised on a Units of Production (UOP) basis.

In December 2002, the Directors of the Economic Entity decided to adopt a revised policy based on the Successful Efforts approach. Once adopted, Australian Accounting Standards require this policy to be implemented with effect from 1 January 2002. Under this revised policy, the Economic Entity will expense all general exploration costs, including general permit activity, geological, geophysical and exploration seismic costs to exploration expense when incurred. The costs of drilling exploration wells, although initially capitalised, will be expensed unless they result in the discovery of economically recoverable hydrocarbons.

Administering this under Australian Accounting Standards requires the definition and recognition of discrete areas of interest. Under the revised policy, an area of interest is established where a discovery of economically recoverable hydrocarbons is made. The area of interest will be established as the field. All activity relating to that area of interest is then subsequently capitalised. All carried forward costs must meet specified criteria to sustain capitalisation. Failure to meet review criteria will lead to costs being expensed.

In summary the new policy leads to a better matching of the results of the exploration and evaluation activity with the reported financial performance of the Economic Entity by expensing unsuccessful exploration and evaluation in the short term resulting in lower carried forward exploration and evaluation costs and lower amortisation charges in the longer term.

2. Critical Accounting Policies (Continued)

(b) Exploration, Evaluation and Development (Continued)

Reasons for change

It is the view of the Directors of the Economic Entity that the policy change will:

(a) present a clearer view of the Economic Entity's current financial performance and position, and

(b) make the Economic Entity's financial performance and position more comparable with international peer companies operating in the oil and gas industry,

thereby increasing the relevance and reliability of the Economic Entity's reported financial performance and position.

Amended classification in the Statement of Financial Position

The Economic Entity has changed the presentation of capitalised costs previously classified as Exploration, Evaluation and Development in the Statement of Financial Position. Those costs are now presented as follows;

(i) Exploration and Evaluation (previously disclosed as Exploration, Evaluation and Development costs in the Exploration and/or Evaluation phase). This classification now represents costs capitalised within a recognised area of interest where commercial development of the area is yet to reach Final Investment Decision (FID). Typical costs will be discovery wells, evaluation activities, appraisal seismic, appraisal drilling and pre FID project development costs.

Upon FID these costs, for the relevant area of interest, are transferred to Oil & Gas Property, Transferred Exploration and Evaluation - Projects In Development.

(ii) Oil & Gas Property, Transferred Exploration and Evaluation - Projects In Development (previously disclosed as Exploration, Evaluation and Development costs in the Development phase). This classification now represents exploration and evaluation costs capitalised within an area of interest that have been transferred to Projects In Development following FID approval of development of that area of interest, and any subsequent similar costs.

Upon commencement of commercial operations these costs are transferred to Oil & Gas Property, Transferred Exploration and Evaluation - Producing Projects.

(iii) Oil & Gas Property, Transferred Exploration and Evaluation - Producing Projects (previously disclosed as Exploration, Evaluation and Development costs in the Production phase). This classification now represents final exploration and evaluation costs capitalised within an area of interest transferred upon commencement of production.

Amended classification in the Statement of Financial Performance

The Economic Entity has changed the presentation of costs previously classified as Amortisation - Exploration, Evaluation and Development in the Statement of Financial Performance. Those costs are now presented as follows:

(i) Oil & Gas Property, Depreciation/Amortisation - Transferred Exploration and Evaluation - as a component of Cost of sales. This classification now represents capitalised exploration and evaluation costs being amortised as a component of the producing projects

(ii) Amortisation of licence acquisition costs - as a component of Exploration expenses. This classification represents the amortisation of exploration licence acquisition costs only.

Financial effect of change

The policy change requires adjustment to exploration and evaluation expenditure previously carried forward in order to measure the revised amounts to be carried forward as if they had always been determined in accordance with the revised policy.

The adjustments for the Economic Entity made at the beginning of the financial year were:

- reduction in Exploration & Evaluation expenditure carried forward of $386,356,000
- reduction in Oil & Gas Property, Transferred Exploration and Evaluation - Projects In Development expenditure carried forward of $235,094,000
- reduction in Deferred Income Tax Liability of $168,789,000
- reduction in net Oil & Gas Property, Transferred Exploration and Evaluation - Producing Projects expenditure carried forward of $191,078,000
- reduction in Retained Profits of $643,739,000 being the effect of the adjustment to carried forward expenditure (net of income tax expense of $168,789,000) previously carried forward at 1 January 2002.

Current financial year impacts for the Economic Entity are:

- decrease in Oil & Gas Property, Depreciation/Amortisation - Transferred Exploration and Evaluation of $80,009,000 due to both the policy change and the reclassification of production wells to Plant and Equipment - Producing Projects
- increase in amortisation of Plant and Equipment - Producing Projects of $28,646,000 due to reclassification of production wells to Plant and Equipment - Producing Projects
- increase in Exploration - current year of $126,445,000
- increase in Exploration - amortisation licence acquisition costs of $1,715,000
- this results in a decrease in net profit after tax for the year of $71,612,000 (net of income tax expense of $5,186,000) compared with the previous basis.

2. Critical Accounting Policies (Continued)

(b) Exploration, Evaluation and Development (Continued)

The net effect of the adoption of this revised accounting policy on the 2002 reported result is;

	2002 Opening balance effects $000	2002 period effects $000	Total $000
Net cost adjustment	(812,528)	(76,798)	(889,326)
Applicable Income Tax benefit	168,789	5,186	173,975
Total	(643,739)	(71,612)	(715,351)

The Economic Entity pro forma Statement of Financial Performance and the restatements of retained profits, capitalised exploration and evaluation expenditure, capitalised oil and gas property expenditure and the deferred income tax liability below show the information that would have been disclosed had the new accounting policy always been applied.

	Economic Entity	
	2002 $000 (Actual)	2001 $000 (Pro forma)
The following selected Statement of Financial Performance items are those that are affected by the revised exploration and evaluation accounting policy.		
2002 actuals are as reported in this Financial Report in accordance with the revised policy.		
2001 proforma information is comparative data for 2001 as if the revised policy had been in place through 2001 also.		
Oil & Gas Property, Depreciation/Amortisation		
- transferred exploration and evaluation	**(25,931)**	(23,238)
Exploration - current year	**(165,057)**	(196,926)
- amortisation of licence acquisition costs	**(1,715)**	(2,118)
Income tax expense	**(328,510)**	(330,731)
Restatement of retained profits		
Previously reported retained profits at the end of the previous financial year	**1,763,976**	1,321,090
Change in accounting policy for the measurement of exploration and evaluation expenditure	**(643,739)**	(604,229)
Restated retained profits at the beginning of the financial year	**1,120,237**	716,861
Net profit attributable to members of Woodside Petroleum Ltd.	**551,747**	870,043
Total available for appropriation	**1,671,984**	1,586,904
Transfer from capital profits	**81,907**	-
Dividends provided for or paid (see Note 8)	**(140,000)**	(466,667)
Restated retained profits at the end of the financial year	**1,613,891**	1,120,237

	Economic Entity 2002 $000 (Actual)	Economic Entity 2001 $000 (Pro forma)
(b) Exploration, Evaluation and Development (Continued)		
Restatement of Exploration and Evaluation		
Previously reported carrying amount at the end of the financial year	**556,019**	730,512
Adjustment for change in accounting policy	**-**	(386,356)
Restated carrying amount at the end of the financial year	**556,019**	344,156
Restatement of Oil & Gas Property, Transferred Exploration & Evaluation - Projects in Development		
Previously reported carrying amount at the end of the financial year	**-**	248,104
Adjustment for change in accounting policy	**-**	(235,094)
Reclassification to Oil & Gas Property Plant & Equipment - Projects in Development	**-**	(13,010)
Restated carrying amount at the end of the financial year	**-**	-
Restatement of Oil & Gas Property, Transferred Exploration & Evaluation - Producing Projects		
Previously reported net carrying amount at the end of the financial year	**111,167**	488,892
Adjustment for change in accounting policy	**-**	(191,078)
Reclassification to Oil & Gas Property - Plant and Equipment Producing Projects	**-**	(163,844)
Restated carrying amount at the end of the financial year	**111,167**	133,970
Restatement of Deferred Income Tax Liability		
Previously reported carrying amount at the end of the financial year	**473,309**	645,065
Adjustment for change in accounting policy	**-**	(168,789)
Restated carrying amount at the end of the financial year	**473,309**	476,276

(ii) Revised policy

Discussion

As a business activity, exploration involves a high degree of risk. Woodside's adoption of an accounting policy closely aligned with the US GAAP Successful Efforts approach is a reflection of this.

Prior to undertaking exploration activities, Woodside carries out focussed studies to determine the most suitable exploration regions to undertake exploration. The areas of focus are outlined in the exploration section of Woodside's Concise Annual Report to shareholders. These studies are undertaken by Woodside in its own right or in conjunction with joint venture partners. Pre-investment studies (such as general geological and geophysical costs) are undertaken prior to obtaining tenure to permits under consideration.

As a component of Woodside's capital management processes for exploration and appraisal activities, Expected Monetary Value (EMV - a risked Net Present Value (NPV) measure) is used to rank and prioritise activities. These measures also contribute to periodic assessments of the status and thus carrying value of each of Woodside's areas of interest.

The company has established a number of criteria to test the validity of carrying forward exploration and evaluation costs prior to Final Investment Decision (FID), these include status of discovery in the company's Hydrocarbon Resource Inventory System, continued commitment to exploration and evaluation of a discovery, representation of commitment within the relevant business plan and ongoing positive EMV's or NPV's.

Upon the FID being made for commercial development of the resource, carried forward exploration and evaluation costs for that area of interest are transferred to Oil & Gas Properties as Transferred Exploration and Evaluation - Projects In Development. These costs then become part of the capitalised cost of the relevant development.

Policy

Costs

Exploration and evaluation expenditure is accounted for in accordance with the area of interest method. Exploration licence acquisition costs relating to greenfields oil and gas exploration provinces are expensed as incurred while these costs incurred in relation to established or recognised oil and gas exploration provinces are initially capitalised and then amortised over the term of the licence.

2. Critical Accounting Policies (Continued)

(b) Exploration, Evaluation and Development (Continued)

All other exploration and evaluation costs, including general permit activity, geological and geophysical costs and new venture activity costs are charged as expenses as incurred except where:

- the expenditure relates to an exploration discovery that, at balance date, has not been recognised as an area of interest as assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or
- an area of interest is recognised, it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

Each potential or recognised area of interest is reviewed at least bi-annually to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support the continued carry forward of capitalised costs.

The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons and the recognition of an area of interest. Areas of interest are recognised at the field level. Subsequent to the recognition of an area of interest, all further costs relating to that area of interest are capitalised.

To the extent it is considered that the relevant expenditure will not be recovered it is written off.

Transfer to oil & gas properties

Upon approval of the FID for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to Oil & Gas Properties as Transferred Exploration and Evaluation - Projects In Development.

Amortisation

Capitalised exploration licence acquisition costs are amortised over the remaining term of the licence.

(c) Oil & Gas Properties

Discussion

Costs

Costs are only capitalised against oil and gas properties once sufficient certainty exists and appropriate endorsements are obtained in relation to the underlying business. Woodside uses a structured process in order to manage and maximise the development of opportunities from initial identification through to their operational stages, known as the Opportunity and Project Realisation Process (OPREP). OPREP provides clear decision milestones which assist in determining the appropriate stage at which to commence capitalisation of costs. Expenditure on oil and gas property subsequent to initial completion is only capitalised where prescribed improvement/benefit criteria are met. Oil and gas property costs also include the cost of drilling production wells. Exploration and evaluation costs are transferred into Projects in Development upon commercial development of an area of interest receiving FID approval.

Depreciation

To achieve appropriate depreciation, assets are analysed into groups with similar production objectives and patterns of life/utilisation. A units of production (UOP) basis is used to depreciate over 80% of Woodside's oil and gas properties. The balance of assets are depreciated on a straight line basis over their effective lives as this more appropriately reflects their pattern of use.

The probable level of reserves is the primary measure of reserves used in proposing, planning and managing Woodside's oil and gas projects. Probable reserves related to facilities in production are used in the UOP depreciation calculations based on information extracted from Woodside's Hydrocarbon Resource Inventory System. Probable reserves not related to producing facilities are excluded from UOP depreciation calculations. Woodside uses probabilistic methodologies to calculate reserves.

The proved level of reserves is used by Woodside to assess its sensitivity to potential low production outcomes. These proved reserves are not, however, used as the basis of depreciation of assets as, being lower reserves than expected, they would not lead to depreciation which reasonably matches the expected value of the field to Woodside.

Reserves can also be estimated using a deterministic methodology. For Woodside's producing fields, probable reserves are verified using deterministic engineering methods. Hence, for producing fields, the probabilistic probable reserves closely equate to deterministic proved reserves.

All reserves determination methodologies rely on several estimated inputs which vary in confidence levels. Primary uncertainties inherent in estimating quantities of reserves are, subsurface (geological and engineering) factors and commodity prices. Subsurface uncertainty is managed through capturing the risk associated with specific variables and their subsequent impact on reserves. Oil reserves are based on the 10 year rolling average crude oil price. Gas reserves future prices are based on contract terms and conditions and the 10 year rolling average crude oil price.

Woodside has a Hydrocarbon Resource Inventory System that contains procedures for the classification and estimation of reserves. Adherence to these procedures ensures that the calculated reserves volumes are technically robust, consistent and auditable. These procedures and resultant reserves estimations have been subject to independent external certification for major gas sales contracts and financing arrangements.

Reserves volumes reported and used in depreciation calculations are after deduction of fuel, flare and losses.

2. Critical Accounting Policies (Continued)

(c) Oil & Gas Properties (Continued)

Amended classification in the Statement of Financial Position

As a component of the change in the exploration and evaluation accounting policy, $13,010,000 of pre-development expenditure associated with the Train 4 Project previously classified as evaluation expenditure and thus disclosed within Exploration, Evaluation & Development expenditure in the Development phase has been reclassified as Oil & Gas Property, Plant & Equipment - Projects in Development.

Policy

Costs

Oil & gas properties are shown in the Statement of Financial Position at cost. The cost of qualifying assets include borrowing costs that have been determined as avoidable, but for the relevant capital programs. Borrowing costs are predominantly made up of interest costs.

Costs are initially incurred against Projects in Development and are transferred to Producing Projects upon commencement of commercial operations for large integrated projects or upon physical completion for standalone or incremental assets.

Profits or losses resulting from the disposal of oil and gas property assets are recognised in the Statement of Financial Performance.

Depreciation/Amortisation

Oil and gas properties, other than freehold land, is depreciated at rates based on the expected economic lives of the assets. The majority of plant and equipment is depreciated on the UOP basis. Transferred Exploration and Evaluation costs are amortised on the relevant UOP basis for each area of interest. The probable reserves used in these calculations are updated at least annually and are sourced from the same data used to prepare the annual Reserves Statement. Marine vessels and carriers are depreciated on a straight-line basis over their useful lives. The rates are reviewed periodically to reflect technical and economic developments.

(d) Recoverable amount of Non Current Assets

(i) Change in accounting policy regarding asset impairment tests

Description of Change

With effect from 1 January 2002, the Economic Entity's policy in relation to non current asset impairment tests was changed to require the tests to be completed using market-based, pre-tax risk-adjusted discount rates. The Economic Entity's previous policy only required an asset's estimated recoverable amount to be determined using undiscounted cash flows.

Reason for Change

The Economic Entity's practice for a number of years has been to perform these tests using discounted cashflows, in line with best practice. This year's change in policy brings this accounting policy in line with the Economic Entity's practice and with impending accounting standards changes on this issue.

Financial Effect of Change

This policy change had no financial impact on the net profit attributable to members for the year ended 31 December 2002.

(ii) Revised policy

Discussion

In line with Accounting Standards, Woodside tests the recoverability of its non current assets at least bi-annually or where there are indicators of impairment.

Because of the integrated nature of many of Woodside's major assets, these assessments are performed on the basis of cash inflows derived from the combined operation of these groups of assets. Major assumptions in impairment tests are long term commodity prices and Australian dollar/US dollar exchange rates. Oil reserves are based on the 10 year rolling average crude oil price. Gas reserves future prices are based on contract terms and conditions and the 10 year rolling average crude oil price. Foreign exchange rates used are based on market forecasts of future exchange rates.

Policy

The carrying amounts of non current assets are reviewed bi-annually or when there is indication of an impairment loss to determine whether they are in excess of their recoverable amount. If the carrying amount of a non current asset exceeds its recoverable amount, the asset is written down to the lower value. In assessing the recoverable amount, the relevant cash flows have been discounted to their present value using market-based, pre-tax risk-adjusted rates.

(e) Derivative Financial Instruments and Hedges

Discussion

Woodside's financial performance is impacted to varying degrees by exposures to commodity price, foreign exchange and interest rate fluctuations, among other things. Each of these exposures, which are discussed below, are analysed and, when seen as appropriate in line with Board approved treasury policies and approval requirements, various forms of hedges may be entered into. Woodside only hedges specific exposures.

The values of open hedges are recognised in the Statement of Financial Position to clearly communicate the status of Woodside's hedges (see Notes 11, 12, 16 and 25).

2. Critical Accounting Policies (Continued)

(e) Derivative Financial Instruments and Hedges (Continued)

Commodity price

Woodside is significantly impacted by fluctuations in the price of oil. A number of these impacts however offset each other; e.g. revenue movements are offset by movements in dependent costs (royalties, excise, Petroleum Resources Rent Tax and corporate taxes).

Where it is appropriate in the light of Woodside's treasury policies, the remaining exposures may be hedged.

Foreign exchange

Woodside is Australian based, however, as a function of its industry segment of oil and gas, has predominantly US dollar cashflows. Woodside is accordingly exposed to risks arising from fluctuations in currency exchange rates, mainly Australian dollar/US dollar. Offsets between US dollar inflows (sales) and US dollar outflows (capital and operating expenditures and debt repayments) provide one method to manage the impacts of exchange rate changes.

Woodside's US dollar debt is used as a hedge of specified future US dollar revenues, thus this major impact of Australian dollar/US dollar exchange rate movements is deferred on the Statement of Financial Position until the designated US dollar revenue is earned (see Note 21). Various tests are in place to ensure this hedge relationship satisfies all relevant hedge accounting requirements (e.g. designation, sufficiency, effectiveness, and profile of assumed debt repayment).

Interest rate

Woodside is also exposed to fluctuations in interest rates. These exposures are significantly less than for oil prices and exchange rates.

Policy

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

The fair value, and changes in fair value, of any derivative financial instruments not designated as a hedge of specific transactions are recognised in the Statement of Financial Performance in the period in which the change occurs.

Commodity price contracts

Oil price swaps, options and oil futures are used to hedge portions of the oil price exposures within anticipated sales.

Foreign exchange contracts

In addition to foreign exchange forward agreements, swaps or options used to hedge specific future transactions, foreign currency loans are used as a hedge against specific future foreign currency sales revenues. Unrealised gains or costs arising from revaluation of the loans are deferred to the Statement of Financial Position and brought to account in the Statement of Financial Performance in the year that designated sales transactions occur.

Interest rate contracts

Interest rate swaps and options are used to hedge interest rate exposures within interest expense. The incurred portion of swap contracts is recognised on an accrual basis in the Statement of Financial Performance as an adjustment to interest expense during the period.

(f) Provision for Restoration

Discussion

In line with Woodside's Environmental policy all Woodside activities are planned and performed so that adverse effects on the environment are either avoided or kept to an acceptable level while meeting all statutory requirements. This includes commitments to restore operating locations in accordance with Australian and international oil and gas standards and practice.

Provision is made progressively for the eventual costs of restoration at a rate in line with the depreciation rate used for the primary assets at each location. See discussion within Note 2 (c) above. Workscope and cost estimates for restoration are reviewed annually and updated on a cyclical basis at least every three years.

Policy

Provision has been made in the Statement of Financial Position for restoration of operating locations. The estimated costs are charged as an expense on a Units of Production (UOP) basis.

The nature of work planned by the Economic Entity for current offshore locations includes removal of topside facilities, mooring systems and substructures, abandonment of wells and the insitu abandonment of pipelines, following the purging of all contaminants, and for current onshore locations includes the removal of all facilities, as required, reinstatement and revegetation of the site similar to surrounding areas.

The costs are based on the latest estimated future costs, determined on a discounted basis, which are re-assessed regularly and exclude any allowance for anticipated changes in technology or material changes in legislative requirements.

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

3. Other Significant Accounting Policies

(a) Consolidation Principles

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

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

(b) Set-off and Extinguishment of Debt

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

(c) Revenue

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

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

Amended classification in the Statement of Financial Performance

Amounts previously disclosed as "Exchange gains/(losses) on US$ natural hedge loan repayments" within "Revenues from oil and gas operations", are now recognised as a component of the US dollar LNG sales revenues being hedged, in line with hedge accounting requirements and Policy Note 2(e). The net financial effect of this item on Revenues from oil and gas operations is nil, Sales revenue is reduced by $20.5 million (2001: increased $3.3 million) and Exchange gains/(losses) on US$ natural hedge loan repayments for the same amounts eliminated.

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

Interest revenue is recognised on an effective yield basis.

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

Proceeds on sale of assets are recognised when control of assets has passed to the buyer.

(d) Costs

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

(e) Foreign Currency

Transactions

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

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

Except in relation to certain hedges (see Note 2(e)) exchange gains or costs, whether realised or unrealised, from the translation of assets and liabilities are included in determination of operating profit.

Foreign Operations

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

(f) Leases

Leases are classified at their inception as either operating or finance leases. This classification is based on the economic substance of the agreement and reflects which party retains substantially all of the risks and benefits incidental to ownership. For operating leases the minimum lease payments are recognised as an expense on a straight-line basis.

(g) Earnings per Share

Earnings per share is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. There are no factors that dilute basic earnings per share.

(h) Current Assets and Liabilities

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

(i) Cash

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

3. Other Significant Accounting Policies (Continued)

(j) Trade and Other Receivables

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

(k) Inventories

Work in progress and finished stocks

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

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

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

Warehouse stores and materials

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

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

(l) Investments

Controlled entities

Investments in controlled entities are carried at the lower of cost and recoverable amount. Dividends are recognised upon attaining the right to receive. These transactions are eliminated in the consolidated financial statements.

Other entities

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

(m) Other Plant & Equipment

Cost

Other plant and equipment is carried at cost. Profits or losses resulting from the disposal of other plant and equipment are recognised in the Statement of Financial Performance.

Depreciation

Depreciation of other plant and equipment is provided at rates based on the expected economic lives of the assets. The majority of these assets are depreciated on a straight line basis with a useful life of 5 years (2001: 5 years).

(n) Debt Establishment Costs

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

(o) Financial Instruments Included in Assets

Bank and money market deposits, loans, marketable securities and marketable equity securities are carried at cost. Purchases and sales of investments are recognised on the trade date which is when control of the investment has passed from the seller to the purchaser.

(p) Provisions

(i) Change in accounting policy regarding recognition of provisions

Description of and Reason for Change

The Economic Entity has adopted Accounting Standard AASB 1044 Provisions, Contingent Liabilities and Contingent Assets. Provisions are now only recognised when the Economic Entity has a legal, equitable or constructive obligation as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required to meet that obligation and a reliable estimate can be made of the amount of the obligation.

Financial Effect of Change

The only impact of this is that provisions for dividends payable are recognised in the period they are publicly declared. See Notes 24 and 34.

Income tax

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

3. Other Significant Accounting Policies (Continued)

(p) Provisions (Continued)

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages and salaries, annual leave, long service leave and the provision of interest free loans under the Woodside Employee Share Plan. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the end of the reporting period.

In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used. Rates which approximate the Economic Entity's incremental borrowing rate are used to determine the present value of cash inflows arising from the employee share plan receivable.

The cost of providing interest free loans to employees under the Woodside Employee Share Plan affects Woodside's reported performance through increased employee benefit costs each period. Any costs arising from the non-recourse component of the plan are recognised as an employee expense in the period they are incurred. The option value to the employee of the non-recourse nature of the Plan is not charged as an employee benefit expense. The costs to the company of providing the Share Plan benefit to employees is included in determining the remuneration of relevant employees as disclosed in the Economic Entity's Full Financial Report.

Contributions to the Economic Entity's superannuation plans by entities within the Economic Entity are charged against profit when due. The Economic Entity does not record excesses or deficiencies of assets over accrued membership benefits of the superannuation funds' defined benefits categories as an asset or liability in the Financial Report.

Directors' retiring allowance

Provision is made for directors' retiring allowance as entitlements to receive benefits are earned in accordance with the rules approved by shareholders. Retirement benefits are payable to non-executive directors and are based on a multiple of their last three years average annual emoluments. Pro rata entitlements are earned after three years service with the full entitlement being earned after ten years.

(q) Financial Instruments Included in Liabilities

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

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

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

Dividends payable are recognised when declared by the Economic Entity.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

(a) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

(b) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Share Capital

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

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
4. Profit From Ordinary Activities				
Profit from ordinary activities before income tax is arrived at after taking into account:				
(a) Revenues from oil & gas operations				
Sales revenue				
Liquefied Natural Gas and Domestic Gas	**665,669**	708,578	**-**	-
Condensate	**397,721**	348,475	**-**	-
Oil - Laminaria	**565,337**	816,621	**-**	-
Oil - NWS	**296,419**	295,352	**-**	-
Oil - Legendre	**208,527**	118,933	**-**	-
Liquefied Petroleum Gas	**58,650**	59,924	**-**	-
	2,192,323	2,347,883	**-**	-
LNG ship charter revenue	**48,280**	50,422	**-**	-
Total revenues from oil & gas operations	**2,240,603**	2,398,305	**-**	-
(b) Cost of sales				
Cost of production				
Production costs	**(179,864)**	(171,701)	**-**	-
Royalty and excise	**(205,265)**	(211,472)	**-**	-
Petroleum Resource Rent Tax	**(147,916)**	(115,851)	**-**	-
Third party gas	**(5,662)**	(5,178)	**-**	-
Insurance	**(21,444)**	(12,968)	**-**	-
Product inventory movement	**18,113**	2,073	**-**	-
	(542,038)	(515,097)	**-**	-
Shipping and marketing Costs				
LNG shipping	**(88,930)**	(86,620)	**-**	-
Other liquids shipping	**(6,979)**	(12,384)	**-**	-
Marketing/sales administration	**(11,121)**	(7,040)	**-**	-
	(107,030)	(106,044)	**-**	-
Oil & gas property, depreciation/amortisation				
Land and buildings	**(10,606)**	(10,506)	**-**	-
Transferred exploration and evaluation	**(25,931)**	(105,127)	**-**	-
Plant and equipment	**(237,786)**	(219,499)	**-**	-
Marine vessels and carriers	**(1,490)**	(8,560)	**-**	-
	(275,813)	(343,692)	**-**	-
Provision for restoration of operating locations	**(22,085)**	(18,588)	**-**	-
Total cost of sales	**(946,966)**	(983,421)	**-**	-
Gross profit	**1,293,637**	1,414,884	**-**	-

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
4. Profit From Ordinary Activities (Continued)				
(c) Other revenues from ordinary activities				
Interest received/receivable				
Controlled entities	**-**	-	**4,471**	4,151
Other entities	**32,690**	32,959	**8,180**	6,039
Dividends received/receivable				
Controlled entities	**-**	-	**140,000**	466,667
Other entities	**9,695**	9,139	**-**	-
Management and other fees				
Other entities	**46,875**	37,966	**69**	337
Proceeds on sale (see Note 6)				
Investments	**2,195**	-	**-**	24,648
Exploration & evaluation	**3,141**	212,164	**-**	-
Oil & Gas Properties	**1,514**	10,647	**-**	-
Total other revenues from ordinary activities	**96,110**	302,875	**152,720**	501,842
(d) Share of associates' net profit/(loss)	**(6,306)**	(2,584)	**-**	-
(e) Borrowing costs				
Interest paid/payable - other entities	**(76,222)**	(106,654)	**-**	-
Borrowing costs (interest) capitalised	**-**	6,562	**-**	-
Other debt servicing costs	**(1,460)**	(1,750)	**-**	-
Amortisation of debt establishment costs	**(953)**	(924)	**-**	-
Total borrowing costs	**(78,635)**	(102,766)	**-**	-
(f) Other expenses from ordinary activities				
Exploration (see Note 6)				
Current year	**(165,057)**	(31,443)	**-**	-
Amortisation of licence acquisition costs	**(1,715)**	-	**-**	-
Write off of prior year expenditure	**(812,528)**	(64,369)	**-**	-
Total exploration	**(979,300)**	(95,812)	**-**	-
Corporate				
Administration	**(28,858)**	(25,876)	**(7,664)**	(6,689)
Depreciation	**(11,930)**	(8,898)	**-**	-
Total corporate	**(40,788)**	(34,774)	**(7,664)**	(6,689)
New business development	**(57,140)**	(31,693)	**-**	-

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
4. Profit From Ordinary Activities (Continued)				
Takeover response (including internal costs) (see Note 6)	**-**	(12,851)	**-**	-
Other costs				
Diminution in value of investments				
Controlled entities	**-**	-	**-**	(3,450)
Other entities	**(106,045)**	(2,772)	**-**	-
Exchange gains/(losses)				
Cash balances	**1,709**	6,903	**-**	-
Other items (including fx hedges)	**(30,441)**	(79,461)	**-**	(47)
Total exchange gains/(losses)	**(28,732)**	(72,558)	**-**	(47)
Financial instruments no longer specific hedges	**116**	(29,051)	**-**	-
Written down value of assets sold (see Note 6)				
Investments	**(3,200)**	-	**-**	(24,648)
Exploration and evaluation	**-**	(42,673)	**-**	-
Oil and gas properties	**(3,931)**	(16,619)	**-**	-
Other	**(18,057)**	(12,846)	**-**	-
Total other costs	**(159,849)**	(176,519)	**-**	(28,145)
Total other expenses from ordinary activities	**(1,237,077)**	(351,649)	**(7,664)**	(34,834)
Profit from ordinary activities before income tax	**67,729**	1,260,760	**145,056**	467,008

5. Income Tax

The reconciliation of the prima facie tax charge on operating profit with the income tax expense in the Statement of Financial Performance is as follows:

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
Prima facie tax on operating profit at 30% (2001: 30%)	**20,319**	378,228	**43,517**	140,102
Permanent differences:				
Non-allowable depreciation	**3,053**	3,287	**-**	-
Non-deductible exploration and evaluation write-offs and disposals	**30,743**	19,311	**-**	-
Foreign exploration tax losses not brought to account	**65,878**	-	**-**	-
Research & development	**(449)**	-	**-**	-
Rebatable dividends	**4**	-	**(42,000)**	(140,000)
Diminution in value of investments				
Controlled entities	**-**	-	**-**	1,035
Other entities	**31,813**	831	**-**	-
Non-assessable gain on sale	**-**	(57,724)	**-**	-
Other	**14,076**	8,808	**-**	3
Under/(over) provision from prior year	**(5,716)**	(1,534)	**(5,225)**	2,415
Income tax expense/(benefit) attributable to profit from ordinary activities	**159,721**	351,207	**(3,708)**	3,555
Income tax expense/(benefit) comprises:				
Provision attributable to future years				
Deferred tax liability	**(171,123)**	46,022	**-**	-
Future income tax benefit	**(247)**	(79)	**(247)**	(79)
Current income tax payable	**331,091**	305,264	**(3,461)**	3,634
Income tax expense/(benefit)	**159,721**	351,207	**(3,708)**	3,555

	Economic Entity		Chief Entity	
	2002	2001	**2002**	2001
	$000	$000	**$000**	$000
6. Specific Items Within Profit From Ordinary Activities				
Profit from ordinary activities after income tax, *includes* the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity.				
(a) Individually significant items				
(i) Adoption of revised exploration and evaluation policy [see Notes 2(b) and 4(f)]				
Exploration & evaluation	**(386,356)**	-	**-**	-
Oil & gas properties				
Projects in development	**(235,094)**	-	**-**	-
Producing projects	**(191,078)**	-	**-**	-
	(812,528)	-	**-**	-
Applicable income tax benefit	**168,789**	-	**-**	-
	(643,739)	-	**-**	-
(ii) Impact of revised exploration and evaluation policy on 2002 performance [see Notes 2(b) and 4 (f)]				
Oil & gas property, depreciation/amortisation				
- transferred exploration and evaluation	**51,362**	-	**-**	-
Exploration expense current year	**(126,445)**	-	**-**	-
Exploration expense - amortisation licence acquisition costs	**(1,715)**	-	**-**	-
	(76,798)	-	**-**	-
Applicable income tax benefit	**5,186**	-	**-**	-
	(71,612)	-	**-**	-
(iii) Carried forward exploration and evaluation expenditure written-off, by Area of Focus [see Note 4(f)]				
Exploration & evaluation				
Gulf of Mexico	**-**	(64,369)	**-**	-
Applicable income tax benefit	**-**	-	**-**	-
	-	(64,369)	**-**	-
(iv) Diminution in value of investment in Oil Search Limited (2001 : Austeel Pty Ltd) [see Note 4(f)]	**(106,045)**	(2,772)	**-**	-
Applicable income tax benefit	**-**	-	**-**	-
	(106,045)	(2,772)	**-**	-
(v) Proceeds from sale of 16.39 % interest in Sunrise Gas Project to Phillips [see Note 4(c)]	**-**	212,164	**-**	-
Book value of carried forward exploration and evaluation expenditure disposed [see Note 4(f)]	**-**	(38,530)	**-**	-
	-	173,634	**-**	-
Applicable income tax benefit	**-**	11,559	**-**	-
	-	185,193	**-**	-
(vi) Takeover response costs including internal costs [see Note 4(f)]	**-**	(12,851)	**-**	-
Applicable income tax benefit	**-**	1,035	**-**	-
	-	(11,816)	**-**	-
(vii) Financial instruments no longer specific hedges (component of expense brought forward from future years) [see Note 4(f)]	**-**	(15,088)	**-**	-
Applicable income tax benefit	**-**	4,526	**-**	-
	-	(10,562)	**-**	-

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
6. Specific Items Within Profit From Ordinary Activities (Continued)				
(viii) Proceeds from sale of NWSV tugs and offshore supply vessels [see Note 4(c)]	**-**	10,496	**-**	-
Book value of assets sold [see Note 4(f)]	**-**	(16,132)	**-**	-
	-	(5,636)	**-**	
Applicable income tax benefit	**-**	1,691	**-**	-
	-	(3,945)	**-**	-
(b) Gains (losses) from sale of assets				
(excluding items in 6(a))				
Oil and gas properties	**724**	(4,479)	**-**	-
Investments	**(1,005)**	-	**-**	-
Total gains/(losses) on sale of assets	**(281)**	(4,479)	**-**	-
7. Earnings Per Share				
Basic earnings per share and diluted earnings per share are identical.				
Earnings/(loss) used in calculating basic and diluted earnings per share	**(91,992)**	909,553		
Weighted average number of shares on issue used in calculating basic and diluted earnings per share	**666,666,667**	666,666,667		
Basic earnings/(loss) per share (cents)	**(13.8)**	136.4		
There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.				
8. Dividends Paid				
Effective 1 January 2002, the Economic Entity early adopted AASB 1044 Provisions, Contingent Liabilities and Contingent Assets. As a consequence no provision is recognised for dividends declared after period end (see Note 34).				
(a) Interim dividends paid 21.0 cents (2001: 24.0 cents)				
Franked	**140,000**	160,000	**140,000**	160,000
Unfranked	**-**	-	**-**	-
	140,000	160,000	**140,000**	160,000
(b) Previous year final dividend paid 46.0 cents (2001: 60.0 cents)				
Franked	**306,667**	400,000	**306,667**	400,000
Unfranked	**-**	-	**-**	-
	306,667	400,000	**306,667**	400,000

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
8. Dividends Paid (Continued)				
(c) Summary of dividends in relation to reported periods				
Interim dividend (declared and paid in period) 21.0 cents (2001: 24.0 cents)	**140,000**	160,000	**140,000**	160,000
Final dividend				
Declared February 2002 : 46 cents	**-**	306,667	**-**	306,667
Declared February 2003 : 41 cents (see Note 34)	**273,333**	-	**273,333**	-
	413,333	466,667	**413,333**	466,667
Dividend in respect of financial year	**62 cents**	70 cents		
The tax rate at which dividends have or will be franked is 30% (2001: 30%). The amount of franking credits available for the subsequent financial year are:				
Franking credits available following payment of tax and dividends in respect of previous financial year	**454,942**	173,203	**15,945**	19,751
Franking credits arising from instalments of tax paid in respect of current year	**330,622**	669,844	**528**	5,414
Franking credits arising from change in tax rate in 2001 from 34% to 30%	**-**	56,615	**-**	4,915
Franking credits arising from received franked dividends	**41**	-	**60,000**	160,000
Franking debits arising from the payment of interim dividends	**(60,000)**	(160,000)	**(60,000)**	(160,000)
Impact on franking credits of New Business Tax System (see note below)	**(354,259)**	-	**(9,385)**	-
Franking account balance as at the end of the financial year	**371,346**	739,662	**7,088**	30,080
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	**103,334**	21,947	**1,519**	(14,135)
Franking credits that will arise from the receipt of franked dividends	**-**	-	**117,143**	306,667
Franking debits that will arise from the payment of dividends as at the end of the financial year	**(117,143)**	(306,667)	**(117,143)**	(306,667)
Franking account balance after payment of tax and dividends	**357,537**	454,942	**8,607**	15,945

From 1 July 2002 the New Business Tax System (Imputation) Act 2002 requires measurement of franking credits based on the amount of income tax paid, rather than on after tax profits.

As a result the "franking credits available" were converted from $648,392,401 to $277,882,457 as at 1 July 2002. This change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

Franking account balance after payment of tax and dividends - Adjusted to equivalent measurement basis	**357,537**	194,975	**8,607**	6,834

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
9. Receivables (Current)				
Trade debtors	**173,761**	251,206	**-**	-
Other debtors				
Controlled entities	**-**	-	**76,272**	91,670
Other entities	**112,955**	162,955	**-**	412
Dividend receivable				
Controlled entities	**-**	-	**-**	306,667
Other entities	**9,752**	9,239	**-**	-
Accrued interest income	**99**	3,590	**-**	-
	296,567	426,990	**76,272**	398,749
Australian dollar equivalent of amounts included in receivables above in (US) dollars not effectively hedged	**110,538**	207,587	**-**	-

Within the Economic Entity trade debtors are denominated in a mixture of Australian and US dollars and are on settlement terms of between 10 and 30 days. Other debtors represent other receivables with various maturities.

Dividends receivable from other entities are receivable within 30 days of period end. Accrued interest is receivable within 30 days of entitlement.

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
10. Inventories (Current)				
Petroleum products - at cost				
Work in progress	**296**	264	**-**	-
Finished stocks	**29,973**	11,892	**-**	-
Warehouse stores and materials at cost	**9,112**	22,807	**-**	-
	39,381	34,963	**-**	-
11. Other Financial Assets (Current)				
Unrealised cost on open oil price hedges	**82,614**	88,280	**-**	-
Unrealised cost on open fx hedges	**12,581**	79,092	**-**	-
Unrealised receivable on open interest rate hedges	**3,635**	901	**-**	-
Unrealised cost on gas purchase commitments	**5,480**	4,291	**-**	-
	104,310	172,564	**-**	-

Realisation and settlement of open hedges is dependent upon the settlement date of each instrument. Also see Note 36(a).

Unrealised cost on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled within the next 12 months.

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
12. Other Assets (Current)				
Deferred cost on realised oil price hedge settlements	**6,250**	26,126	**-**	-
Deferred premiums on oil and fx options	**1,780**	5,012	**-**	-
Prepayments	**12,864**	10,418	**-**	-
	20,894	41,556	**-**	-

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
13. Receivables (Non current)				
Advances - controlled entities	**-**	-	**254,737**	254,738
Advances - other entities	**-**	27,500	**-**	-
Loans for employee share plan	**128,266**	103,100	**128,266**	103,100
Other	**218,750**	220,717	**-**	-
	347,016	351,317	**383,003**	357,838

Advances - other entities are denominated in Australian dollars, are interest bearing at commercial rates, with settlement required on or before 2015.

For significant terms and conditions relating to the employee share plan see Note 39.

The Other receivable represents proceeds on sale of Sunrise Gas Project, is denominated in US dollars and is escalating at an agreed rate, with settlement due in 2005. If commitment to the Sunrise Gas Project is made before the settlement date this receivable will be settled through Phillips meeting, to the extent of the receivable, Woodside's capital costs in the project.

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
14. Inventories (Non current)				
Warehouse stores and materials at cost	**12,364**	4,365	**-**	-
15. Equity Accounted Investments				
Investments - at equity accounted amount (See Note 46(e) and Note 47)	**29,666**	33,023	**-**	-

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
16. Other Financial Assets (Non current)				
Investments - Not equity accounted				
Shares in listed entity - at cost				
Oil Search Limited				
(Oil & Gas, 6.88% (2001:11.30%))	**152,491**	152,491	**-**	-
Less: Provision for diminution in value	**(106,045)**	-	**-**	-
	46,446	152,491	**-**	-
Hardman Resources				
(Oil & Gas, 11.38% (2001:9.92%))	**45,437**	38,437	**-**	-
	91,883	190,928	**-**	-
Shares in unlisted entities - at cost				
Controlled entities - at cost (Also see Note 49)	**-**	-	**448,973**	447,318
Less: Provision for diminution in value	**-**	-	**(54,847)**	(54,847)
	-	-	**394,126**	392,471
Pulse/Edgecap (energy retail and trading, 10%)	**-**	3,200	**-**	-
Ocean Power Technologies Inc.				
(wave energy power systems - 5%)	**5,825**	5,825	**-**	-
Ocean Power Technologies (Australasia) Pty. Ltd.				
(wave energy power systems - 11.76%)	**2,000**	2,000	**-**	-
	7,825	11,025	**-**	-
Other entities - at cost	**2,846**	2,826	**-**	-
Less: Provision for diminution in value	**(2,772)**	(2,772)	**-**	-
	74	54	**-**	-
Total investments	**99,782**	202,007	**394,126**	392,471
Financial instruments (hedges) - at fair value				
Unrealised cost on open oil price hedges	**10,548**	13,514	**-**	-
Unrealised cost on open fx hedges	**9,171**	69,785	**-**	-
Unrealised receivable on open interest rate hedges	**3,705**	1,832	**-**	-
	23,424	85,131	**-**	-
Other financial assets				
Greenhouse gas options - at cost	**1,204**	1,204	**-**	-
Unrealised cost on gas purchase commitments				
- at fair value	**22,346**	23,019	**-**	-
	23,550	24,223	**-**	-
	146,756	311,361	**394,126**	392,471

Realisation and settlement of open hedges is dependent upon the settlement date of each hedge instrument. Also see Note 36(a).

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

Unrealised cost on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled between 12 months and 17 years.

		Economic Entity		Chief Entity	
		2002 $000	2001 $000	**2002 $000**	2001 $000
17.	**Exploration & Evaluation (Non current)**				
(a)	**Areas of Focus** at cost				
	Browse	**5,737**	60,421	**-**	-
	Carnarvon	**276,576**	197,390	**-**	-
	Timor Sea	**56,334**	129,300	**-**	-
	Great Australian Bight	**-**	9,235	**-**	-
	Victoria (Gippsland, Otway)	**70,172**	126,176	**-**	-
	Gulf of Mexico	**79,175**	109,699	**-**	-
	West Africa (Mauritania)	**71,859**	89,013	**-**	-
	North Africa (Algeria)	**-**	9,278	**-**	-
	Total exploration and evaluation	**559,853**	730,512	**-**	-
	Less accumulated amortisation	**(3,834)**	-	**-**	-
		556,019	730,512	**-**	-

(b) Reconciliations of the carrying amounts of capitalised exploration and evaluation at the beginning and end of the current financial year are set out below

	Exploration & Evaluation **$000**
Consolidated	
Carrying amount at 1 January 2002	**730,512**
Additions	**213,579**
Amortisation	**(3,834)**
Change in Accounting Policy (see Note 2(b))	
Policy change adjustment	**(384,238)**
Carrying amount at 31 December 2002	**556,019**

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
18. Oil & Gas Properties (Non current)				
Producing projects at cost				
Land and buildings	**312,361**	312,236	**–**	-
less: Accumulated depreciation	**(165,691)**	(155,546)	**–**	-
Total land and buildings (a)	**146,670**	156,690	**–**	-
Transferred exploration and evaluation	**222,942**	891,474		
less: Accumulated amortisation	**(111,775)**	(402,582)	**–**	-
Total exploration and evaluation	**111,167**	488,892	**–**	-
Plant and equipment	**3,749,269**	3,340,791	**–**	-
less: Accumulated depreciation	**(1,895,782)**	(1,505,332)	**–**	-
Total plant and equipment	**1,853,487**	1,835,459	**–**	-
Marine vessels and carriers	**252,599**	257,470	**–**	-
less: Accumulated depreciation	**(114,129)**	(114,438)	**–**	-
Total marine vessels and carriers	**138,470**	143,032	**–**	-
Total producing projects	**2,249,794**	2,624,073	**–**	-
Projects in development at cost				
Land and buildings	**862**	1,148	**–**	-
Transferred exploration and evaluation	**–**	248,104	**–**	-
Plant and equipment (b)	**596,437**	380,559	**–**	-
Marine vessels and carriers	**19,715**	10,329	**–**	-
Total projects in development	**617,014**	640,140	**–**	-
Total oil and gas properties	**2,866,808**	3,264,213	**–**	-
(a) All material land and buildings assets disclosed above are used in, or are ancillary to, the Company's extractive industry operations.				
(b) Borrowing costs recognised during the year as part of the carrying amount of qualifying assets.	**–**	7,472	**–**	-
(c) Reconciliations of the carrying amounts of each class of Oil and Gas Properties at the beginning and end of the current financial year are set out below:				

	Land & Buildings $000	Transferred Exploration & Evaluation $000	Plant & Equipment $000	Marine Vessels & Carriers $000	Assets Under Construction $000	Total $000
Consolidated						
Carrying amount at 1 January 2002	**156,690**	**488,892**	**1,835,459**	**143,032**	**640,140**	**3,264,213**
Additions/Transferred in	**320**	**3,900**	**(6,062)**	**–**	**310,944**	**309,102**
Disposals (written down value)	**(679)**	**–**	**(742)**	**(3,101)**	**–**	**(4,522)**
Depreciation and amortisation	**(10,606)**	**(25,931)**	**(237,786)**	**(1,490)**	**–**	**(275,813)**
Completions	**945**	**–**	**98,002**	**29**	**(98, 976)**	**–**
Changes in Accounting Policy (see Note 2(b))						
Adjustment	**–**	**(191,078)**	**–**	**–**	**(235,094)**	**(426,172)**
Reclassification	**–**	**(164,616)**	**164,616**	**–**	**–**	**–**
Carrying amount at 31 December 2002	**146,670**	**111,167**	**1,853,487**	**138,470**	**617,014**	**2,866,808**

		Economic Entity		Chief Entity	
		2002 $000	2001 $000	**2002 $000**	2001 $000
19.	**Other Plant & Equipment (Non current)**				
	Plant and equipment	**76,519**	62,131	**-**	-
	less: Accumulated depreciation	**(41,070)**	(29,438)	**-**	-
		35,449	32,693	**-**	-
	Assets under construction	**43,828**	24,576	**-**	-
	Total plant and equipment	**79,277**	57,269	**-**	-
(a)	Reconciliations of the carrying amounts of other plant and equipment at the beginning and end of the current financial year are set out below:				
		Other Plant & Equipment **$000**			
	Carrying amount at 1 January 2002	**57,269**			
	Additions	**34,049**			
	Disposals (written down value)	**(111)**			
	Depreciation and amortisation	**(11,930)**			
	Carrying amount at 31 December 2002	**79,277**			
20.	**Deferred Tax Assets (Non current)**				
	Future income tax benefit	**649**	402	**649**	401
21.	**Other Assets (Non current)**				
	Debt establishment costs	**11,560**	11,560	**-**	-
	Less: Accumulated amortisation	**(4,601)**	(3,647)	**-**	-
		6,959	7,913	**-**	-
	Deferred exchange loss on borrowings	**332,472**	511,191	**-**	-
	Deferred cost of settled interest rate hedges	**2,576**	3,063	**-**	-
	Prepayments	**3,209**	3,608	**-**	-
	Deferred employee benefit expense	**10,293**	-	**-**	-
		355,509	525,775	**-**	-
	Deferred interest rate hedge settlements will be amortised to expense through to 2008.				
22.	**Payables (Current)**				
	Trade creditors	**181,835**	240,011	**-**	-
	Other creditors	**113,219**	89,608	**-**	-
	Interest payable - other persons	**21,978**	25,322	**-**	-
		317,032	354,941	**-**	-
	Australian dollar equivalent of amounts included in accounts payable above in US dollars not effectively hedged.	**-**	-	**-**	-
	Trade and other liabilities are normally settled on 30 day terms.				
	Details regarding interest payable are in Note 35.				
23.	**Tax Liabilities (Current)**				
	Income tax payable	**105,152**	94,658	**8,460**	6,306
	Current income tax liability is for fourth quarterly instalment due in January 2003 and final payment due in June 2003.				

		Economic Entity		Chief Entity	
		2002 $000	2001 $000	**2002 $000**	2001 $000
24.	**Provisions (Current)**				
	Dividend payable	**-**	306,667	**-**	306,667
	Employee benefits	**56,848**	53,727	**-**	-
		56,848	360,394	**-**	306,667
	Details regarding dividends payable are in Note 8 and Note 34. Details regarding employee benefits are in Note 38.				
25.	**Other Liabilities (Current)**				
	Unrealised liability on open oil price hedges	**83,817**	102,164	**-**	-
	Unrealised liability on open fx hedges	**12,582**	79,092	**-**	-
	Unrealised liability on gas purchase commitments	**5,480**	4,291	**-**	-
	Unrealised revenue on open interest rate hedges	**1,841**	504	**-**	-
	Unearned revenue	**14,026**	18,551	**-**	-
		117,746	204,602	**-**	-
	Realisation and settlement of open hedges is dependent upon the settlement date of each instrument.				
	Unrealised liability on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled within the next 12 months.				
26.	**Interest Bearing Liabilities (Non Current)**				
	Corporate facility (US$)	**352,983**	488,854	**-**	-
	Bond (US$)	**970,702**	1,075,479	**-**	-
	Bilateral (US$)	**105,895**	97,771	**-**	-
		1,429,580	1,662,104	**-**	-
	Details regarding borrowings are in Note 35.				
27.	**Deferred Tax Liabilities (Non Current)**				
	Deferred income tax liability	**473,309**	645,065	**-**	-
28.	**Provisions (Non Current)**				
	Restoration of operating locations	**111,928**	89,843	**-**	-
	Employee benefits	**9,487**	6,989	**-**	-
	Directors' retiring allowance	**1,930**	1,591	**1,930**	1,591
		123,345	98,423	**1,930**	1,591
	Details regarding the provision for restoration of operating locations are in Note 2(f). Details regarding employee benefits are in Note 38. Details regarding the Directors' retiring allowance are in Note 3(p).				
	Movements In Provisions				
	(a) Restoration of operating locations				
	Carrying amount - opening balance	**89,843**	71,255	**-**	-
	Additional provision	**22,085**	18,588	**-**	-
	Amounts utilised during the year	**-**	-	**-**	-
	Carrying amount - closing balance	**111,928**	89,843	**-**	-

		Economic Entity		Chief Entity	
		2002 $000	2001 $000	**2002 $000**	2001 $000
28.	**Provisions (Non Current) (Continued)**				
	(b) Directors' retiring allowance				
	Carrying amount - opening balance	**1,591**	803	**1,591**	803
	Additional provision	**339**	788	**339**	788
	Amounts utilised during the year	**-**	-	**-**	-
	Carrying amount - closing balance	**1,930**	1,591	**1,930**	1,591
29.	**Other Liabilities (Non Current)**				
	Unrealised liability on open oil price hedges	**10,548**	14,717	**-**	-
	Unrealised liability on open fx hedges	**9,171**	69,785	**-**	-
	Unrealised liability on gas purchase commitments	**22,346**	23,019	**-**	-
	Unrealised revenue on open interest rate hedges	**3,704**	1,832	**-**	-
	Deferred revenue on settled interest rate hedges	**691**	772	**-**	-
	Unearned revenue	**20,714**	30,380	**-**	-
	Amounts payable - controlled entities	**-**	-	**15,537**	15,536
		67,174	140,505	**15,537**	15,536

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

Unrealised liability on gas purchases is in accordance with an agreement to draw on a committed gas purchase that is required to be settled between 12 months and 17 years.

Deferred revenue on interest rate hedge settlements will be amortised against expense through to 2011.

		Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
30.	**Contributed Equity**				
(a)	**Issued and fully paid up**				
	666,666,667 ordinary shares	**706,491**	708,291	**706,491**	706,491
(b)	**Movement in contributed equity**				
	Opening balance	**708,291**	708,291	**706,491**	706,491
	Adjustment to contributed equity for Economic Entity	**(1,800)**	-	**-**	-
	Closing balance	**706,491**	708,291	**706,491**	706,491

The number of ordinary shares on issue has not changed in the past 2 years.

(c) All shares are a single class with equal rights to dividends, capital distributions and voting. There are no shares reserved for share options or other arrangements.

		Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
31.	**Reserves**				
(a)	Capital profits	**-**	81,907	**-**	93,725
(b)	Movement in reserve				
	Opening balance	**81,907**	81,907	**93,725**	93,725
	Transfer to retained earnings	**(81,907)**	-	**(93,725)**	-
	Closing balance	**-**	81,907	**-**	93,725

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
31. Reserves (Continued)				
(c) This reserve previously recorded capital gains on the sale of interests in other entities and has been transferred to retained profits in the current year.				
32. Retained Profits				
Movements in retained profits				
Balance at beginning of year	**1,763,976**	1,321,090	**19,143**	22,357
Net profit/(loss) attributable to members of Woodside Petroleum Ltd.	**(91,992)**	909,553	**148,764**	463,453
Dividends provided for or paid	**(140,000)**	(466,667)	**(140,000)**	(466,667)
Aggregate of amounts transferred from the capital profits reserve.	**81,907**	-	**93,725**	-
Balance at end of year	**1,613,891**	1,763,976	**121,632**	19,143
33. Note To The Statements Of Cash Flows				
(a) Components of Cash				
Cash at bank	**4,434**	27,604	**-**	-
Commercial Paper	**-**	30,000	**-**	-
Money market deposits	**150,918**	102,952	**-**	-
Total cash	**155,352**	160,556	**-**	-
2002 Commercial Paper: Nil, (2001 denominated in A$ with an average maturity of 18 days and effective interest rates of 5.5% to 5.8%). Money market deposits are denominated in A$ and US$ with an average maturity of 1 day (2001: 2 days) and effective interest rates of 1.2% to 4.7% (2001: 3.25% to 4.25%).				
(b) Reconciliation of net cash from operating activities to operating profit after income tax				
Operating profit after income tax	**(91,992)**	909,553	**148,764**	463,453
Depreciation and amortisation	**290,411**	353,514	**-**	-
Exchange (gains)/losses on cash balances	**(1,709)**	(6,930)	**-**	-
Exchange (gains)/losses on USD loan natural hedge	**17,491**	(3,342)	**-**	-
(Profit)/loss on sale of exploration and evaluation	**(3,141)**	(169,491)	**-**	-
(Profit)/loss on sale of oil and gas properties	**2,417**	5,972	**-**	-
Unearned income	**(14,191)**	(16,645)	**-**	-
Diminution in value of investments				
- controlled entities	**-**	-	**-**	3,450
- other entities	**106,045**	2,772	**-**	-
Prior years exploration	**976,447**	64,369	**-**	-
Share of associates net (profit)/loss	**6,306**	2,584	**-**	-
Decrease/(increase) in assets				
Trade debtors	**77,445**	46,913	**-**	-
Interest receivable	**(35)**	(2,957)	**-**	-
Prepayments	**(2,446)**	(9,790)	**-**	-
Dividends receivable	**(513)**	674	**306,667**	93,333
Inventories	**(12,417)**	(8,425)	**-**	-
Other assets	**61,311**	(20,481)	**395**	903
(Decrease)/increase in liabilities				
Income tax - current liability	**10,494**	(101,871)	**2,154**	(1,027)
Income tax - deferred liability/benefit	**(173,477)**	45,943	**(247)**	(79)
Provisions	**28,043**	24,138	**339**	788
Creditors and other items	**(69,638)**	(8,112)	**-**	16
Net cash from operating activities	**1,206,851**	1,108,388	**458,072**	560,837

NOTES TO AND FORMING PART OF THE FULL FINANCIAL REPORT

For the Year ended 31 December 2002

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
34. Subsequent Events				
(a) Dividends				
Since the reporting date, the Directors have recommended a fully franked dividend of 41 cents (2001: 46 cents), payable in March 2003. The amount of this dividend will be $273,333,000 (2001: $306,667,000). No provision has been made for this dividend in the financial report as the dividend was not declared or determined by the Directors on or before the end of the financial year.				
35. Financing Facilities				
The total facilities available at balance date were as follows:				
US$ Corporate facility	**441,228**	488,854	**-**	-
Bi-Laterals	**882,457**	782,167	**-**	-
Bonds	**970,702**	1,075,479	**-**	-
A$ Commercial Paper/MTN	**300,000**	300,000	**-**	-
Bank overdraft	**1,333**	1,333	**-**	-
	2,595,720	2,647,833	**-**	-
Used at balance date:				
US$ Corporate facility	**352,983**	488,854	**-**	-
Bi-Laterals	**105,895**	97,771	**-**	-
Bonds	**970,702**	1,075,479	**-**	-
A$ Commercial Paper/MTN	**-**	-	**-**	-
Bank overdraft	**-**	-	**-**	-
	1,429,580	1,662,104	**-**	-
Unused at balance date:				
US$ Corporate facility	**88,245**	-	**-**	-
Bi-Laterals	**776,562**	684,396	**-**	-
Bonds	**-**	-	**-**	-
A$ Commercial Paper/MTN	**300,000**	300,000	**-**	-
Bank overdraft	**1,333**	1,333	**-**	-
	1,166,140	985,729	**-**	-

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

Syndicated Loan Facility

The Economic Entity has a US$ debt facility with a syndicate of banks; it is unsecured with drawings available by way of either cash advances or letters of credit. The Facility commenced in September 1996 and has two tranches: tranche A for US$950 million which expired on 30 September 2001; and tranche B for US$250 million repayable on 30 September 2003. Drawdowns and prepayments within the Facility are managed into segments with varying durations and rollover dates. Interest rates on the Facility are floating rate based on LIBOR (London Inter Bank Offered Rate) and are fixed at the commencement of each segment. Interest is paid at the end of each segment period or at least six monthly. At balance date, tranche A had expired with no amounts outstanding while tranche B was drawn to US$200 million (2001: US$250 million). This debt facility is subject to a financial covenant and a negative pledge restricting the amount of future secured borrowings. Neither the covenant nor the negative pledge has been breached at any time in the reporting period.

35. Financing Facilities (Continued)

Bi-Lateral Facilities

The Economic Entity has ten US$50 million, five year term Bilateral Facilities totalling US$500 million. The term of one expires in 2005, seven in 2006, and two in 2007. Interest rates on each loan are floating rate based on LIBOR and are fixed at the commencement of the drawdown period. Interest is paid at the end of the drawdown period. The facilities are subject to a financial covenant and a negative pledge restricting the amount of future secured borrowings. Neither the covenant nor the negative pledge have been breached at any time in the reporting period. As at the balance date there was US$60 million (2001: US$50 million) outstanding under the facilities.

Bonds

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

Commercial Paper, Standby Facility, Medium Term Notes

The Economic Entity has an unsecured multi-currency A$300 million Commercial Paper/Medium Term Note program where drawdowns under the Commercial Paper program can be for terms between 30 days to 364 days. Interest rates are floating based on BBSW (Australian Bank Bill Swap Rate) and are fixed at the commencement of each drawdown. In accordance with the Standard and Poors Commercial Paper ratings requirements, the facility is supported by a total of A$150 million of Stand-by facilities. These are available to be drawn down in the event of a commercial paper market disruption. As at the balance date there is no Commercial Paper outstanding (2001: A$nil).

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

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

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

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
Due no later than one year	**352,983**	-	**-**	-
Later than one year but not later than five years	**105,895**	586,625	**-**	-
Later than five years	**970,702**	1,075,479	**-**	-
	1,429,580	1,662,104	**-**	-

36. Risk Management/Financial Instruments

(a) Hedging Position

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

(i) Commodity hedging

As at 31 December 2002, 9.4 million barrels of oil equivalent (2001: 27.1 million barrels of oil equivalent) have been hedged with varying maturities out to three years at a weighted average West Texas Intermediate price ("WTI") of US$20.06/barrel (2001: US$19.24/barrel). Hedged volumes for the next three years are 6.7, 2.6 and 0.1 mmboe (2001: 17, 7, 3 and 0.1 mmboe) with average prices of US$19.63/bbl, 21.09 and 21.25 (2001: US$18.80/bbl, 19.63, 21.09 and 21.25).

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

36. Risk Management/Financial Instruments (Continued)

(a) Hedging Position (Continued)

(ii) Currency hedging

As described in Note 2(e) the Economic Entity is Australian based, however, as a function of its industry segment of oil and gas has predominantly US dollar cashflows. The exposure of these cashflows to fluctuation in the A$/US$ exchange rate is mitigated by natural US dollar cashflow offsets and by the natural currency hedge that exists due to the Economic Entity holding its external debt in US$'s. Further specific currency hedging is implemented as outlined below.

As at 31 December 2002, US$327 million (2001: US$631 million) have been hedged with varying maturities out to four years at an average rate of A$/US$ 0.5641 (2001: A$/US$ 0.5795). Hedged US$'s for the next four years are 137, 114, 67 and 9 US$ million (2001: 304, 137, 114, 67 and 9 US$ million) with average rates of 0.5856, 0.5606, 0.5397 and 0.4930 A$/US$ (2001: 0.5964, 0.5859, 0.5606, 0.5397 and 0.4930 A$/US$).

As at 31 December 2002, US$807.5 million of future LNG revenues have been hedged using the US dollar external debt over the next 19 years at an average rate of A$/US$ 1:0.73, US$42 million is hedged for each period.

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

(iii) Interest rate hedging

Borrowings

As at 31 December 2002, US$145 million (2001: US$125 million) was swapped from an average fixed rate of 6.7% to an average floating rate of LIBOR + 3.11% (2001: LIBOR + 2.87%) with varying maturities out to three years. Hedged principals for the next three years are 90, 25 and 30 US$ million (2001: US$35, 65 and 25 million).

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

Money market deposits

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

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

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

	Carrying Amount		Fair Value	
	2002 $000	2001 $000	**2002 $000**	2001 $000
Financial assets				
Cash	**155,352**	160,556	**155,352**	160,556
Receivables				
Current	**296,567**	426,990	**296,567**	426,990
Non current	**347,016**	351,317	**347,016**	330,487
Other financial assets				
Listed entity investments	**91,883**	190,928	**79,738**	112,485
Unlisted entity investments	**7,899**	11,079	**7,898**	11,079
Greenhouse gas options	**1,204**	1,204	**1,204**	1,204
Unrealised receivable on open interest rate hedges	**7,340**	2,733	**7,514**	2,757
Financial liabilities				
Payables	**317,032**	354,941	**317,032**	354,941
Provisions				
Dividend payable	**–**	306,667	**–**	306,667
Interest bearing liabilities	**1,429,580**	1,662,104	**1,429,580**	1,662,104
Other liabilities				
Unrealised liability on open oil price hedges	**94,365**	116,881	**95,935**	118,971
Unrealised liability on open fx hedges	**21,753**	148,877	**22,270**	143,881
Unrealised liability on gas purchase commitments	**27,826**	27,310	**27,826**	27,310

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

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

Cash

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

36. Risk Management/Financial Instruments (Continued)

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

Receivables

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

Non Current - Employee share plan receivable is valued on the basis of expected repayment profile discounted to present value. This receivable is now recognised at its fair value. Advances to other entities are at commercial rates therefore the carrying value approximates fair value.

Other financial assets

Listed entity fair values are based on 31 December quoted share price. The investments have been written down to recoverable amount where management's assessment of the investment's recoverable amount exceeded its carrying value. The carrying value of unlisted entities is considered to approximate their fair value.

Payables

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

Provisions

The carrying amount of the dividend liability in 2001 approximates fair value due to its short term nature.

Interest bearing liabilities

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

Hedge contracts

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

Other liabilities

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

(c) Interest Rate Exposures

The Economic Entity's exposure to interest rate risks and the effective interest rates on its financial assets and liabilities as at 31 December 2002 is as follows:

	Floating Interest Rate	Fixed Interest Rate Maturing in			Non-Interest Bearing	Total
		1 Year or less	Between 1 and 5 Years	More Than 5 Years		
	$000	$000	$000	$000	$000	$000
Financial assets						
Cash	4,434	150,918	–	–	–	155,352
Receivables						
Current	–	52,944	–	–	243,623	296,567
Non Current	–	–	218,750	–	128,266	347,016
Other financial assets	–	–	–	–	108,326	108,326
	4,434	203,862	218,750	–	480,215	907,261
Weighted average interest rate	1.9%	1.4%	10.0%			
Financial liabilities						
Payables	–	–	–	–	317,032	317,032
Interest bearing liabilities	–	352,983	105,895	970,702	–	1,429,580
Other liabilities	–	–	–	–	143,944	143,944
	–	352,983	105,895	970,702	460,976	1,890,556
Weighted average interest rate		1.8%	2.1%	6.7%		
Net financial assets/(liabilities)	4,434	(149,121)	112,855	(970,702)	19,239	(983,295)

36. Risk Management/Financial Instruments (Continued)

(c) Interest Rate Exposures (Continued)

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

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

(d) Credit Risk Exposures/Economic Dependency

The Economic Entity's maximum exposure (not taking into account the value of any collateral or other security held) to credit risk at balance date in relation to each class of financial asset is the fair value of those assets as indicated in section (b) to this Note 36.

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

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
Domestic energy customers	**27,676**	13,872	**-**	-
Japanese energy utilities	**15,879**	21,726	**-**	-
Other international customers *	**78,390**	215,608	**-**	-
	121,945	251,206	**-**	-

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

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
37. Expenditure Commitments				
(a) Operating Leases				
Operating leases not provided for in the accounts				
Due not later than one year	**35,960**	27,403	**-**	-
Later than one year but not later than five years	**78,498**	69,635	**-**	-
Later than five years	**213,274**	168,756	**-**	-
	327,732	265,794	**-**	-
Operating lease rentals in current period	**37,205**	66,015	**-**	-
Assets leased and average lease duration in years include: helicopters (1yr), supply vessels (3yrs), cranes (3yrs), operational sites (18yrs), mobile offshore drilling units (<1yr), office premises (6yrs), motor vehicles (4yrs).				
(b) Capital Expenditure				
Expenditure contracted for but not provided for in the accounts				
Due not later than one year	**141,465**	182,190	**-**	-
Later than one year but not later than five years	**26,350**	79,461	**-**	-
Later than five years	**-**	-	**-**	-
	167,815	261,651	**-**	-
(c) Other Expenditure Commitments				
Other expenditure commitments predominantly for the future supply of services not provided for in the accounts				
Due not later than one year	**60,614**	67,930	**-**	-
Later than one year but not later than five years	**129,077**	183,617	**-**	-
Later than five years	**-**	13,767	**-**	-
	189,691	265,314	**-**	-
(d) Exploration Commitments				
The obligations of the Economic Entity to perform exploration activities in its various Areas of Focus are:				
Due not later than one year	**78,726**	118,132	**-**	-
Later than one year but not later than five years	**62,120**	30,991	**-**	-
Later than five years	**2,067**	-	**-**	-
	142,913	149,123	**-**	-
Browse	**-**	7,000	**-**	-
Carnarvon	**47,513**	38,452	**-**	-
Timor Sea	**45,876**	19,482	**-**	-
Great Australian Bight	**21,880**	14,000	**-**	-
Victoria (Gippsland, Otway)	**14,194**	13,039	**-**	-
Gulf of Mexico	**13,450**	22,000	**-**	-
West Africa (Mauritania, Senegal)	**-**	35,150	**-**	-
	142,913	149,123	**-**	-

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

		Economic Entity		Chief Entity	
		2002 $000	2001 $000	**2002 $000**	2001 $000
38.	**Employee Benefits**				
(a)	The aggregate employee benefit liability comprises of:				
	Accrued wages, salaries and on costs	**19,736**	18,245	**-**	-
	Provisions (current)	**56,848**	53,726	**-**	-
	Provisions (non current)	**9,487**	6,989	**-**	-
		86,071	78,960	**-**	-
	The following information relates to those amounts measured at their present value included in the aggregate employee benefit liability above.				
	(i) Weighted average of the assumed rates of increase in the provision of persons employed at year-end over the periods to settlement.	**2.9%**	2.9%	**-**	-
	(ii) Weighted average discount rate used to measure the provisions' present value.	**5.6%**	5.6%	**-**	-
(b)	Deferred employee benefit expense (share plan) - $000	**10,293**	-	**-**	-
	Weighted average discount rate used to measure present value	**7.0%**	-	**-**	-

39. Share Plan

Loans are made to employees to fund the on-market purchase of shares, are interest free, have no stipulated repayment period, are limited recourse and are repayable by application of dividends, sales of shares or upon termination. All permanent employees are eligible to participate in the plan. The Company assesses incremental loan offer entitlements in accordance with pre-established criteria based on remuneration levels. The number of shares that can be acquired under the plan is limited to 5% of issued ordinary share capital of Woodside Petroleum Ltd. Further information regarding the recoverability of this receivable is in Note 44.

Under the Plan 1,794 (2001: 1,641) employees were entitled to participate, 1,625 (2001: 1,579) were entitled to receive offers of loans of which 1,583 (2001: 1,573) accepted loans. In 2002, these loans were made in three offerings, of $45,041,655, $2,454,841 and $2,838,733 (2001: two offerings, of $35,335,698 and $6,103,284). This resulted in the acquisition of 3,238,404, 182,095 and 239,168 (2001: 2,333,590 and 454,157) ordinary shares at $13.91, $13.48 and $11.87 (2001: $15.14 and $13.44) per share respectively. At balance date, loans outstanding to employees total $138,550,401 (2001: $103,100,000).

40. Superannuation

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

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

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

	Woodside Superannuation Fund Defined Benefit category only (31/12/2001) $
Vested benefits	119,083,027
Accrued benefits	119,083,027
Net market value of fund assets	120,736,940
Surplus of net market value of fund assets over accrued benefits	1,653,913

During 2002, negative returns were experienced by investment markets and the Economic Entity made additional contributions to the defined benefit category, which have been expensed, to ensure that the Fund remained solvent.

41. Director Remuneration

(a) Directors

The Directors of Woodside Petroleum Ltd. during the year were, Mr C B Goode (Chairman), Mr J H Akehurst, Mr R E S Argyle, Ms J R Broadbent, Mr K A Dean, Mr B P T de Wit, Mr P J B Duncan, Mr E Fraunschiel, Dr P H Jungels, Dr A J Parsley, Dr P J B Rose, Mr R H Searby, Mr R A G Vines and Mr T N Warren.

(b) Directors' Income

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

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
	4,171	3,839	**4,171**	3,821

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

			2002 No.	2001 No.
$0	-	$ 9,999	**6**	3
$ 10,000	-	$ 19,999	**2**	1
$ 30,000	-	$ 39,999	**1**	-
$ 50,000	-	$ 59,999	**1**	-
$ 60,000	-	$ 69,999	**1**	1
$ 90,000	-	$ 99,999	**1**	-
$ 100,000	-	$ 109,999	**-**	2
$ 140,000	-	$ 149,999	**1**	-
$ 150,000	-	$ 159,999	**3**	1
$ 170,000	-	$ 179,999	**-**	1
$ 190,000	-	$ 199,999	**1**	1
$ 200,000	-	$ 209,999	**-**	2
$ 430,000	-	$ 439,999	**1**	-
$ 540,000	-	$ 549,999	**-**	1
$ 2,080,000	-	$ 2,089,999	**-**	1
$ 2,660,000	-	$ 2,669,999	**1**	-
			19	14

(c) Retirement Benefits

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

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
	-	-	**-**	-

42. Executive Remuneration

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

The remuneration disclosed below for 2002 has been changed to include the estimated annual value of the limited recourse value of the Share Plan loans in addition to the interest cost. 2001 comparatives include interest costs only.

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

	Economic Entity	
	2002 $000	2001 $000
	35,788	33,868

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

	Economic Entity			Economic Entity	
	2002 No.	2001 No.		**2002 No.**	2001 No.
$ 110,000 - $ 119,999	**1**	1	$ 440,000 - $ 449,999	**3**	-
$ 120,000 - $ 129,999	**1**	1	$ 450,000 - $ 459,999	**1**	-
$ 150,000 - $ 159,999	**1**	-	$ 460,000 - $ 469,999	**1**	2
$ 160,000 - $ 169,999	**1**	-	$ 470,000 - $ 479,999	**2**	2
$ 170,000 - $ 179,999	**1**	-	$ 490,000 - $ 499,999	**1**	-
$ 190,000 - $ 199,999	**1**	1	$ 500,000 - $ 509,999	**1**	1
$ 200,000 - $ 209,999	**-**	1	$ 530,000 - $ 539,999	**-**	1
$ 210,000 - $ 219,999	**1**	-	$ 540,000 - $ 549,999	**-**	1
$ 220,000 - $ 229,999	**4**	4	$ 560,000 - $ 569,999	**-**	2
$ 230,000 - $ 239,999	**2**	4	$ 570,000 - $ 579,999	**1**	1
$ 240,000 - $ 249,999	**4**	4	$ 580,000 - $ 589,999	**1**	1
$ 250,000 - $ 259,999	**2**	10	$ 590,000 - $ 599,999	**2**	-
$ 260,000 - $ 269,999	**6**	5	$ 600,000 - $ 609,999	**-**	1
$ 270,000 - $ 279,999	**9**	4	$ 620,000 - $ 629,999	**-**	1
$ 280,000 - $ 289,999	**4**	5	$ 630,000 - $ 639,999	**1**	2
$ 290,000 - $ 299,999	**3**	3	$ 640,000 - $ 649,999	**1**	1
$ 300,000 - $ 309,999	**3**	1	$ 670,000 - $ 679,999	**-**	1
$ 310,000 - $ 319,999	**4**	1	$ 680,000 - $ 689,999	**-**	2
$ 320,000 - $ 329,999	**-**	1	$ 710,000 - $ 719,999	**1**	-
$ 330,000 - $ 339,999	**-**	1	$ 730,000 - $ 739,999	**2**	-
$ 340,000 - $ 349,999	**2**	-	$ 810,000 - $ 819,999	**1**	-
$ 350,000 - $ 359,999	**2**	2	$ 840,000 - $ 849,999	**1**	-
$ 360,000 - $ 369,999	**1**	1	$ 860,000 - $ 869,999	**-**	1
$ 370,000 - $ 379,999	**2**	2	$ 930,000 - $ 939,999	**1**	-
$ 380,000 - $ 389,999	**-**	3	$ 1,130,000 - $ 1,139,999	**1**	-
$ 390,000 - $ 399,999	**1**	2	$ 1,260,000 - $ 1,269,999	**-**	1
$ 400,000 - $ 409,999	**4**	3	$ 1,270,000 - $ 1,279,999	**1**	-
$ 420,000 - $ 429,999	**2**	2	$ 2,080,000 - $ 2,089,999	**-**	1
$ 430,000 - $ 439,999	**1**	2	$ 2,660,000 - $ 2,669,999	**1**	-
				87	86

43. Related Party Disclosures

(a) Loans to Non-Executive Directors

There are no loans to non-executive Directors (2001: Nil)

(b) Loans to Executive Directors

Loans are provided by Woodside Petroleum Ltd. to executive Directors within the Economic Entity under the terms of the Woodside Employee Share Plan (see Note 39) and are on the same terms and conditions available to other employees.

During the year, loans totalling $7,938,668 (2001: $8,044,903) were advanced to the following executive Directors within the Economic Entity: Messrs J H Akehurst, B Adams, D R Adams, DW Bailey, A Brooks, R E Cargeeg, R L Fisher, D Gentili, T Gieve, J Hamilton, R Howard-Smith, A J Kantsler, E R Kennedy, A Maiden, D Martin, M S Platt, N G Rogerson, M S Sandman, D K Spector, K Spence, I Thewlis and C F Visaggio. Repayments totalling $1,613,355 (2001: $2,565,158) were made by the following executive Directors within the Economic Entity: J H Akehurst, B Adams, D R Adams, J Anderton, DW Bailey, A Brooks, R E Cargeeg, R A Carroll, G Catalano, C J Cronin, R L Fisher, D Gentili, T Gieve, P Gipson, J Hamilton, R Howard-Smith, R Jones, A J Kantsler, E R Kennedy, A Maiden, D Martin, M S Platt, N G Rogerson, M S Sandman, J Schneider, D K Spector, K Spence, I Thewlis and C F Visaggio.

At balance date, loans advanced by Woodside Petroleum Ltd. to the executive Directors within the Economic Entity were $23,915,055 (2001: $17,987,581).

(c) Directors' Shareholdings

During the year, Directors of the Chief Entity and their Director-related entities acquired 111,438 (2001: 121,998) ordinary shares in Woodside Petroleum Ltd. Directors and Director-related entities acquired 73,101 (2001: 121,498) ordinary shares under the terms of the Woodside Employee Share Plan with the remaining shares acquired on-market.

Following approval at the 2000 Annual General Meeting, the Economic Entity implemented the Non-Executive Directors' Share Plan (NEDSP) in the current year. Under the terms of the NEDSP, Non-Executive Directors may elect to receive part of their remuneration in shares in the company. These shares are acquired via on market purchases. During the course of the 2002 financial year the following numbers of shares were acquired via the NEDSP:

	Ordinary Shares Acquired (number)
J R Broadbent	2,536
C B Goode	7,251

The Directors of Woodside Petroleum Ltd. as disclosed in Note 41 and their Director-related entities held the following number of ordinary shares at the reporting date (including those acquired under the NEDSP):

	Ordinary Shares Fully Paid			
	Held as at 31 December 2001	**Acquired in 2002**	**Disposed in 2002**	**Held as at 31 December 2002**
C B Goode	100,000	**7,251**	**-**	**107,251**
J H Akehurst	586,177	**73,101**	**-**	**659,278**
R E S Argyle	11,900	**4,400**	**-**	**16,300**
J R Broadbent	30,000	**2,536**	**-**	**32,536**
K A Dean	1,000	**-**	**-**	**1,000**
E Fraunschiel	-	**20,000**	**-**	**20,000**
P J B Rose	4,000	**-**	**-**	**4,000**
R A G Vines	7,400	**4,150**	**-**	**11,550**

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

Mr Tim Warren is, and Dr Alan Parsley was a, Director of Shell Australia Ltd. Dealings between the Economic Entity and Shell Australia Ltd. and related companies are identified in (f) below.

A Director related entity of JH Akehurst received $51,939 (2001: $121,639) for HR consultancy services on normal commercial terms and conditions.

Mr John Cogan and Mr Philip Weems are directors of certain entities in the Economic Entity as well as partners in the law firm King & Spalding. During the course of the 2002 financial year, King & Spalding provided legal services to the Economic Entity. These services were provided on normal commercial terms and conditions and amount to US$1,532,642 (2001: Nil). At year end the amount outstanding in relation to these services was US$19,802 (2001: Nil).

43. Related Party Disclosures (Continued)

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

A number of Directors of Woodside Petroleum Ltd. hold positions in other companies. It is not considered that the relevant Directors as individuals exercise control over those companies or have the capacity to significantly influence the financial or operating policies of those companies. Those companies, are therefore not considered to be Director-related entities in terms of AASB 1017 Related Party Disclosures. However, the following is a description of relevant relationships and a summary of material dealings between relevant companies and the Economic Entity:

- Mr Charles Goode is the Chairman and a non-executive Director of the ANZ Banking Group Limited. Companies within the Economic Entity during 2002 have engaged services from the ANZ Banking Group Limited on normal commercial terms and conditions.

(e) Transactions with Related Parties in the Wholly Owned Group

Dividends, interest received/receivable and diminution in value of investments in subsidiaries are as per Note 4. Amounts owing by controlled entities in Note 9 are inter-company current balances that attract interest at commercial rates. Amounts owing by controlled entities in Note 13 are long term interest free inter-company advances. Amounts owing to controlled entities in Note 29 are long term interest free inter-company advances.

(f) Other Related Party Transactions

Shell Australia Limited ("Shell") is deemed a related party through its 34.27% interest (228,456,275 ordinary shares) in the shareholding of Woodside Petroleum Ltd. ("Woodside"). Shell and Woodside have common interests in joint ventures (refer Note 46).

During the year petroleum products totalling $5,282,000 (2001: $7,658,000) were purchased from Shell by the Economic Entity in its own right or as operator of various joint ventures. These transactions were on normal commercial terms and conditions. At year-end the liability outstanding to Shell in relation to these purchases was $315,000 (2001: $289,000).

The Economic Entity did not enter into any venture interest transactions with Shell in 2002 (2001: Nil).

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

(g) Relationship with Royal Dutch/Shell Group

Shell Australia Limited ("Shell") is a member of the Royal Dutch/Shell Group. Companies within the Royal Dutch/Shell Group provide the Economic Entity with various technical services, technology, research and information networks and secondment of management and technical staff. The value of these various services to the Economic Entity was $13,573,000 (2001: $20,959,000). The Economic Entity purchased oil and gas products for sale to third parties to the value of $29,501,000 (2001: $nil) from members of the Royal Dutch/Shell Group on normal commercial terms and conditions. At year-end the trade creditor outstanding in relation to these purchases was $nil (2001: $nil). The Economic Entity sold $565,445,000 (2001: $709,990,000) of oil and gas products to members of the Royal Dutch/Shell Group on normal commercial terms and conditions. At year-end the trade receivable outstanding in relation to these sales was $22,832,000 (2001: $53,036,000).

44. Contingent Liabilities

(a) The Economic Entity has guarantees of $4,000,000 (2001: $3,500,000) in place in relation to workers' compensation.

(b) Woodside Petroleum Ltd., together with certain of its controlled entities have guaranteed the discharge by Woodside Finance Ltd. of its financial obligations under debt facilities mentioned in Note 35. See Note 49 regarding deed of cross guarantee.

(c) In accordance with the terms and conditions of the employee share plan (see Note 39) loans to employees are non-recourse. The Economic Entity is therefore potentially exposed to losses on termination of employees dependent upon the market value of the shares at that time. Due to the change of accounting policy referred to in Note 2 (d), the value of the interest-free benefit and non-recourse benefit attached to the loans has been recognised in the balance sheet as a deferred employee benefit expense (refer Note 21).

(d) To meet requirements of the Australian Petroleum Submerged Lands Act (PSLA), Woodside may be exposed to the cost of removing a number of remaining wellheads from the seabed, these relate to exploration wells drilled predominantly in the 1970's. The potential cost of these activities is estimated at between $20 million and $25 million. (2001 $20 million and $25 million).

	Economic Entity 2002 $000	Economic Entity 2001 $000	Chief Entity 2002 $000	Chief Entity 2001 $000
45. Auditor Remuneration				
Amounts received or due and receivable by the auditors for:				
Auditing of financial report	**650**	362	**35**	20
Other assurance/advisory services	**100**	-	**-**	-
Mergers and acquisitions due diligence assurance support				
• Ernst & Young Australia	**1,341**	1,984	**-**	-
• Related practice contracted via Ernst & Young Australia	**1,181**	233	**-**	-
Takeover response support	**-**	1,221	**-**	-
Fundraising due diligence	**-**	300	**-**	-
Other accounting services	**205**	274	**-**	-
	3,477	4,374	**35**	20

46. Joint Ventures

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

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

46. Joint Ventures (Continued)

	Ownership Interest %	Related Party %		Ownership Interest %	Related Party %
Carnarvon Basin		Exploration for hydrocarbons			
WA-28-P (incl. related retention lease areas)	16.7	16.7			
WA-1-P	45.94	-	WA-269-P	80.0	-
WA-20-L	45.94	-	WA-293-P	80.0	-
WA-191-P	8.2	-	WA-294-P	16.0	18.0
WA-205-P	5.0	-	WA-296-P	14.3	16.7
WA-208-P	44.0	23.6	WA-297-P	16.0	18.0
WA-248-P	80.0	-	WA-299-P	1.0	99.0
WA-254-P (P2)	17.1	-	WA-300-P	1.0	99.0
WA-254-P (P1,3,4)	24.4	-			
Browse Basin		Exploration for hydrocarbons			
WA-33-P	50.0	8.3	WA-242-P	66.7	-
EP 36	50.0	8.3	WA-275-P	25.0	15.0
TP/4	50.0	8.3			
Timor Sea		Exploration for hydrocarbons			
AC/P4	80.0	-	WA-279-P	35.0	35.0
AC/P8	85.0	15.0	WA-280-P	35.0	35.0
AC/L5	50.0	25.0	WA-313-P	33.3	33.3
AC/P17	30.0	-	ZOCA 91-01	40.0	-
NT/RL2	35.0	25.0	ZOCA 94-07	10.0	90.0
NT/P49	33.3	66.7	ZOCA 95-19	27.7	32.3
NT/P55	26.7	33.3	ZOCA 96-20	26.7	33.3
NT/P57	60.0	10.0			
Great Australian Bight		Exploration for hydrocarbons			
EPP27	90.0	-	EPP30	40.0	-
EPP28	40.0	-	EPP31	40.0	-
EPP29	40.0	-			
Victoria (Gippsland, Otway)		Exploration for hydrocarbons			
VIC/RL2	30.0	-	T/30P	50.0	-
VIC/P43	55.0	-			
West Africa		Exploration for hydrocarbons			
Mauritania Area A	35.0	-	Mauritania Area C (Block C2)	48.0	-
Mauritania Area B	35.0	-	Mauritania Area C (Block C6)	37.6	-
Mauritania Block 7	35.0	-	Canary Islands Canarias-1 to 9	30.0	-
Papua New Guinea		Exploration for hydrocarbons			
PPL-218	50.0	-			
Algeria		Exploration and development of hydrocarbons			
Ohanet Risk Service Contract	15.0	-	ALG-401D	35.0	-
Gulf of Mexico		Exploration for hydrocarbons			
WR123	33.3	-	AT371	25.0	-
WR37	33.3	-	AT370	25.0	-
WR81	33.3	-	KC287	16.25	-
KC301	33.3	-	MC294	12.5	-
KC302	33.3	-	MC338	12.5	-
GC246	33.3	-	MC339	12.5	-
AT40	33.3	-	GC410	12.5	-
MC1008	33.3	-	GB935	12.5	-
KC387	33.3	-	GB936	12.5	-
KC388	33.3	-	GB937	12.5	-
KC431	33.3	-	GB979	12.5	-
KC434	33.3	-	KC478	33.3	-
KC477	33.3	-	KC155	19.74	-

46. Joint Ventures (Continued)

	Ownership Interest %	Related Party %		Ownership Interest %	Related Party %
KC199 N/2	26.3	-	AC73	16.25	-
KC199 S/2	13.0	-	AC117	16.25	-
AC946	16.25	-	GB563	16.67	-
GC688	25.0	-	WR342	33.33	-
AT279	16.67	-	GC648	25.0	-
GC1001	25.0	-	MC449	25.0	-
GC388	25.0	-	MC554	2.75	-
AT95	40.0	-	MC447	25.0	-
WR77	6.78	-	MC555	2.75	-
GC283	12.5	-	MC598	2.75	-
GC284	12.5	-	MC599	2.75	-
AT573	20.0	-	AT488	16.7	-
AT574	20.0	-	WR122	6.78	-
AT575	20.0	-	WR165	6.78	-
AT617	20.0	-	WR166	6.78	-
AT618	20.0	-	AM91	33.33	-
AT445	16.7	-	AM92	33.33	-
AT446	16.7	-	AM93	33.33	-
AT489	16.7	-	WR121	6.78	-
AT490	16.7	-	KC467	15.0	-
AT491	16.7	-	KC598	15.0	-
AT534	16.7	-	MC993	45.0	-
KC511	15.0	-	AC445	45.0	-
KC512	15.0	-	AC489	45.0	-
KC555	15.0	-	AC490	45.0	-
KC599	15.0	-	AC533	45.0	-
GC328	12.5	-	AC534	45.0	-

	Economic Entity		Chief Entity	
	2002 $000	2001 $000	**2002 $000**	2001 $000
(b) The aggregate of the Economic Entity's interest in the assets employed in all joint venture operations is:				
Current Assets				
Receivables	**30,048**	66,043	**-**	-
Inventories	**39,382**	34,963	**-**	-
	69,430	101,006	**-**	-
Non Current Assets				
Exploration and evaluation	**203,457**	1,104,747	**-**	-
Oil and gas properties	**2,849,639**	2,530,446	**-**	-
Inventories	**12,364**	4,365	**-**	-
	3,065,460	3,639,558	**-**	-
Total Joint Venture Assets	**3,134,890**	3,740,564	**-**	-
(c) The aggregate of the Economic Entity's commitments through joint venture operations is:				
Commitments				
Operating lease	**30,186**	50,433	**-**	-
Capital	**167,815**	252,110		
Other expenditures	**242,364**	230,374	**-**	-
	440,365	532,917	**-**	-

46. Joint Ventures (Continued)

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

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

These entities exist as integrated components of the overall North West Shelf Joint Ventures structure and are held proportionally with the other venturers. There have been no changes to the investment in these entities in the period. There are no material impacts of entity assets, liabilities, revenues, expenses or retained earnings upon the Woodside Economic Entity. All relevant commitments arising through these entities are included in disclosures in Note 37.

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

Partnership	Principal Activities	Economic Entity Ownership Interest 2002 %	2001 %
Adesi Solutions	Provision of SAP support services	**50.0**	50.0

	2002 $000	2001 $000
Share of the joint venture partnership profits:		
Revenues	**3,297**	5,031
Expenses	**(2,970)**	(3,772)
Operating profits	**327**	1,259
Carrying amount of investment in joint venture partnership:		
Balance at the beginning of financial year	**1,811**	552
Distribution of partnership profits	**(1,750)**	-
Share of profits	**327**	1,259
Balance at the end of financial year	**388**	1,811
Amount of retained profits of the Economic Entity attributable to joint venture partnership:		
Balance at the beginning of financial year	**1,245**	364
Share of profits	**229**	881
Balance at the end of financial year	**1,474**	1,245

(f) Details regarding joint venture contingent liabilities are in Note 44.

	Name	Principal Activities	Economic Entity Ownership Interest 2002 %	2001 %
47.	**Associated Entities**			
	Ceramic Fuel Cells Ltd.	Fuel cell research and development	**31.8**	36.9
	HR Connect Pty. Ltd.	Recruitment and personnel agency	**33.3**	33.3
	North West Utilities Pty. Ltd.	Investment in power generation capacity	**46.0**	46.0
	Geodynamics Ltd.	Hot dry rocks technology	**31.6**	-

	2002 $000	2001 $000
Share of Associates' profits/(losses)		
Operating profits/(losses) after income tax	**(6,633)**	(3,843)
Adjusted for recoverable amount write down of assets in Associates	**-**	-
Share of Associates' net profits/(losses)	**(6,633)**	(3,843)
Carrying amount of investment in Associates		
Balance at beginning of financial year	**31,212**	-
Investment now recognised as an Associate	**-**	20,000
Carrying amount of investment in Associates acquired during the year	**4,700**	15,055
Share of Associates' net profits/(losses) for the year	**(6,633)**	(3,843)
Carrying amount of investment in Associates at the end of the year	**29,279**	31,212
Amount of retained profits of the Economic Entity attributable to Associates		
Balance at the beginning of financial year	**(6,087)**	(2,244)
Share of profits/(losses)	**(6,633)**	(3,843)
Balance at the end of financial year	**(12,720)**	(6,087)

48. Segment Reporting

(a) Business Segments

The Economic Entity has the following reportable segments.

North West Shelf Ventures

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

Australian Oil

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

Group and Unallocated

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

(b) Geographical Segments

The Economic Entity's divisions operate in two main geographical segments.

Australia

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

Asia

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

Other

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

48. Segment Reporting (Continued)

Segment accounting policies

Segment accounting policies are the same as the Economic Entity's policies described in Notes 1, 2 and 3.

Primary Reporting – Business Segments

	North West Shelf Ventures		Australian Oil		Group and Unallocated		Consolidated	
	2002 $000	2001 $000	**2002 $000**	2001 $000	**2002 $000**	2001 $000	**2002 $000**	2001 $000
Revenue								
Revenue from oil & gas operations	**1,466,739**	1,462,750	**773,864**	935,555	**-**	-	**2,240,603**	2,398,305
Cost of Sales								
Production costs	**(123,548)**	(117,246)	**(65,309)**	(70,528)	**-**	-	**(188,857)**	(187,774)
Royalties, Excise and PRRT	**(190,980)**	(205,183)	**(162,201)**	(122,140)	**-**	-	**(353,181)**	(327,323)
Shipping and marketing	**(106,058)**	(84,135)	**(972)**	(13,840)	**-**	-	**(107,030)**	(97,975)
Depreciation and amortisation	**(113,794)**	(129,937)	**(162,019)**	(213,755)	**-**	-	**(275,813)**	(343,692)
Restoration provision	**(14,104)**	(14,203)	**(7,981)**	(4,385)	**-**	-	**(22,085)**	(18,588)
Total cost of sales	**(548,484)**	(550,704)	**(398,482)**	(424,648)	**-**	-	**(946,966)**	(975,352)
Gross Profit	**918,255**	912,046	**375,382**	510,907	**-**	-	**1,293,637**	1,422,953
Other revenue	**3,732**	20,232	**7,868**	9,939	**84,510**	258,311	**96,110**	288,482
Share of net profit of equity accounted associates	**-**	-	**-**	-	**(6,306)**	(2,584)	**(6,306)**	(2,584)
Borrowing costs expensed	**(602)**	-	**-**	-	**(78,033)**	(102,766)	**(78,635)**	(102,766)
Other expenses from ordinary activities	**(103,377)**	(45,081)	**(291,187)**	(10,580)	**(842,513)**	(289,664)	**(1,237,077)**	(345,325)
Segment result	**818,008**	887,197	**92,063**	510,266	**(842,342)**	(136,703)	**67,729**	1,260,760
Income tax expense							**(159,721)**	(351,207)
Net profit/(loss)							**(91,992)**	909,553
Segment Assets	**2,524,445**	2,788,660	**560,843**	1,076,659	**1,925,280**	2,249,547	**5,010,568**	6,114,866
Segment Liabilities	**385,823**	297,592	**314,830**	183,678	**1,989,533**	3,079,422	**2,690,186**	3,560,692
Other segment information								
Associates & other investments	**-**	-	**-**	-	**129,448**	235,030	**129,448**	235,030
Acquisition of oil & gas property assets, intangible assets and other non-current assets (excluding exploration)	**161,670**	129,755	**124,817**	89,609	**195,581**	291,926	**482,068**	511,290
Non-cash expenses other than depreciation and amortisation	**73,143**	50,677	**351,165**	98,855	**826,653**	256,583	**1,250,961**	406,115

Secondary Reporting – Geographical Segments

	Australia		Asia		Other		Consolidated	
	2002 $000	2001 $000	**2002 $000**	2001 $000	**2002 $000**	2001 $000	**2002 $000**	2001 $000
Segment Revenue	**296,416**	441,508	**1,690,976**	1,768,734	**253,211**	188,063	**2,240,603**	2,398,305
Segment Assets	**4,145,221**	5,261,213	**233,877**	269,879	**631,470**	583,774	**5,010,568**	6,114,866
Other Segment Information								
Acquisition of oil & gas property assets, intangible assets and other non-current assets	**338,515**	306,707	**-**	-	**143,553**	204,583	**482,068**	511,290

49. Controlled Entities

All controlled entities are 100% owned

Chief Entity
Woodside Petroleum Ltd. (c)

Controlled Entities

- Woodside Energy Ltd. (c)
  - Woodside Energy Holdings Pty. Ltd.
    - Woodside Energy Holdings (USA) Inc.
      - Woodside Insurance Inc. (b)
      - Woodside Energy (USA) Inc.
        - Woodside Energy (North Africa) Inc.
  - Woodside Eastern Energy Pty. Ltd.
  - Woodside Petroleum (Timor Sea 7) Pty. Ltd.
  - Woodside Energy (Senegal) Pty. Ltd.
  - Woodside Energy (Algeria) Pty. Ltd.
  - Woodside SSW Solutions Pty. Ltd.
  - Woodside Petroleum (NEDSP) Pty. Ltd.
  - Woodside Technical Services Pty. Ltd.
  - Woodside Mauritania Pty. Ltd.
  - Metasource Pty. Ltd.
    - Woodside West Kimberley Energy Pty. Ltd.
  - Woodside Energy Holdings (Guangdong LNG) Pty. Ltd.
    - Guangdong LNG Technical Services Pty. Ltd.
  - Woodside Mauritania Investments Pty. Ltd.
  - Woodside Energy Holdings (UK) Pty. Ltd.
    - Woodside Energy (UK) Ltd.
      - Woodside Energy (Iberia) SA (b)
      - Woodside Energy (NA) Ltd (b)
  - Woodside Energy (Iran) Pty. Ltd.
    - Woodside Quest Energy Pty. Ltd.
- Woodside Petroleum Development Pty. Ltd. (c)
- Mid-Eastern Oil Ltd. (c)
- Woodside Finance Ltd.
- Woodside Holdings Pty. Ltd.
- Woodside Petroleum Holdings Pty. Ltd.
- Woodside Petroleum (Timor Sea 1) Pty. Ltd.
- Woodside Petroleum (Timor Sea 3) Pty. Ltd.
- Woodside Petroleum (Timor Sea 4) Pty. Ltd.
- Woodside Petroleum (Timor Sea 19) Pty. Ltd.
- Woodside Petroleum (Timor Sea 20) Pty. Ltd.
- Woodside Petroleum (PNG) Pty. Ltd.
- Woodside South East Asia Pty. Ltd.
- Australia LNG Pty. Ltd.
- Mermaid Sound Port and Marine Services Pty. Ltd.
- Woodside Development Asia Pty. Ltd.
- Woodside Executive Superannuation Fund Pty. Ltd.
- Woodside Financial Services Ltd.
- Woodside Group Staff Superannuation Pty. Ltd.
- Woodside LNG Pty. Ltd.
- Woodside Offshore Petroleum Pty. Ltd.
- Woodside Petroleum (Northern Operations) Pty. Ltd.
- Woodside Petroleum (W.A. Oil) Pty. Ltd.
- Glyde Point Pty Ltd.

49. Controlled Entities (Continued)

(a) All controlled entities are incorporated in Australia other than Woodside Energy Holdings (USA) Inc., Woodside Energy (USA) Inc., Woodside Energy (North Africa) Inc. and Woodside Insurance Inc. which are incorporated in Delaware USA, Woodside Energy (UK) Ltd. and Woodside Energy (NA) Ltd. which are incorporated in UK and Woodside Energy (Iberia) SA which is incorporated in Spain.

(b) Entities incorporated during the year were Woodside Insurance Inc. (13 June 2002), Woodside Energy (NA) Ltd. (4 April 2002), and Woodside Energy (Iberia) SA (8 October 2002).

(c) Pursuant to Class Order 98/1418, relief has been granted to these controlled entities of Woodside Petroleum Ltd. from the Corporations Act 2001 requirements for preparation, audit and publication of accounts. As a condition of the Class Order, Woodside Petroleum Ltd. and the controlled entities subject to the Class Order, Woodside Energy Ltd., Woodside Petroleum Development Pty. Ltd. and Mid-Eastern Oil Ltd., are parties to a deed of cross guarantee. The effect of the deed is that Woodside Petroleum Ltd. has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that Woodside Petroleum Ltd. is wound up.

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

	2002 $000	2001 $000
Consolidated financial performance		
Operating profit before income tax	**192,161**	1,217,801
Income tax attributable to operating profit	**(155,084)**	(339,355)
Operating profit/(loss) after income tax	**37,077**	878,446
Retained profits at the beginning of the financial year	**1,635,140**	1,223,361
Transfer from Capital Profits Reserve	**81,907**	-
Dividend provided for or paid	**(140,000)**	(466,667)
Retained profits at the end of the financial year	**1,614,124**	1,635,140

49. Controlled Entities (Continued)

Consolidated Statement of Financial Position

	2002 $000	2001 $000
Current assets		
Cash	**1,921**	6,762
Receivables	**520,996**	503,057
Inventories	**39,382**	34,963
Other financial assets	**100,675**	171,663
Other assets	**21,093**	41,556
Total current assets	**684,067**	758,001
Non-current assets		
Receivables	**347,016**	351,317
Inventories	**12,364**	4,365
Other financial assets	**318,545**	380,788
Exploration & evaluation	**542,633**	1,425,240
Oil & gas properties	**2,872,727**	2,533,744
Other plant & equipment	**79,277**	57,230
Tax assets	**649**	401
Other assets	**345,341**	514,254
Total non-current assets	**4,518,552**	5,267,339
Total assets	**5,202,619**	6,025,340
Current liabilities		
Payables	**502,449**	316,265
Interest bearing liabilities	**–**	67,125
Current tax liabilities	**111,249**	100,271
Provisions	**56,846**	360,395
Other liabilities	**115,409**	204,036
Total current liabilities	**785,953**	1,048,092
Non-current liabilities		
Interest bearing liabilities	**1,429,580**	1,662,104
Deferred tax liabilities	**463,012**	637,946
Provisions	**123,345**	98,423
Other liabilities	**78,314**	153,437
Total non-current liabilities	**2,094,251**	2,551,910
Total liabilities	**2,880,204**	3,600,002
Net assets	**2,322,415**	2,425,338
Shareholders' equity		
Share capital	**708,291**	708,291
Reserves	**–**	81,907
Retained profits	**1,614,124**	1,635,140
Total shareholders' equity	**2,322,415**	2,425,338

DIRECTORS' DECLARATION

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

(a) the financial report and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2002 and of their performance for the year ended on that date; and

   (ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 49 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors.

Chairman

Melbourne, 20 February 2003

Managing Director

INDEPENDENT AUDIT REPORT

To the members of Woodside Petroleum Ltd.

Scope

We have audited the financial report of Woodside Petroleum Ltd. for the financial year ended 31 December 2002, as set out on pages 2 to 50, including the Directors' Declaration. The financial report includes the financial statements of Woodside Petroleum Ltd., and the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

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

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

Audit Opinion

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

(a) the Corporations Act 2001 including:

  (i) giving a true and fair view of the c ompany's and consolidated entity's financial position as at 31 December 2002 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

Ernst & Young

J P Dowling
Partner

Perth
Date: 20 February 2003

SHAREHOLDING INFORMATION

As at 7 February 2003

1. Number of Shareholders

There were 68,066 shareholders. All issued shares carry voting rights on a one for one basis.

2. Distribution of Shareholding

Size of Shareholding	Number of Shareholders	% of Holders	Number of Shares	% of Shares
1- 1,000	40,312	59.23	22,469,634	3.37
1,001 - 5,000	23,358	34.31	53,198,348	7.98
5,001 - 10,000	2,761	4.06	20,081,066	3.01
10,001 - 100,000	1,502	2.20	34,150,134	5.12
100,001 and over	133	0.20	536,767,485	80.52
Total	68,066	100.00	666,666,667	100.00

3. Unmarketable Parcels

There were 635 members holding less than a marketable parcel of shares in the Company.

4. Listing

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

5. Twenty Largest Shareholders

	Shares Held	% of Issued Capital
Shell Australia Limited	228,456,275	34.27
JPMorgan Nominees Australia Limited	58,205,430	8.73
National Nominees Ltd.	55,132,423	8.27
Westpac Custodian Nominees Limited	44,012,211	6.60
ANZ Nominees Limited	16,368,288	2.46
Citicorp Nominees Pty Ltd	12,656,526	1.90
Commonwealth Custodial Services Limited	10,955,805	1.64
Queensland Investment Corporation	10,340,744	1.55
AMP Life Limited	8,612,206	1.29
HSBC Custody Nominees (Australia) Limited	6,810,203	1.02
MLC Limited	5,852,587	0.88
NRMA Nominees Pty Limited	4,914,870	0.74
Cogent Nominees Pty Ltd.	4,566,299	0.68
RBC Global Services Australia Nominees Pty. Limited (BKCUST A/C)	3,854,090	0.58
Westpac Financial Services Ltd	3,637,704	0.55
The National Mutual Life Association of Australasia Ltd.	2,700,584	0.41
Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund A/C)	2,502,890	0.38
Australian Foundation Investment Company Limited	1,950,000	0.29
UBS Warburg Private Clients Nominees Pty Ltd	1,732,617	0.26
RBC Global Services Australia Nominees Pty Ltd (PI Pooled A/C)	1,704,273	0.26
Total	484,966,025	72.76

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

Shell Australia Limited	228,456,275	34.27%

6. Geographic Location of Shareholders by Registered Address

	Number of Shareholders	Number of Shares
Australian Capital Territory	1,442	2,450,598
New South Wales	16,714	212,564,983
Northern Territory	296	402,135
Queensland	6,883	23,937,497
South Australia	4,402	7,626,196
Tasmania	1,241	2,009,235
Victoria	20,614	380,158,712
Western Australia	12,311	29,697,671
Total Australia	63,903	658,847,027
New Zealand	1,132	2,529,285
United Kingdom	1,966	2,713,508
United States	207	390,171
Other	858	2,186,676
Total	68,066	666,666,667

Business Directory

Woodside Petroleum Ltd.

1 Adelaide Terrace
Perth WA 6000
Telephone: (61) 8 9348 4000
Facsimile: (61) 8 9325 8178

www.woodside.com.au

Australia

Darwin

NT House
Level 8
22 Mitchell Street
Darwin NT 0800
Telephone: (61) 8 8980 2700
Facsimile: (61) 8 8980 2710

Offshore Logistics Supply Base

8 Hamaura Road
Berrimah NT 0828
Telephone: (61) 8 8922 1700
Facsimile: (61) 8 8922 1705

Karratha

Burrup Peninsula
Karratha WA 6714
Telephone: (61) 8 9348 4000
Facsimile: (61) 8 9158 8000

Melbourne

Level 9
313 La Trobe Street
Melbourne VIC 3000
Telephone: (61) 3 9252 2000
Facsimile: (61) 3 9252 2099

International

Houston

Woodside Energy (USA) Inc.
1980 Post Oak Blvd, Suite 1650
Houston Texas 77056 USA
Telephone: (1) 713 963 8490
Facsimile: (1) 713 969 8868

London

Woodside Energy (UK) Ltd
35 Piccadilly
London WIJ ODW UK
Telephone: (44) 20 7734 5594
Facsimile: (44) 20 7734 4561

Insight Communication & Design