Delivering value through **Australian** innovation and a global focus
Shareholder Information

For detailed shareholder information, please refer to page 81 of this report.

Key shareholder contacts are:

Woodside Petroleum Ltd.
ABN 55 004 898 962
Woodside Plaza
240 St Georges Terrace
Perth, Western Australia 6000
Telephone: (+61) 8 9348 4000
Facsimile: (+61) 8 9214 2777
Website: www.woodside.com.au

Company Share Registry
Computershare Investor Services Pty. Limited
GPO Box D182
Perth, Western Australia 6840
Telephone: (+61) 3 9415 5000 (outside Australia)
1300 557 010 (within Australia)
Facsimile: (+61) 8 9323 2033
Email: web.queries@computershare.com.au
Website: www.computershare.com

Annual General Meeting

The 35th Annual General Meeting of Woodside Petroleum Ltd. will be held at the Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia on Tuesday, 11 April 2006 at 10am (AWST).

2005 Health, Safety, Environment and Community Report

Woodside will publish a Health, Safety, Environment and Community Report in April 2006, detailing its achievements and challenges for 2005. This report will be available on request or from the company’s website (www.woodside.com.au).
About this Report

This Concise Annual Report 2005 is a summary of Woodside’s activities and financial position.

In this document, the use of “this report” refers to the Concise Annual Report 2005.

Woodside Petroleum Ltd. is the parent company of the Woodside group of companies. In this report, unless specified otherwise, references to “Woodside” and “the group” refer to Woodside Petroleum Ltd. and its controlled entities, as a whole, and references to “the company” refer to Woodside Petroleum Ltd. Unless specified otherwise, the text does not distinguish between the activities of the parent company and those of its controlled entities.


Reference in this report to a “year” is to the calendar year ended 31 December 2005 unless otherwise stated. All dollar figures are expressed in Australian currency unless otherwise stated.

Key abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>bbl</td>
<td>Barrels</td>
</tr>
<tr>
<td>LNG</td>
<td>Liquefied Natural Gas</td>
</tr>
<tr>
<td>LPG</td>
<td>Liquefied Petroleum Gas</td>
</tr>
<tr>
<td>MMbbl</td>
<td>Million barrels</td>
</tr>
<tr>
<td>MMboe</td>
<td>Million barrels of oil equivalent. This is a standard measure used to convert oil and gas product volumes to allow comparison.</td>
</tr>
<tr>
<td>MMBtu</td>
<td>Million British thermal units</td>
</tr>
<tr>
<td>Bcf</td>
<td>Billion cubic feet</td>
</tr>
<tr>
<td>PJ</td>
<td>Petajoules</td>
</tr>
<tr>
<td>Mt</td>
<td>Million tonnes</td>
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</table>
Achievements

The company’s reported net profit after tax for 2005 of $1,107.4 million was 3.4% less than the 2004 reported net profit of $1,146.4 million.

The 2004 profit had been positively affected by significant items totalling $474.6 million, largely as a consequence of the sale of 40% of Enfield oil and related permits. In addition, the 2004 figure has been restated upwards to conform with the Australian Equivalents of International Financial Reporting Standards.

The 2005 reported net profit after tax included significant items totalling $69.7 million relating to the sale of Blacktip gas and associated permits and the sale of shares in Hardman Resources Ltd.

Underlying net profit after tax of $1,037.7 million (before significant items) was a record and 54.5% higher than the 2004 underlying profit of $671.8 million, resulting from higher product prices and, to a lesser extent, increased production.

Production for the year totalled 59.7 MMboe, despite temporary shutdowns of the fourth processing train at the North West Shelf Venture’s liquefied natural gas plant and production interruptions at the Northern Endeavour and Cossack Pioneer facilities. The 2005 production was 4% higher than 2004 and exceeded Woodside’s initially stated target of 56.6 MMboe and its revised stated target of at least 59.0 MMboe.

Woodside’s 2005 revenue was a record $2,746.7 million, up 29.3% on 2004, primarily due to higher commodity prices. Woodside’s average realised oil price for 2005 was $72.88 per barrel, 34.5% higher than the $54.19 per barrel realised in 2004.

The record net operating cash flow of $1,714.7 million was 17.4% higher than that of 2004 ($1,480.2 million) largely in response to significantly higher revenue in 2005.

Dividends

The Directors declared a fully-franked final dividend of 58 cents a share (32 cents a share in 2004). The dividend will be paid on 22 March 2006 and will lift the full-year dividend to 93 cents a share, compared with 59 cents a share in 2004.

Governance

During 2005, the company continued to refine and update its policies and procedures.

A statement detailing compliance with the ASX Corporate Governance Council’s Principles of Good Corporate Governance and Best Practice Recommendations is on pages 43 to 47 of this report.

The Remuneration Report is on pages 51 to 60 of this report.

We will release the 2005 Health, Safety, Environment and Community Report in April 2006.
During 2005, Woodside formally joined the Extractive Industries Transparency Initiative, a drive to increase transparency in transactions between governments and companies within extractive industries.

**Directors**

In February 2005, Shell-nominated non-executive Director Mr Peter de Wit resigned from the Board and was replaced by Shell nominee Dr Andrew Jamieson.

In September 2005, Mr David McEvoy and Dr Ashton Calvert were appointed to the Board as non-executive Directors.

Dr John Rose retired on 12 September 2005 and Mr Rory Argyle announced his intention to retire after the Annual General Meeting on 11 April 2006.

In November 2005, Mr Michael Chaney was appointed to the Board as non-executive Director. It is my intention to retire from the Board in mid-2007, and Mr Chaney will assume the position of Chairman.

In December 2005, Woodside announced that Mr Tim Warren would retire from the Board following the Board’s February 2006 meeting and that Mr Russell Caplan would succeed Mr Warren as a Shell-nominated non-executive Director at that time.

Mr Caplan succeeded Mr Warren as Chairman of the Shell Companies in Australia on 1 February 2006.

In January 2006, Mr Peter van Rossum announced his intention to leave Shell. We will announce his replacement on the Woodside Board in due course.

I welcome the new Directors to the Board and also thank Dr Rose and Messrs Argyle, de Wit, van Rossum and Warren for their valued contribution to Woodside.

While 2005 has been a significant year of consolidation through exploration, acquisition and continued investment and expansion, 2006 should be a watershed year with the delivery of new production and growth as three new projects come online at Chinguetti, Otway and Enfield.

I thank my fellow Board members and dedicated Woodside staff for their continued efforts in making the Woodside growth story a reality.

Charles Goode, AC

Chairman

15 February 2006
Performance Summary

Health & Safety
Total Recordable Case Frequency

Includes lost time injury, medical treatment cases and restricted work cases.

Proved Plus Probable Reserves & Three-Year Average Reserves Replacement Ratio (RRR)

* Proved Plus Probable Reserves
** RRR (Three-Year Average)
*** Without acquisitions/divestments
**** Without acquisitions/divestments

Finding Cost – Three-Year Average

* Includes Contingent Resource additions, revisions and extensions.

Net Profit After Tax (before significant items) & Dividends per Share

NPAT $ Million

Dividends per Share

Without Successful Efforts
With Successful Efforts

Operating Cash Flow After Tax

Million

Return on Average Capital Employed (before significant items)

ROACE Percent

Without Successful Efforts
With Successful Efforts

Total Shareholder Returns (TSR) & Five-Year Average TSR

Assumes dividends fully reinvested in WPL shares.

Gearing & Net Debt

Gearing Percent

Net Debt $ Million

* 2004 recalculated to reflect Ohanet derived volumes at the then long-term oil price of US$ 24/bbl to be consistent with 2005.

Where applicable for comparative purposes, 2004 data has been restated to show the impact of AIFRS. Data prior to 2004 has not been restated.
Results at a Glance

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<tbody>
<tr>
<td>Total Reportable Case Frequency (per million hours worked)</td>
<td>3.8</td>
<td>5.4</td>
<td>5.4</td>
<td>-30% ▼</td>
</tr>
<tr>
<td>Production (MMboe)</td>
<td>59.7</td>
<td>57.4</td>
<td>56.2</td>
<td>4% ▲</td>
</tr>
<tr>
<td>Proved Plus Probable Reserves (MMboe)</td>
<td>1,243.8</td>
<td>1,293.9</td>
<td>1,293.9</td>
<td>-4% ▼</td>
</tr>
<tr>
<td>Proved Plus Probable Reserves (before acquisitions/divestments) (MMboe)</td>
<td>1,273.1</td>
<td>1,404.9</td>
<td>1,404.9</td>
<td>-9% ▼</td>
</tr>
<tr>
<td>Reserves Replacement Ratio (%) (three-year average)</td>
<td>65.0</td>
<td>144.0</td>
<td>144.0</td>
<td>-55% ▼</td>
</tr>
<tr>
<td>Finding Cost ($ per barrel of oil equivalent) (three-year average)</td>
<td>0.9</td>
<td>2.1</td>
<td>2.1</td>
<td>-57% ▼</td>
</tr>
<tr>
<td>Sales Revenue ($ million)</td>
<td>2,746.7</td>
<td>2,124.8</td>
<td>2,119.1</td>
<td>29% ▲</td>
</tr>
<tr>
<td>Net Profit After Tax ($ million) (before significant items)</td>
<td>1,037.7</td>
<td>671.8</td>
<td>650.9</td>
<td>54% ▲</td>
</tr>
<tr>
<td>Earnings per Share (cents) (before significant items)</td>
<td>158.4</td>
<td>102.8</td>
<td>97.6</td>
<td>54% ▲</td>
</tr>
<tr>
<td>Net Profit After Tax ($ million)</td>
<td>1,107.4</td>
<td>1,146.4</td>
<td>1,083.6</td>
<td>-3% ▼</td>
</tr>
<tr>
<td>Earnings per Share (cents) (before significant items)</td>
<td>169.0</td>
<td>175.3</td>
<td>162.5</td>
<td>-4% ▼</td>
</tr>
<tr>
<td>Operating Cash Flow After Tax ($ million)</td>
<td>1,714.7</td>
<td>1,460.2</td>
<td>1,318.1</td>
<td>17% ▲</td>
</tr>
<tr>
<td>Return on Average Capital Employed (%) (before significant items)</td>
<td>26.3</td>
<td>18.8</td>
<td>17.3</td>
<td>40% ▲</td>
</tr>
<tr>
<td>Dividends per Share (cents) (before significant items)</td>
<td>92.0</td>
<td>59.0</td>
<td>59.0</td>
<td>58% ▲</td>
</tr>
<tr>
<td>Payout Ratio (%) (before significant items)</td>
<td>59.7</td>
<td>58.5</td>
<td>60.4</td>
<td>2% ▲</td>
</tr>
<tr>
<td>Gearing (%)</td>
<td>20.4</td>
<td>7.2</td>
<td>8.5</td>
<td>183% ▲</td>
</tr>
</tbody>
</table>

Woodside Share Production Volumes

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<tr>
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<tbody>
<tr>
<td>Gas (including LNG)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LNG (Mt)</td>
<td>1.9</td>
<td>1.5</td>
<td>1.5</td>
<td>1.9</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Domestic Gas (Tj/d)</td>
<td>278.3</td>
<td>277.6</td>
<td>277.6</td>
<td>278.3</td>
<td>277.6</td>
<td>277.6</td>
</tr>
<tr>
<td>Gulf of Mexico Gas (Tj/d)</td>
<td>17.1[^4]</td>
<td>-</td>
<td>-</td>
<td>17.1[^4]</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Condensate (MMbbl)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>NWS Venture</td>
<td>8.6</td>
<td>8.7</td>
<td>8.7</td>
<td>8.7</td>
<td>8.7</td>
<td>8.6</td>
</tr>
<tr>
<td>Ohanet</td>
<td>1.4</td>
<td>1.4</td>
<td>0.7</td>
<td>1.4</td>
<td>1.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Gulf of Mexico</td>
<td>0.030</td>
<td>-</td>
<td>-</td>
<td>0.030</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Oil (MMbbl)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWS Venture</td>
<td>5.2</td>
<td>5.6</td>
<td>5.6</td>
<td>5.2</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Laminaria</td>
<td>4.8</td>
<td>5.2</td>
<td>5.2</td>
<td>4.6</td>
<td>5.1</td>
<td>5.4</td>
</tr>
<tr>
<td>Legendre</td>
<td>1.8</td>
<td>4.2</td>
<td>4.2</td>
<td>1.9</td>
<td>4.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Mutineer-Exeter</td>
<td>1.6</td>
<td>-</td>
<td>-</td>
<td>1.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gulf of Mexico</td>
<td>0.003</td>
<td>-</td>
<td>-</td>
<td>0.003</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LPG (t)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWS Venture</td>
<td>145,122</td>
<td>126,632</td>
<td>126,632</td>
<td>153,285</td>
<td>123,302</td>
<td>131,699</td>
</tr>
<tr>
<td>Ohanet</td>
<td>110,366</td>
<td>112,346</td>
<td>51,602</td>
<td>110,366</td>
<td>112,346</td>
<td>51,602</td>
</tr>
</tbody>
</table>

[^1] From 1 January 2005, Woodside has prepared its financial statements in accordance with Australian equivalents to IFRS (‘AIFRS’).

[^2] Change has been calculated as the movement between 2005 and the 2004 revised data.


[^4] Based on production of 122 days and a conversion factor of 1Btu = 1,055 joules.
We have a tremendous portfolio of growth projects that we are developing and delivering, building on our existing operating assets. These projects have been sourced from within the company, through exploration and through acquisition as we have consolidated our position in three major hubs – Australia, Africa and North America.

Pleasingly, this has not distracted us from our existing businesses and we have maintained strong performance and delivered strong production as product prices have risen sharply.

This year will again be busy at Woodside as we deliver three new projects to grow our production.

We anticipate first oil from the Chinguetti project in Mauritania, Africa, in February 2006. This represents the first hydrocarbon production from this country and follows a great deal of work by Woodside and our joint venture participants, as well as officials in Mauritania.

Chinguetti adds to our existing African production through our equity in the Ohanet project in Algeria and has established us as a credible operator in Africa.

Back in Australia, first gas from the Otway gas project in Victoria is on track for the middle of 2006. The Enfield oil project in north-west Western Australia is now on schedule for first oil in the third quarter of 2006.

Our acquisition of Houston-based Gryphon Exploration Company is a good example of how Woodside is evolving. Twelve months ago, having made a modest entry to the Gulf of Mexico, we said we had to either get bigger or get out. The Gryphon deal gave us critical mass in the Gulf with an experienced team and access to the deal flow. We look forward to a full year of production from our operations in the Gulf this year.

Woodside’s home is in Australia and our domestic operations, particularly the North West Shelf Venture, remain our foundation.

In early 2006 we delivered our 2000th LNG cargo – another milestone that demonstrates our tremendous track record of safety and reliability in operating the NWS Venture. The Venture has underpinned our growth since it first delivered gas to Western Australia in 1984 and it should continue to support us for at least the next 30 years.

The Phase Five LNG expansion, which includes construction of the fifth train and a second shipping berth, is progressing well. In addition to this expansion of the onshore gas plant and its infrastructure, the Venture participants are investing $5 billion in offshore projects over the next five years to maintain reliable gas supply.

We anticipate very strong customer demand for LNG volumes from 2009 and are well placed to capitalise on this.
As well as the increased capacity at the NWS Venture, our Pluto and Browse LNG development efforts are being timed to benefit from this demand.

We continue to progress Pluto and have signed heads of agreement with foundation customer Tokyo Gas Co., Ltd. Pluto was discovered only in April last year and our 100% ownership has allowed fast and rigorous decision making.

The Browse development is evaluating several LNG production options and we are progressing discussions with potential customers from our traditional Asian markets and also from North America and Europe.

As our production increases, so must our exploration efforts as we seek to replace and grow reserves.

This year we will spend about $500 million on exploration in Australia, the Gulf of Mexico and Africa targeting a mix of proven provinces and frontier areas.

We are excited about this year’s exploration program in Africa, particularly in Libya where we are scheduled to begin an onshore exploration drilling program in the first quarter of 2006. It is possible we will drill our first offshore well in Libya later this year.

In the Gulf of Mexico, the Gryphon acquisition has provided additional exploration targets and significantly strengthened our seismic database of the region.

We plan to drill up to 20 wells in the Gulf in 2006 focusing on short-term gas production and up to four deepwater wells targeting material oil volumes.

The anticipated increase in 2006 exploration and production presents exciting and rewarding opportunities for your company and staff.

Since I joined the company in April 2004, we have made several changes to the management team and I believe the current executives are as good as any you could find around the world. We have given future leaders big jobs and responsibilities and, without exception, they have accepted the challenge and have delivered.

I look forward to further updating you during 2006 on our operations.

Don Voelte
Chief Executive Officer and Managing Director
15 February 2006
Woodside’s mission is to create outstanding growth and shareholder wealth while conforming to our core values of: strong performance, care and respect, integrity and trust, initiative and accountability, creativity and enterprise and working together.

Business Outline

Our Business

Our business is focused on creating and delivering value by finding and monetising hydrocarbon reserves.

Across the company, we direct our energy to making the best use of assets and resources to generate sustainable profits. These profits are returned as dividends to shareholders or reinvested in the business.

Woodside’s Australian operations produce LNG, crude oil, condensate, domestic gas and LPG from the NWS Venture’s fields in the Carnarvon Basin, as well as crude oil from the Laminaria and Corallina fields in the Timor Sea, and the Legendre North and South fields in the Carnarvon Basin.

In Africa, Woodside anticipates its first oil from the Chinguetti field offshore Mauritania in February 2006.

Woodside also has non-operator interest in the Ohanet joint venture in Algeria that produces LPG and condensate.

In North America, the acquisition of Gryphon Exploration Company in September 2005 provided immediate production and prospective exploration in the prolific Gulf of Mexico.

At 31 December 2005, oil and gas production from Woodside’s operations in the Gulf of Mexico had returned to 88% of pre-hurricanes Katrina and Rita levels.

Actively Exploring for Increased Growth

Woodside manages its exploration and opportunity portfolio and plans for growth by ensuring a balance between proven and frontier acreage.

As at 31 December 2005, the company had interests in 358 titles – 63 in the Australian, Timor Sea and Papua New Guinea portfolio and 295 in the international portfolio – covering a gross area of 379,325sqkm.

During 2005, Woodside spent $346 million on exploration, including drilling 19 exploration wells. Seven exploration wells were drilled in Australia resulting in four gas discoveries. Five exploration wells were drilled in Mauritania resulting in two oil discoveries.

In the Gulf of Mexico Woodside drilled seven exploration wells which resulted in one commercial discovery.

During 2006, Woodside’s exploration budget is forecast at more than $500 million. The company plans to drill up to 40 wells in six countries.

Australia

Woodside’s exploration program within Australia is aimed at optimising the value of the company’s mature Australian business by delivering profitable new development opportunities and extending the economic life of existing infrastructure with high-value tieback opportunities.
As at 31 December 2005, Woodside’s Australian portfolio contained interests in 44 exploration permits and retention leases and 19 production licences. The combined acreage holding covers more than 152,875sqkm.

During 2006, Woodside plans to spend about 11% of its exploration budget on Australian exploration and anticipates drilling eight wells.

International
Woodside has targeted several international areas on the basis of their potential for success and the diversification they add to Woodside’s exploration, development and production portfolio.

As at 31 December 2005, the international portfolio included interests in 295 exploration blocks – 37 in Africa and 257 in the Gulf of Mexico in the United States of America – covering a gross area of 226,450sqkm.

During 2006, Woodside plans to spend about 43% of its exploration budget in the Gulf of Mexico, 20% in North Africa, 14% in West Africa and 12% in other international provinces. As well, it anticipates drilling more than 30 wells outside of Australia.

The above graph shows indexed growth in Woodside Petroleum Ltd. shares and comparative growth in the Australian All Ordinaries Index from a 1 January 1995 base.

This share price growth is paralleled by an annual increase in Total Shareholder Return performance to 31 December 2005 of:

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
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<tbody>
<tr>
<td>1 year</td>
<td>99.9%</td>
</tr>
<tr>
<td>3 years</td>
<td>52.8%</td>
</tr>
<tr>
<td>5 years</td>
<td>27.0%</td>
</tr>
<tr>
<td>10 years</td>
<td>23.0%</td>
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</tbody>
</table>

In 2005, Woodside’s share price increased 97% from a low closing price of $19.87 in January to a record high of $39.19 in December.

The rise was in line with significantly higher product prices achieved across the energy sector. Woodside’s average realised oil price for 2005 was $72.88 per barrel, 34.5% higher than that of 2004 ($54.19 per barrel).
Australia

Woodside is operator of the NWS Venture, Australia's largest resource development, producing gas through the North Rankin and Goodwyn production platforms and crude oil through Cossack Pioneer, a floating production storage and offtake facility.

Gas and condensate are transported ashore by two sub-sea trunklines to the NWS Venture's onshore processing facilities on the Burrup Peninsula, near Karratha, in Western Australia. The onshore gas plant includes facilities for processing natural gas and associated liquids into LNG, condensate, domestic gas and LPG.

Woodside's Australia Business Unit runs Woodside projects and developments in Australia that fall outside the NWS Venture, other than the Pluto, Browse and Sunrise LNG developments.

The Australia Business Unit's oil assets are centred on three hubs – the Greater Enfield area off WA's North West Cape, the Greater North West Shelf area which includes the Legendre field and the Mutineer-Exeter project, and the Laminaria area in the Timor Sea which includes the Laminaria and Corallina fields.

The Laminaria area also includes Woodside's interest in the Joint Petroleum Development Area which has the Kuda Tasi, Jahal and Krill discoveries.

The Australia Business Unit also operates the Otway gas project offshore Victoria, has a non-operator interest in Kipper in Bass Strait and was responsible for the Blacktip gas development in the Bonaparte Gulf (offshore Northern Territory) before the asset was sold in December 2005.

North West Shelf Venture

<table>
<thead>
<tr>
<th>Woodside Interest</th>
<th>NWS Venture</th>
<th>16.67%</th>
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<tbody>
<tr>
<td></td>
<td>Domestic Gas Joint Venture</td>
<td>50.00%*</td>
</tr>
<tr>
<td></td>
<td>China LNG JV</td>
<td>12.5%</td>
</tr>
<tr>
<td>Operator</td>
<td>Woodside</td>
<td></td>
</tr>
<tr>
<td>Produces</td>
<td>LNG, domestic gas, condensate, crude oil and LPG</td>
<td></td>
</tr>
<tr>
<td>Location (offshore facilities)</td>
<td>130 kms offshore of Karratha in north west Australia</td>
<td></td>
</tr>
<tr>
<td>Location (onshore facilities)</td>
<td>1,260 kms north of Perth at Karratha in north west Australia</td>
<td></td>
</tr>
<tr>
<td>Water Depth</td>
<td>80 metres - Cossack Pioneer and Goodwyn A</td>
<td></td>
</tr>
</tbody>
</table>

* At present rates of domestic gas production, Woodside’s interest is around 48%. Woodside’s exact share of domestic gas production depends on the quantities and aggregate rate of production.
In 2005, production of LNG at the Karratha gas plant was more than 1.9 million tonnes (Woodside share), up from 1.5 million tonnes in 2004. Woodside delivered 203 cargoes of LNG, which included 9 spot cargoes.

The NWS Venture has reached several major milestones including exporting its 2000th LNG cargo and its 1000th condensate cargo in January 2006. Additionally, the 200th LPG cargo was delivered in December 2005.

In June 2005, the NWS Venture participants made final investment decisions on the Phase Five expansion project which includes a fifth LNG train which will process 4.4 million tonnes of LNG a year.

On completion in mid-2008, Train 5 is forecast to increase the plant’s capacity to 16.3 million tonnes of LNG a year.

Site work started in August 2005 and the project is scheduled to take about three years with commissioning due to start in mid-2008. First cargoes are scheduled from the fourth quarter of 2008.

Total capital investment at the NWS Venture, including committed projects, is more than $19 billion.

A 35-day shutdown of LNG Train 4 started on 28 August 2005 for repairs to the processing unit’s mixed refrigerant compressor. During the shutdown, the train was debottlenecked to increase capacity from 4.2 million tonnes of LNG a year to 4.4 million tonnes a year.

Cossack Pioneer oil production was affected by the Wanaea-1 and Wanaea-7 wells being shut-in during the third quarter and most of the fourth quarter.

Wanaea-1 returned to production in November 2005 and Wanaea-7 returned to production in January 2006. Cossack Pioneer was taken off station for an 11-day annual shutdown in October 2005 and in January 2006 it was disconnected from its riser turret to avoid Tropical Cyclone Clare and had difficulty reconnecting. Production resumed from Cossack Pioneer in February 2006 following repairs.

Development drilling of the Wanaea South well was completed in the fourth quarter of 2005 and first production is expected in the second quarter of 2006.

Development of the Angel gas and condensate field started in December 2005 following final investment decisions by all of the NWS Venture participants. The new field development will be tied in to the North Rankin platform via a new 50km sub-sea pipeline. The project will also include the installation of the Venture’s third major offshore production platform. Three production wells are scheduled for drilling between June 2007 and June 2008, with the platform scheduled to be operating by the end of 2008.

The Perseus-over-Goodwyn gas project, to bring the Perseus field into production and to fully use the Goodwyn platform’s capacity as it becomes available, was progressed during 2005. The project comprises a four-well sub-sea tieback to Goodwyn, with start-up expected in early 2007.

Work also progressed on modifying process equipment and utilities of one train on the Goodwyn platform to a low-pressure train.

This will allow Goodwyn reserves to be produced at a lower system pressure, enabling increased deliverability and higher reserves recovery. Start-up of the Goodwyn low-pressure train is expected in the first quarter of 2006.

Laminaria and Corallina

<table>
<thead>
<tr>
<th>Titles</th>
<th>AC/L5, AC/P8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodside Interest</td>
<td>Laminaria 59.90% *</td>
</tr>
<tr>
<td>Operator</td>
<td>Woodside</td>
</tr>
<tr>
<td>Produces</td>
<td>Crude oil</td>
</tr>
<tr>
<td>Location</td>
<td>Offshore in Timor Sea about 550 kms north west of Darwin, Northern Territory</td>
</tr>
</tbody>
</table>

Water Depth ~340 metres

Production Start November 1999

* Interests on a post-unitisation basis, that is, after agreeing to pool Woodside’s interest with other field owners and to exploit the field as a single venture.

In March 2005, Woodside acquired from Shell an additional 16.67% interest in production licence AC/L5, which covers most of the Laminaria and Corallina fields. In acquiring this interest, Woodside also gained an additional 16.67% interest in the floating production storage and offloading facility, Northern Endeavour.

Woodside has an option to buy on fair market terms the interest in Northern Endeavour owned by Talisman Oil & Gas (Australia) Pty Ltd, at the end of project life.
In May 2004, the joint venture participants approved development of the $1.1 billion Otway gas project, involving initial expenditure of $810 million on Phase One.

Over the project’s life, the fields are expected to supply 950 Bcf of raw gas resulting in 885 PJ of sales gas, 12.2 MMbbl of condensate and 1.7 Mt of LPG. The project will include a remotely operated platform, offshore and onshore pipelines and a new gas plant to be built near the Iona gas plant, near Port Campbell.

The project is near completion and the project remains on schedule for first gas in mid-2006.

Shore crossing work for the pipelines was successfully completed in May 2005. Offshore and onshore pipelaying is scheduled for completion in March 2006 and the offshore platform will be installed at the Thylacine field.

Kipper Gas Development

In June 2005, the Kipper joint venture participants signed a memorandum of understanding to develop the Kipper gas field in Bass Strait.

The participants have agreed on key terms and conditions for processing gas from the Kipper field through Esso and BHP Billiton’s infrastructure and processing facilities in Gippsland, Victoria.

Greater Enfield Area

The Greater Enfield Area covers deep water off North West Cape, Western Australia, where Woodside continues to explore and is developing its Enfield, Stybarrow and Vincent interests in the area into a major oil production hub.

In November 2005, Woodside approved capital expenditure of about US$300 million for its 50% share of the Stybarrow oil field development.

The Stybarrow project involves a sub-sea development and floating production storage and offloading facility which will be used to process, store and offload oil to export tankers.

The vessel will be disconnectable, double-hulled and able to process about 80,000 barrels of liquids a day.

First production is expected in 2008.
Vincent Oil Development

<table>
<thead>
<tr>
<th>Titles</th>
<th>WA-28-L, WA-271-P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodside Interest</td>
<td>60.00%</td>
</tr>
<tr>
<td>Operator</td>
<td>Woodside</td>
</tr>
<tr>
<td>Location</td>
<td>Offshore about 45 kms north west of the North West Cape, Western Australia</td>
</tr>
<tr>
<td>Water Depth</td>
<td>~350 metres</td>
</tr>
</tbody>
</table>

Woodside is studying development of the Vincent discovery, using a standalone floating production storage and offloading facility, and has initiated environmental approvals for Vincent.

Preparation of the final environmental impact statement has begun and the final report will be submitted to the Commonwealth Minister for the Environment and Heritage for approval.

First oil from Vincent is targeted for 2008.

Pluto LNG Development

<table>
<thead>
<tr>
<th>Titles</th>
<th>WA-350-P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodside Interest</td>
<td>100%</td>
</tr>
<tr>
<td>Operator</td>
<td>Woodside</td>
</tr>
<tr>
<td>Location</td>
<td>Offshore 190 kms north west of Karratha, Western Australia</td>
</tr>
<tr>
<td>Water Depth</td>
<td>400 to 1000 metres</td>
</tr>
</tbody>
</table>

Woodside’s 100%-owned Pluto LNG development is being progressed to meet a forecast window of global LNG demand from the end of 2010.

Since the permit was awarded in December 2003, Woodside made an initial discovery in April 2005, and completed the first appraisal well in July 2005.

In August 2005, Woodside announced it was planning an LNG project based on the Pluto field.

The development has been granted Major Project Facilitation Status by the Australian Government, and land has been reserved by the Western Australian government for an onshore gas processing plant and standalone supply base on the Burrup Peninsula. Final site selection will be made in 2006.

Woodside announced in the fourth quarter of 2005 that key commercial terms had been agreed with North Asian customers for the delivery of 3.5 to 4 million tonnes of LNG a year.

In December 2005, Woodside and Tokyo Gas Co., Ltd. signed a heads of agreement for the supply of 1.5 to 1.75 million tonnes of LNG a year on an ex-ship basis for 15 years, with an option to extend for a further five years.

A further heads of agreement is expected to be signed before the end of the first quarter of 2006.

Final LNG sales and purchase agreements should be negotiated by the end of 2006. A final investment decision by Woodside is targeted for mid-2007.

At the end of 2005, Woodside was drilling the second appraisal well, Pluto-3. This is likely to be followed by another appraisal well, Pluto-4, in the first half of 2006.

Browne LNG Development

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodside Interest</td>
<td>50.00% TR5, R2, WA-29-R, WA-30-R, WA-31-R, WA-32-R and 25.00% WA-28-R, WA-29-R</td>
</tr>
<tr>
<td>Operator</td>
<td>Woodside</td>
</tr>
<tr>
<td>Location</td>
<td>Offshore 425 kms north of Broome, Western Australia</td>
</tr>
<tr>
<td>Water Depth</td>
<td>~400 to 800 metres</td>
</tr>
</tbody>
</table>

Appraisal activity increased over the Browne Basin gas fields in 2005, with two successful wells and additional 3-D seismic.

Brecknock-2 was drilled in July, followed by Calliance-1 in October. Both wells delivered good results in line with expectations.

The project start-up target of 2011 to 2014 is aimed at capturing opportunities identified in the global LNG market.

Work continued during 2005 to promote the Browne development to key markets.

Woodside continues to look at technical and site options to progress the Browne development. These include the feasibility of onshore and offshore LNG plant development options with a processing capacity of 7 to 14 million tonnes a year.

In 2006, the development will progress through an appraisal program that includes four wells and planning for additional 3-D seismic. Two of the wells will be on the Torosa gas field (formerly known as the Scott Reef field), another will be on the Brecknock field and one will be on the Calliance field (formerly known as Brecknock South field).

Concept selection will also mature, which will initiate several site location studies and environment, economic and social impact studies.

Sunrise LNG Development

<table>
<thead>
<tr>
<th>Titles</th>
<th>NT/RL2, NT/P55, JPDA 03-19, JPDA 03-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodside Interest</td>
<td>33.44% (unitised basis)</td>
</tr>
<tr>
<td>Operator</td>
<td>Woodside</td>
</tr>
<tr>
<td>Location</td>
<td>Offshore 450 kms north west of Darwin and 150 kms south of Timor-Leste</td>
</tr>
<tr>
<td>Water Depth</td>
<td>~75 to 750 metres</td>
</tr>
</tbody>
</table>

Woodside postponed development of Sunrise in 2004 in the absence of legal and fiscal certainty for the LNG development.

In December 2005 officials from Australia and Timor-Leste concluded negotiations over the maritime boundary in the Timor Sea, although the agreement still needs to be ratified by the parliaments of both countries.

Further progress of the Sunrise gas development is dependent on several factors, including the fiscal regime under which it would operate, the cost and location of any development, and the successful marketing of the resource.
Africa

In Africa, Woodside is active as operator in the proven provinces of Libya and Mauritania, and Algeria as a non-operator.

In the frontier areas of Kenya and Liberia, Woodside operates several leases, while in Sierra Leone and the Canary Islands it is active as a non-operator.

During 2005, Woodside further developed its Africa businesses, moving towards first oil from Chinguetti in February 2006. As Woodside’s first international project as operator, Chinguetti established the company’s credentials within Africa and internationally, with the project progressing from discovery to anticipated production in less than five years.

In 2005, Woodside was awarded offshore acreage in Libya’s EPSA IV round one and in Liberia’s first offshore licensing round, providing exploration opportunities and building Woodside’s presence within Africa.

Woodside plans to drill 10 to 14 wells in Africa in 2006.

Algeria

Ohanet Operations

Woodside Interest 15%  
Operator BHP Billiton  
Produces LPG and condensate  
Location Onshore Illizi Basin in southern Algeria  
Production Start October 2003

In 2006, the Ohanet joint venture received its full revenue entitlement of $71.2 million (gross), which equates to 1,355,449 barrels of condensate and 110,336 tonnes of LPG (calculated using a 10-year average price of US$24 per bbl).

Algeria Exploration

Block 401d

Table:  
Title ALG-401d  
Woodside Interest 26.25%  
Operator Repsol YPF  
Location Onshore, Berkine Basin, Algeria  
Interest Acquired June 2002

Woodside plans to drill at least one well onshore in ALG-401d during 2006.

Ksar Hirane

| Title | ALG-408a, 409 |
| Woodside Interest | 37.50% |
| Operator | BHP Billiton |
| Location | Onshore, Touggourt Uplift Basin, Algeria |
| Interest Acquired | September 2004 |

Mauritania

Chinguetti Oil Project

| Title | Block 4 in Area B |
| Woodside Interest | 47.384% |
| Operator | Woodside |
| Location | Offshore about 80 kms from the Mauritania coast |
| Water Depth | ~800 metres |
| Project Approval | May 2004 |
| First Oil | February 2006 |

First oil from the Chinguetti oil field is anticipated in February 2006, which will mark the first hydrocarbons produced in Mauritania.

Production is expected to peak at 75,000 barrels a day and the estimated field life is about 10 years. Oil is produced through wells on the seabed connected by flowlines to the floating production storage and offloading facility, Berge Helene, which will be permanently moored over the field.

Mauritania Exploration

| Title | Areas A, B, C2, C6, Blocks 7, Ta11 and Ta12, Chinguetti EP# |
| Woodside Interest | Area A and Area B – 53.846% in each, Area C2 – 41.75%, Area C6 – 37.58%, Block 7 – 15.00%, Blocks Ta11, Ta12 – 75% Chinguetti EP# – 47.384% |
| Operator | Woodside |
| Location | Offshore and onshore Mauritania |
| Water Depth | 0 to 2,200 metres |
| PSCs Signed | 1998 and 2004 |

Woodside drilled five exploration and appraisal wells in Mauritania in 2005 resulting in two discoveries, Tevét-2 and Labeidna-1 (commerciality is to be determined), one successful appraisal and two dry holes.

The Sotto-1 (2005), Espadon-1 (2005) and Zoulé-1 (January 2006) wells were plugged and abandoned after no significant hydrocarbons were encountered. Acquisition of the Block 7 seismic survey was completed during the year.

Woodside plans to drill up to four exploration wells in Mauritania in 2006.

Kenya

Kenya Exploration

| Title | Blocks L-5, L-7 |
| Woodside Interest | 50.00% |
| Operator | Woodside |
| Location | Offshore Kenya |
| Water Depth | 0 to 3,000 metres |
| Interests Acquired | 2003 |

Woodside operates two blocks in Kenya covering 20,725sqkm. During 2005, Woodside continued to high-grade its portfolio withdrawing from one block and increasing its equity in the two remaining blocks. Acquisition of the Pomboo 2-D seismic survey was completed in early 2005 and interpretation continues.

Woodside is working to secure an offshore rig to drill a well in its Kenyan exploration permits before the end of 2006.

Libya

Libya Exploration

| Title | Blocks NC205 to 210, 35, 36, 52, 53 |
| Woodside Interest | NC205 to 210 45.00%, Block 35, 36, 52, 53 55.00% |
| Operator | Woodside |
| Location | Offshore Sirte Basin in northern Libya with NC210 the Murzuq Basin in west Libya |
| EPSA Signed | November 2003, March 2005 |

Woodside was a successful participant in the Exploration and Production Sharing Agreement IV round one and was awarded four offshore blocks, Block 35, Block 36, Block 52 and Block 53.

Woodside’s onshore and offshore acreage in Libya totals about 60,000sqkm.
Supreme Court of Spain has been partially annulled by the in 2006.

Woodside will be acquiring seismic data covers about 3400sqkm.

The royal decree granting permits 1 to 9 has been partially annulled by the Supreme Court of Spain.

This has had the effect of preventing the venture from drilling in the permits. Discussions continue with authorities in an attempt to resolve this matter.

North America

In January 2005, Woodside entered an alliance with Explore Enterprises of Louisiana LLC to jointly explore, acquire, develop and produce oil and gas in the Gulf of Mexico.

The decision followed an extensive review of Woodside’s United States operations in 2004.

Under the agreement, Woodside and Explore will jointly invest in the shelf and deep waters of the Gulf.

For each project, Woodside will hold 95% of the alliance’s combined interests, while Explore will hold the remaining 5%. As part of the agreement, Explore pays Woodside for a 5% interest in Woodside’s leases in the Gulf, excluding Woodside’s interests in the Neptune and Midway discoveries. Explore’s interest in each project will increase from 5% to 12.5% after Woodside has recovered the present value of its invested capital in those projects.

The alliance is for five years and includes an option to extend for a further two years.

In March 2005, Woodside established Woodside Natural Gas Inc., a wholly-owned subsidiary based in Los Angeles, to facilitate sales of Woodside’s equity LNG into the Americas, and particularly the United States.

In September 2005, Woodside expanded its offshore interests in the Gulf by acquiring the Houston-based Gryphon Exploration Company, a private upstream oil and gas company with extensive exploration and production interests in the Gulf.

At the time of the acquisition, Gryphon held interests in 118 Gulf leases, 96 of which were operated by the company. Gryphon also had production from 15 fields, 11 operated by Gryphon, Gryphon and its partners have another six fields under development.

In addition to production, the acquisition gives Woodside access to a substantial portfolio of exploration leases and prospects on the Gulf shelf.

Hurricanes Katrina and Rita hit the Gulf in August and September 2005 respectively, causing disruption to oil and gas operations. At year-end, production from the Gryphon portfolio had returned to 88% of pre-hurricane levels.

Woodside drilled seven exploration wells in the Gulf in 2005, resulting in one commercial discovery.

In January 2006, Woodside announced plans to seek approval for an offshore sea-to-land pipeline to supply natural gas to California.

Woodside’s project, known as OceanWay, involves converting shipments of LNG back to natural gas on the ship, before pumping it directly into the offshore pipeline.

Woodside is considering several sites for the project. The criteria being used in the selection process include a location remote from populated areas, minimum onshore disruption and safe conditions.

Earlier in 2005, Woodside and Crystal Energy LLC ended negotiations on a proposal to jointly develop Clearwater Port as an import terminal.

Neptune Oil Project

In July 2005, Woodside approved capital expenditure for its share of the Neptune oil and gas field development in the Gulf. When the project comes online in late 2007, it will provide Woodside’s first deepwater Gulf oil production.

Production will be initially through seven sub-sea wells tied to a stand-alone platform with a production capacity of up to 50,000 barrels of oil a day and 50 million cubic feet of gas a day.
Woodside is an Australian company listed on the Australian Stock Exchange and reports its hydrocarbon resources using definitions and guidelines prepared by the Society of Petroleum Engineers Inc. and the World Petroleum Congress. Estimates are prepared in accordance with Woodside’s Hydrocarbon Resource Inventory Management Process and are subject to internal and external review. Currently, about 95% of Woodside’s Proved Reserves have been externally verified within the last four years.

Reserves have been estimated using a five-year average crude oil price assumption and, where applicable, individual project production sales contract terms and conditions. The Ohanet project in Algeria is governed by a Risk Service Contract under which Woodside does not have any share in the sales gas delivered, but is entitled to cost recovery and a fixed return from the sale of gas-liquid by-products. Woodside has estimated Reserve volumes that reflect the economic value of this asset, using a five-year average Condensate price and an LPG price consistent with other Woodside Reserves determinations.

For the Chinguetti oil field development in Mauritania, Woodside’s net share of Reserves has also been estimated based on the economic value of this asset and in accordance with the applicable Production Sharing Contract terms and conditions.

Unless otherwise stated, all hydrocarbon resource estimates are quoted as net Woodside share. The annual production volume set out in this differs from production sales volumes reported in other sections of this report due to differences in sales product definitions and barrels of oil equivalent conversion factors applied.

**Woodside’s Overall Reserves and Contingent Resources**

As a result of production, drilling, studies and acquisitions/divestments during 2005, Woodside’s hydrocarbon Reserves as at 31 December 2005 were 899.6 MMboe at the Proved level (50.9 MMboe lower than 2004) and 1,243.8 MMboe at the Proved plus Probable level (50.1 MMboe lower than 2004).

Annual Production of 58.7 MMboe* during 2005 was partially replaced by new Reserves bookings associated with the Stybarrow and Eskdale oil development project in Australia, and the Midway gas field in the United States. In addition there were positive revisions in the Wanaea, Lambert, Egret and Mutineer/Exeter oil fields and the Echo-Yodel gas field in Australia.

* “Annual Production” means the volumes of Dry Gas, Condensate and Oil produced during the year and converted to MMboe for the specific purpose of Reserves reconciliation and the calculation of Annual Reserves Replacement Ratios. The Reserves Statement Annual Production differs from production volumes reported in the company’s annual and quarterly reports (59.7 MMboe for 2005) due to differences in the sales product definitions and the MMboe conversion factors applied.

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**Reserves Statement**

The following Reserves Statement, tables and figures present a summary of the key changes to Woodside’s hydrocarbon Reserves and Contingent Resources during 2005, and the resulting resource estimates as at 31 December 2005.
These additions also helped to partially offset the divestment of Reserves in the Blacktip gas field offshore northern Australia (representing 60.8 MMboe Proved plus Probable).

Woodside’s Reserves Replacement Ratio for 2005 was 13% at the Proved level and 15% at the Proved plus Probable level. The Organic Reserves Replacement Ratio (which excludes acquisitions and divestments) was 64% at the Proved level and 73% at the Proved plus Probable level. The three-year rolling average Organic Reserves Replacement Ratio at the Proved level was 83% and at the Proved plus Probable level was 99%.

Woodside’s portfolio of Reserves is considered low risk, notwithstanding normal subsurface uncertainties. About 92% of the company’s Reserves are within Australia, 5% within Africa and 3% in the United States. Dry Gas Reserves under long-term supply agreements represent about 66% of total Reserves (on a barrels of oil equivalent basis), with Condensate representing 10% and Oil 24%. About 5% of Woodside’s Reserves are associated with Production Sharing Contracts (PSCs) or Risk Sharing Contracts (RSCs) in Africa. 61% of Proved plus Probable Reserves are associated with projects already in production while a further 27% are associated with formally sanctioned projects currently under development.

Woodside’s Contingent Resources as at 31 December 2005 have increased significantly from 3,017 to 3,594 MMbbl (up 19%) primarily as a result of new bookings associated with the Pluto, Halladale and Black Watch gas and condensate discoveries in Australia.

35 MMboe of Contingent Resources were transferred to Reserves as a result of maturation of the Stybarrow, Eskdale and Midway development opportunities.

Australia

Woodside’s share of NWS Venture Dry Gas Reserves was 3,153 Bcf at the Proved level and 4,107 Bcf at the Proved plus Probable level. Woodside’s share of NWS Venture Condensate Reserves was 78.5 MMbbl Proved and 116.3 MMbbl Proved plus Probable. The reduction in Reserves is primarily due to production, but there were also minor revisions to estimates of Dry Gas and/or Condensate Ultimate Recovery for the gas fields based on analysis of reservoir performance data.

Production from the Wanaea, Cossack and Hermes oil fields during 2005 was fully offset by positive Reserves revisions in Wanaea, Lambert and Hermes following further multidisciplinary field studies incorporating results of the Demeter 3D seismic survey, 2005 drilling results and updated production information. Oil Reserves attributable to the undeveloped Egret discovery were updated as a result of further development studies. As a result of these activities, Woodside’s share of the NWS Venture’s Oil Reserves at year end 2005 was 23.5 MMbbl Proved and 42.5 MMbbl Proved plus Probable.

Outside the NWS Venture, Woodside’s share of Dry Gas Reserves within Australia decreased to 294 Bcf at the Proved level and 450 Bcf at the Proved plus Probable level, due to divestment of the Blacktip discovery.

Associated Condensate Reserves were also decreased slightly. Dry Gas and Condensate Reserves associated with the Otway Basin development in south east Australia were unchanged.

Woodside’s share of Oil Reserves within Australia, but outside the NWS Venture, increased to 121.7 MMbbl Proved and 180.6 MMbbl Proved plus Probable, primarily due to the first time booking of the Stybarrow and Eskdale oil discoveries. Enfield Reserves were unchanged from 2004, but Vincent Proved Ultimate Recovery were decreased by 7.6 MMbbl as a result of development studies.

Reserves associated with the Laminaria-Corallina development were reduced at the Proved plus Probable level by 6.6 MMbbl as a result of production and poorer than expected reservoir performance, while for the Legendre North and South and Mutineer-Exeter oil fields, Ultimate Recovery estimates were increased.

During 2005 Contingent Resources within Australia grew to 3,344 MMboe as a result of inclusions of the Pluto, Halladale and Black Watch gas and condensate discoveries. These additions fully offset the loss of Contingent Resources due to the transfer of Stybarrow and Eskdale volumes to Reserves, and divestment of Woodside’s interests in the Blacktip, Penguin, Prometheus and Rubicon gas discoveries in offshore northern Australia which amounted to 60 MMboe.
Africa

Woodside’s share of Oil Reserves associated with the Chinguetti development in Mauritania was 33.4 MMbbl Proved and 50.7 MMbbl Proved plus Probable, unchanged from 2004. The field is governed by a PSC with the Government of Mauritania and Woodside’s share of Reserves was determined in accordance with this contract. The booking of Reserves in these circumstances is recognised international practice and based on the ‘economic interest’ approach whereby entitlement is calculated as the ratio of Woodside’s share of pre-tax cashflow divided by total project pre-tax cashflow. For Chinguetti this yielded an economic interest of approximately 41%.

Reserves associated with the Ohanet project, in Algeria, were reduced as a result of production and updated economic assumptions. Consequently Reserves at year end 2005 were 8 Bcf of Dry Gas and 5.7 MMmbls of Condensate at both the Proved and Proved plus Probable levels.

United States

Woodside’s share of Reserves within the United States increased by over 90% during 2005, primarily as a result of the acquisition of resources associated with the Gryphon Exploration Company. The purchase also resulted in Woodside reporting its first production from this region. Woodside’s share of Reserves at year-end amounted to 71 Bcf Dry Gas, 0.9 MMbbl Condensate and 13.5 MMbbl Oil at the Proved level, and 107 Bcf Dry Gas, 1.7 MMbbl Oil, Condensate and 20.7 MMbbl Oil at the Proved plus Probable level.

1. Definitions:

“Condensate” is defined as “C6 plus” hydrocarbon components for NWS Venture, Otway Basin and United States fields, but is sales product for the Ohanet project.

“Dry Gas” is defined as “C4 minus” hydrocarbon components plus limited inert. These volumes include LPG (propane and butane).

“Bcf” means Billions (10^{9}) of standard cubic feet of gas.

“MMbbl” means millions (10^{6}) of barrels of oil and condensates.

“MMboe” means millions (10^{6}) of barrels of oil equivalent. In common with international practice, Dry Gas volumes are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5700 standard cubic feet of Dry Gas per 1 barrel of oil equivalent. Volumes of Oil and Condensate are both converted from MMbbl to MMboe on a 1:1 ratio.

“Ultimate Recovery” means resource volumes which will ultimately be economically produced and equals production to date plus Reserves plus future own use offshore fuel and flare.

“Reserves” are identified volumes that have been demonstrated to be producible from known resources in which the company has a material interest from a given date forward, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs. Woodside reports Reserves net of the gas required for upstream/offshore processing and transportation to the customer (fuel and flare gas).

“Proved Reserves” are those Reserves that, to a high degree of certainty (90% confidence) are recoverable. There is relatively little risk associated with these Reserves.

“Probable Reserves” are those Reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. There is at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable Reserves.

“Contingent Resource” is the recovery estimate of any project for which implementation cannot be shown with sufficient confidence to be technically sound or commercially viable, but which could mature based on reasonable assumptions about the success of additional data gathering, improved reservoir management, a maturing technology from current research, relaxations in the market constraints and/or terms and conditions for implementing such a project. In general there is a large degree of uncertainty associated with these volumetric estimates and they should not be assumed to necessarily represent future Reserve bookings.

“Annual Reserves Replacement Ratio” means Reserves change during the year, before the deduction of production, divided by production during the same period. “Organic Reserves Replacement Ratio” means Reserves change during the year, before the deduction of production and adjustment for acquisition and divestments, divided by production during the year.

2. Notes:

Woodside’s share of NWS Venture Dry Gas Reserves is an estimate based on the hydrocarbon quantities required to be produced for current production joint ventures and the hydrocarbon quantities expected to be produced for both current and future NWS production joint ventures. This includes:

- At present rates of domestic gas production, Woodside’s interest is around 48%.
- Woodside’s exact share of domestic gas production depends on the quantities and aggregate rate of production.
- For current and future production by the LNG joint venture, Woodside’s interest being 16.7%.
- For future China LNG joint venture production, Woodside’s interest being 12.5%.
- For further sales by existing and future production joint ventures, Woodside’s interest varying between 15.8% and 16.7%.

Woodside’s exact share of Condensate Reserves for the NWS Venture depends on the percentage of total production derived from each of the various production joint ventures in which it participates, the entitlements of those production joint ventures and Woodside’s level of equity in the applicable joint ventures.
Hydrocarbon Reserves as at 31 December 2005

<table>
<thead>
<tr>
<th>Woodside Share</th>
<th>Proved Reserves</th>
<th>Proved Plus Probable Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dry Gas Bcf</td>
<td>Cond. MMbbl</td>
</tr>
<tr>
<td>Australia;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater North West Shelf</td>
<td>3,153</td>
<td>78.5</td>
</tr>
<tr>
<td>Northern Australia</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>South East Australia</td>
<td>294</td>
<td>3.8</td>
</tr>
<tr>
<td>Africa</td>
<td>8</td>
<td>5.7</td>
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<tr>
<td>United States of America</td>
<td>71</td>
<td>0.9</td>
</tr>
<tr>
<td>Total</td>
<td>3,526</td>
<td>88.9</td>
</tr>
</tbody>
</table>

The information contained in this Reserves Statement has been compiled by Mr Roland Hamp, a full-time employee of the Company. Mr Hamp’s qualifications include a Master of Engineering (Petroleum Engineering) degree from Imperial College, University of London, England and more than 18 years of relevant experience. Mr Hamp has consented in writing to the inclusion of this information in this report.

Reconciliation of Hydrocarbon Reserves

<table>
<thead>
<tr>
<th>Woodside Share</th>
<th>Reserves Year-End 2004</th>
<th>Improved Recovery</th>
<th>Revisions of Previous Estimates</th>
<th>Extensions and Discoveries</th>
<th>Acquisitions and Divestments</th>
<th>Annual Production</th>
<th>Reserves Year-End 2005</th>
<th>Annual Reserves Replacement Ratio</th>
<th>Excluding Acquisitions, Divestments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Gas Bcf</td>
<td>Cond. MMbbl</td>
<td>Oil MMbbl</td>
<td>Total MMboe</td>
<td>Dry Gas Bcf</td>
<td>Cond. MMbbl</td>
<td>Oil MMbbl</td>
<td>Total MMboe</td>
<td>-83%</td>
<td>-14%</td>
</tr>
<tr>
<td>3,901</td>
<td>100.2</td>
<td>166.0</td>
<td>950.5</td>
<td>5,114</td>
<td>138.0</td>
<td>258.8</td>
<td>1,293.9</td>
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<td></td>
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<tr>
<td>Improved Recovery</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revisions of Previous Estimates</td>
<td>13</td>
<td>-1.4</td>
<td>9.5</td>
<td>10.4</td>
<td>3</td>
<td>1.4</td>
<td>5.8</td>
<td>7.6</td>
<td></td>
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<tr>
<td>Extensions and Discoveries</td>
<td>1</td>
<td>-</td>
<td>27.0</td>
<td>27.2</td>
<td>2</td>
<td>-</td>
<td>35.2</td>
<td>35.5</td>
<td></td>
</tr>
<tr>
<td>Acquisitions and Divestments</td>
<td>-184</td>
<td>-0.5</td>
<td>3.0</td>
<td>-29.8</td>
<td>-242</td>
<td>-0.3</td>
<td>8.2</td>
<td>-34.5</td>
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<tr>
<td>Annual Production</td>
<td>-205</td>
<td>-9.4</td>
<td>-13.5</td>
<td>-58.7</td>
<td>-206</td>
<td>-9.4</td>
<td>-13.5</td>
<td>-58.7</td>
<td></td>
</tr>
<tr>
<td>Reserves Year-End 2005</td>
<td>3,526</td>
<td>88.9</td>
<td>192.0</td>
<td>899.6</td>
<td>4,672</td>
<td>129.7</td>
<td>294.5</td>
<td>1,243.8</td>
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<tr>
<td>Annual Reserves</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Replacement Ratio</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Excluding Acquisitions, Divestments</td>
<td>7%</td>
<td>-14%</td>
<td>271%</td>
<td>64%</td>
<td>2%</td>
<td>15%</td>
<td>304%</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

Reconciliation of Contingent Resources

<table>
<thead>
<tr>
<th>Woodside Share</th>
<th>Year End MMboe</th>
<th>Transfers to Reserves</th>
<th>Revisions</th>
<th>Extensions &amp; Discoveries</th>
<th>Acquisitions &amp; Discoveries</th>
<th>Year End MMboe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater North West Shelf</td>
<td>189</td>
<td>-35</td>
<td>-14</td>
<td>672</td>
<td>-</td>
<td>812</td>
</tr>
<tr>
<td>Northern Australia</td>
<td>2,543</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-60</td>
<td>2,485</td>
</tr>
<tr>
<td>South East Australia</td>
<td>36</td>
<td>-</td>
<td>4</td>
<td>7</td>
<td>-</td>
<td>47</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>26</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>Africa</td>
<td>220</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>221</td>
</tr>
<tr>
<td>United States of America</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>3,017</td>
<td>-35</td>
<td>-7</td>
<td>679</td>
<td>-60</td>
<td>3,594</td>
</tr>
</tbody>
</table>

Note: 1boe = 5,700 standard cubic feet Dry Gas.
Exploration and Production Interests

Australia

Block Name | Woodside Interest (%) |
--- | --- |
**AUSTRALIA EXPLORATION**
ACP 8 | 68.67* |
EPP-28 to 31 | 90* |
T/30P, T/34P, VICP/43 | 51.55* |
VICP/37(V) | 62.5 |
WA-191-P(1&2) | 8.2 |
WA-1-P(1,2,3&4) | 45.94* |
WA-208-P | 34.03 |
WA-248-P | 45* |
WA-254-P (1,3&4) | 24.38 |
WA-254-P (2) | 17.06 |
WA-255-P (1&2) | 50 |
WA-269-P | 50* |
WA-271-P | 60* |
WA-275-P | 25* |
WA-28-P (1,3&4) | 15.78* |
WA-294-P | 48.06* |
WA-296-P | 40.13* |
WA-297-P | 25.17* |
WA-347-P, 348-P, 350-P, 353-P | 100* |
**BLACKTIP**
WA-34-R | 39* |
**ENFIELD**
WA-28-L | 60* |
**MUTINEER EXETER**
WA-26-L, 27-L | 8.2 |
**THYLACINE GEOGRAPHE**
T/L 2, VIC/L 23 | 51.55* |
**KIPPER**
VIC/RL 2 | 30* |
**JAHAL KUDA TASI**
JPDA 03-01 | 40* |

**LAMINARIA**
AC/L 5 | 66.67* |
**LEGENDRE**
WA-20-L | 45.94* |
**NWS VENTURE**
WA-1-L to 3-L, 4-L(1&2), 5-L, 6-L(1&2), 9-L, 11-L, 23-L, 16-L, 24-L, 30-L | 15.78* |
WA-7-R, 9-R, 10-R | 15.78* |
**SCOTT REEF BRECKNOCK**
RZ, TR/5 | 50* |
WA-28 to 29-R | 25* |
**SUNRISE TROUBADOUR**
JPDA 03-19 | 27.67* |
JPDA 03-20, NT/1P 55 | 26.67* |
NT/RL 2 | 35* |
**PAPUA NEW GUINEA**
PRL 10 | 40.45 |

* Woodside Operated
<table>
<thead>
<tr>
<th>Title Name</th>
<th>Woodside Note</th>
<th>Interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALGERIA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALG-401d</td>
<td>Woodside Operator (Production Licence)</td>
<td>26.25</td>
</tr>
<tr>
<td>ALG-408a/409</td>
<td>Woodside Operator (Permit)</td>
<td>37.5</td>
</tr>
<tr>
<td>Askarene Guelta</td>
<td>Woodside Non-Operator</td>
<td>15</td>
</tr>
<tr>
<td>Dimeta West</td>
<td>Woodside Non-Operator</td>
<td>15</td>
</tr>
<tr>
<td>Ohanet North, South</td>
<td>Woodside Non-Operator</td>
<td>15</td>
</tr>
<tr>
<td><strong>KENYA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Block L-5, L-7, L-11</td>
<td>Woodside Operated</td>
<td>50*</td>
</tr>
<tr>
<td><strong>LIBERIA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Block LB-15</td>
<td>Woodside Operated</td>
<td>100*</td>
</tr>
<tr>
<td><strong>LIBYA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NC205 to 210</td>
<td>Woodside Operated</td>
<td>45*</td>
</tr>
<tr>
<td>Block 35, 36, 52, 53</td>
<td>Woodside Operated</td>
<td>55*</td>
</tr>
<tr>
<td><strong>MAURITANIA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area A, Area B</td>
<td>Woodside Operated</td>
<td>53.85*</td>
</tr>
<tr>
<td>Area C2</td>
<td>Woodside Operated</td>
<td>41.75*</td>
</tr>
<tr>
<td>Area C6</td>
<td>Woodside Operated</td>
<td>37.58*</td>
</tr>
<tr>
<td>Blocks Ta11, Ta12</td>
<td>Woodside Operated</td>
<td>79*</td>
</tr>
<tr>
<td>Block 7</td>
<td>Woodside Operated</td>
<td>16</td>
</tr>
<tr>
<td>Chinguetti EP</td>
<td>Woodside Operated</td>
<td>47.38*</td>
</tr>
<tr>
<td><strong>SIERRA LEONE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blocks SL-6, SL-7</td>
<td>Woodside Operated</td>
<td>50</td>
</tr>
<tr>
<td><strong>CANARY ISLANDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canarias-1 to 9</td>
<td>Woodside Operated</td>
<td>30</td>
</tr>
</tbody>
</table>

Notes:
1. Production Sharing Contract
2. Exploration and Production Sharing Agreement
3. Risk Service Contract
4. Exploration Permit
5. Subject to title transfer
6. Chinguetti Exploitation Perimeter

* Woodside Operated

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**Woodside Operator (Production Licence)**

**Woodside Operator (Permit)**

**Woodside Non-Operator Interests**

**Relinquished/Sold Permit**
### Woodside Operator (Production Licence)

- MU752, 768, 769, 777, 792, 803: 100%
- MU772L: 100%
- MU771L, 775L: 40%
- MU750L: 50%
- MU804: 75%
- BA366: 33.33%
- BAA13, 14, 16, 28, 30, 35, 63: 100%
- BA364, 501: 100%
- BA47, 39: 50%
- BA199: 66.67%
- GB598, 642, 813-815, 822, 858, 901, 903, 947, 965: 50%
- GB935-937, 979: 20%
- GB818, 860, 861, 875, 905, 906, 943, 944, 950, 995: 33.33%
- GC345: 100%
- GC45, 46, 96, 140, 146, 147, 181, 182, 190-193, 226, 227, 401, 445, 532, 573, 574, 710, 749, 755, 793, 798, 799, 841-843, 885, 925, 972, 973: 50%
- GC284, 328, 410: 12.5%
- GC246: 33.33%
- GC388, 688: 25%
- GA313: 62.5%

### Woodside Operator (Permit)

- GA298, 317-319, 344, 395: 100%
- GA34, 144, 176, 201, 210: 100%
- GA246L: 40%
- GA345: 25%
- GA191: 33.33%
- AT95: 40%
- AT96, 140-142: 10%
- AT573-575, 617, 618: 20%
- AT40, 279: 100%
- AT370, 371: 25%
- AT489: 16.67%
- MI603, 662L: 47.5%
- MI688, 661L, 688: 100%
- MI699: 60%
- MI171L: 42.5%
- MI699, 803s, 806s, 807s: 50%
- EC35, 41, 51, 52, 66, 158: 100%
- EC268: 50%
- EC357: 50%
- MC858, 993, 946: 45%
- MC413, 457: 30%
- MC302, 1008: 100%
- MC447: 25%
- MC294, 803, 804: 20%
- MC338, 339: 12.5%
- MC554, 555, 598, 599: 2.75%
- KC301, 302, 387, 388, 431, 434, 477, 478: 100%
- KC286, 287: 10.56%
- HI119: 25%
- HI107, 120, 128: 100%
- HI51, 52: 50%
- HI131: 25%
- HI84: 29.06%
- HI85: 11.25%
- HIA180, 276: 100%
- HIA164: 33.33%
- HIA341: 40%
- HIA176: 50%
- WC116: 43.75%
- WC56, 70, 82, 169, 232, 244, 254, 255, 279, 318, 336, 489, 574, 575: 100%
- WC24, 43, 335, 495, 545, 546, 567, 568: 50%
- WC40: 25%
- WC49: 25%
- WC129: 6.25%
- WC103: 40%
- BS41: 25%
- BS42: 100%

### Woodside Non-Operator Interests

- VR137: 50%
- VR218: 100%
- VR6, 16, 17: 20%
- WR121, 122: 6.78%
- EB112, 156, 157: 25%
- AC73, 117: 25%
- EI78: 40%
- EI11: 50%
- EI69: 37.5%
- EI168: 100%
- SA32: 100%
- SS301: 31.67%
- SS36: 76%
- SS38, 74, 75: 100%
- EW906, 952: 50%
- WD108: 30%
- VK115: 100%
- GI27: 68.5%
- AC445, 489, 490, 533, 534: 45%
- AC946: 100%
- WR342: 33.33%

### Relinquished/Sold Permit

- Woodside Operated

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* Block Name Woodside Interest (%)
Woodside’s management of financial risk is aimed at ensuring net cash flows are sufficient to:
• meet its financial commitments as and when they fall due;
• maintain the capacity to fund its forecast development program and exploration strategy;
• continue to pay dividends; and
• sustain financial ratios which maintain an investment grade credit rating.

Woodside continually monitors and tests its forecast financial position against these criteria and, in general, will hedge activity only when necessary to ensure that these objectives will be met. Other circumstances which may lead to hedging include the purchase of reserves or production, or both, or underpinning the economics of a new project.

Hedging is governed by Board-approved treasury policies and processes. No new oil price or exchange rate hedges were placed in 2005. However, some natural gas price hedges were placed as a result of the acquisition of Gryphon Exploration Company.

Financial Instruments

Oil Price Hedging
In January 2005, oil hedges totalling 0.09 MMboe matured. From February 2005, Woodside had no remaining oil hedges. The cost of oil hedging (after tax) included in Woodside’s 2005 financial result is $1.2 million. This compares with oil price hedging costs of $47.3 million (after tax) in 2004.

Gas Price Hedging
In September 2005, Woodside hedged Gulf of Mexico gas production associated with the Gryphon assets against NYMEX Henry Hub at average annual prices of US$10.04, US$9.01, and US$8.39 per million British Thermal Units for the years 2006, 2007 and 2008 respectively.

These hedges, in addition to Gryphon’s existing hedges, represent about 50% of expected US production to the end of 2008.

As at year-end, the mark-to-market valuation of the total gas price hedges is an unrealised liability of $59.5 million. The cost of existing Gryphon gas hedging (after tax) included in Woodside’s 2005 financial result is $12.1 million.

Currency Hedging
As at 31 December 2005, US$8.5 million had been previously hedged against future sales revenue by way of forward exchange and currency option contracts with varying maturities out to April 2006, at a weighted average hedge rate of A$:US$0.4930.

As at year-end, the mark-to-market valuation of the existing currency hedging was an unrealised asset of $5.6 million ($37.8 million asset in 2004). The loss on currency hedging (after tax) included in the 2005 financial result is $0.3 million ($34.5 million gain in 2004).

The implementation of Australian Equivalents to International Financial Reporting Standards resulted in a $30.0 million after tax gain from foreign exchange hedges being taken to retained earnings as at 31 December 2004.

Interest Rate Management
Woodside manages its United States interest rate exposure by maintaining a balance between fixed and floating rate debt within its portfolio. This exposure is managed by fixed to floating interest rate swaps.

As at 31 December 2005, US$250 million fixed to floating rate swaps were outstanding with maturities out to 2013. No new fixed to floating interest rate swaps were placed during 2005.

Debt Portfolio
Woodside maintains a diversified portfolio of available debt facilities with the specific objectives of diversifying its source of borrowings, maintaining a spread of maturities and achieving a balance between fixed and floating interest rates. As at 31 December 2005, Woodside’s total debt was US$823 million.

Sensitivity Analysis
The table below shows the potential impact in 2006 of an increase in realised oil price, gas price, exchange rate, and United States interest rate on the company’s net profit after tax. The impact is reversed for a decrease in the listed items.

<table>
<thead>
<tr>
<th>Increase</th>
<th>($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realised Oil Price US$1/bbl</td>
<td>30</td>
</tr>
<tr>
<td>Realised Gas Price* US$1/MMbtu</td>
<td>20</td>
</tr>
<tr>
<td>Exchange Rate (A$/US$) 1 cent</td>
<td>24</td>
</tr>
<tr>
<td>US Interest Rate 1%</td>
<td>6</td>
</tr>
</tbody>
</table>

* 2006 Budget
# Henry Hub Gas Price

Governance and Assurance
The Financial Risk Management function operates under strict policies and procedures. Monthly treasury reports are presented to the Board detailing open positions, any new transactions and any policy breaches. The Audit & Risk Committee oversees the internal and external audit reviews of the treasury function.

External treasury specialists were engaged during 2004 to review Woodside’s treasury operations. The result was found to be satisfactory, with no material adverse findings. The next external treasury review will be conducted in 2006.
Woodside continued its support for community-based organisations and charities in areas in which it operates, funding programs in fields as diverse as community development, environment, physical and mental health, education, science and the arts.

Partnerships during the year included:

- The David Wirrpunda Foundation: Woodside has made a three-year commitment as founding sponsor of the foundation which provides mentoring and guidance to indigenous youth in Australia.
- Leadership WA: A new three-year commitment to help instill a sense of community and volunteering among our future business leaders in Western Australia.
- RugbyWA: Woodside signed a four-year sponsorship to help establish a community rugby academy to develop young players and contribute to the success of the new southern hemisphere Super 14 team based in Perth, Western Force.
- Multiple Sclerosis Society of Western Australia: Woodside has provided funds to establish camps to help the children of those afflicted by multiple sclerosis to come to terms with the illness.

Our traditional focus on providing opportunities for young people was highlighted in August by our support of six teenage swimmers from Perth in Western Australia to become the youngest Australian relay team to swim the English Channel.

With Woodside’s support, they recorded an Australian record time and fell just five minutes short of the junior mixed team world record.

Woodside has continued its support of long-standing community partners such as the Western Australia Youth Orchestra, Surf Life Saving Western Australia and Youth Focus, a Western Australian-based community group dedicated to preventing youth suicide.

In November 2005, Woodside was recognised at the Western Australian Arts Sponsorship Awards with the “Outstanding Long-term Partnership Award” for its support of the Awesome Youth Arts Festival.

**Partnerships**

**Western Australia**

Woodside’s focus on youth as a long-term solution to the skills shortage facing Australian industry resulted in support for secondary school students to aspire to science and engineering studies.

Partnerships with the Western Australian Petroleum Club’s School Information Program, Murdoch University’s Star Peer Tutoring Program and the University of Western Australia’s Year 10 Engineering Camps will help to nurture the next generation of Australian scientists and engineers.

Woodside also funded special programs among indigenous students to encourage interest in the oil and gas industry.
Woodside has maintained its commitment to delivering better social outcomes for young people through continued support for Mission Australia, Lifeline Western Australia’s Karratha office, the Passages Resource Centre and Outward Bound Australia.

Support has also been provided to a wide range of community, sporting and cultural groups in Karratha and Exmouth.

**Victoria**

As construction of the Otway Gas Project nears completion, Woodside continues its community involvement in south-western Victoria. A major partnership was established that will help build the Brophy Family Youth and Community Complex in Warrnambool and provide funding to establish community programs.

Woodside has also continued to support the Port Campbell Surf Life Saving Club and environmental initiatives through a partnership with Landcare. A three-year agreement with the Melbourne-based Arena Theatre Company will help to bring theatre productions to children in regional Victoria.

**Northern Territory**

In 2005, Woodside continued its partnerships with the Darwin Symphony Orchestra, Asthma Swim Northern Territory, Northern Territory Surf Life Saving, the Government House Foundation, the Rugby Northern Territory Youth Development program and the Northern Territory Young Achiever Awards.

**Mauritania**

Under Woodside’s corporate social responsibility plan for Mauritania, several projects have been approved, including the establishment of a small grants program targeting poverty reduction in local and regional communities and a schools information program to help build understanding within Mauritanian society of how the oil and gas industry works.

A proposal from the World Food Program is also being finalised and further projects will be developed in recognition of Mauritania’s Poverty Reduction Strategy and findings of the Chinguetti project social impact assessment.

**Libya**

Woodside has built on its existing commitments to corporate citizenship in Libya by establishing a scholarship program for Libyan students to study in Australia at Murdoch University.

The program also involves an exchange of Australian academics from Murdoch and Curtin universities to help build Libyan capacity in environment, water management, agriculture and health studies.

**Timor-Lesté**

Woodside has continued supporting development of the Bakhita Community Centre in Eraulo, Ermera District.

**Staff Involvement**

Woodside staff again gave generously to those less fortunate than themselves. In 2005, staff donated $116,000 to the Tsunami Relief Effort (in addition to Woodside’s corporate donation of $250,000), $25,000 to the Hurricane Katrina Appeal (matched by a Woodside corporate donation of $25,000) and a further $25,000 for Mission Australia’s Christmas Appeal.

In 2006, staff have access to a workplace giving scheme to allow deductions to be made from their monthly pay to the charity of their choice.
Woodside is committed to openly communicating performance in health, safety and environment.

As part of this commitment, Woodside will publish a Health, Safety, Environment and Community Report in April 2006, detailing its achievements and challenges for 2005, as well as its interest in renewable energy. This report will be available on request or from the company’s website (www.woodside.com.au).

A summary of Woodside’s performance in health, safety and environment, and aspects of its security operations for 2005 are detailed below.

**Health**

Total Recordable Occupational Illnesses increased from five in 2004 to 11 in 2005. When the increase in hours worked in 2005 is factored in, this equates to a 25% increase.

**Safety**

Woodside achieved a Total Recordable Case Frequency (TRCF) of 3.8 in 2005, a 30% improvement over the previous year, and a Lost-Time Injury Frequency of 0.9, a 25% improvement on 2004.

Although these improvements are encouraging, 90 people were injured working for Woodside in 2005, with 21 of these requiring time off work.

In 2005, Woodside introduced Golden Safety Rules for Woodside staff and contractors.

These rules set a minimum standard for establishing a safe work environment and practices in areas with the highest safety risk in our activities.

**Environment**

Woodside had 28 reportable environmental incidents in 2005, a doubling from 2004.

Of the 28 incidents, 11 were temporary exceedences of oil-in-water limits which occurred during process upsets and production shutdowns and start-ups.

Nine reportable oil spills, totalling 163m³, occurred in 2005. Regrettably, the largest spill was 135m³ of crude and 26m³ of diesel at the Laminaria field following the rupture of a flowline. No detrimental environmental impact was observed as a result of this spill.

In 2005, three environmental incidents were reported to the Western Australian Government by the Karratha Gas Plant.

Greenhouse gas emissions increased 15% in 2005 and energy consumption increased 16% over 2004, largely due to increased LNG production from the Karratha Gas Plant.

Flaring increased 20% compared with 2004, largely due to increased flaring at the Karratha Gas Plant due to commissioning of LNG Train 4 between October 2004 and June 2005.

Flaring from offshore facilities decreased 18%, due to process changes and decreased production.
Despite increased capacity and production at the Karratha Gas Plant, oxides of nitrogen emissions increased marginally in 2005, offset by a project to change technology on existing gas turbines.

Volatile organic compounds showed a 28% improvement over 2004, due to the solvent change-out project at the Karratha Gas Plant and reduced oil production.

Security and Incident Response

During 2005, Woodside ran 89 exercises of varying levels to maintain preparedness to respond to a major incident. All exercises are scenario-driven and based on Woodside’s identified risks, including security.

The exercises were held at Woodside facilities and sites as well as at various contractors’ facilities and sites.

Two major exercises were completed during 2005, testing the company’s response to an oil spill and its response to a charter aircraft incident involving senior management.

Woodside’s incident response procedures were also initiated during actual incidents including a change of government in Mauritania, terrorist attacks in London, and hurricanes Katrina and Rita in the United States.
Woodside’s human resources strategy is focused on three high-level objectives aimed at ensuring Woodside has the employee capability, performance alignment and engagement to deliver the 2006 business plan and the company’s future business strategy.

**Capability**

At the end of 2005, Woodside’s total workforce comprised 3054 people in 11 countries. This is an increase of 526 people on the previous year and is primarily due to our business growth internationally. For example, of the 68 people Woodside has in Libya, 54 are Libyan. In Mauritania, 65 of Woodside’s 105 people are Mauritanian, including our first Mauritanian graduates. The acquisition of Gryphon Exploration Company increased Woodside’s employee base in the Gulf of Mexico to 61.

Woodside has also set up business development offices in Los Angeles and Dubai.

The group’s annual voluntary turnover rate increased slightly to 7.5% in 2005. However, Woodside’s four-year rolling average remains relatively constant at 5.5%, which is below the industry average.

Workforce planning continues to identify trends in Woodside’s five-year human resource capability. The 2005 workforce planning process incorporated Woodside’s demand requirements from a global perspective and expected supply trends.

In 2005, Woodside reviewed staff capability to consider broad requirements over the next 10 years. The project has defined the functional capabilities needed to meet the company’s growth aspirations over the next decade.

Diversity generally, and gender and indigenous diversity specifically, continue to be key focus areas.

Over the past five years, the number of women in Woodside has increased from 25% to 29%, the use of flexible work practices has increased from 1.8% to 7.5%, and the number of staff returning to work after parental leave has improved significantly to 93%.

**Alignment**

Throughout 2005, significant progress has been made to align staff performance through implementation of the matrix organisational structure centred on value creation and value delivery.

This has been supported by strong functional capability and strengthening of the executive leadership team.

Focus and discipline improved in the setting of performance standards and streamlining of processes throughout 2005.

Actions to improve the employee relations capability of Woodside contractors and service providers and the management of international labour relations succeeded.
Engagement

Learning and development continued to be significant areas of progress in 2005, ensuring that key corporate capabilities were developed.

Several development programs and initiatives began in 2005, including a successful “lunchtime learning” series of lectures for staff, regular orientation and induction programs, intensive line manager development programs, and world-wide education and training on the company’s Code of Conduct.

The Chief Executive Officer and senior executives ran two company-wide briefings in 2005, giving staff at all locations a stronger insight to the company’s goals, strategies and objectives and how each area of the business contributes to Woodside’s success.

Indigenous Employment

Employment of indigenous people in Woodside’s Australian business is a key element of our indigenous affairs strategy.

An Australian Government report issued in 2005, Overcoming Indigenous Disadvantage, states that 20% of the indigenous population in Australia is unemployed, compared with a national unemployment rate of about 5%.

The business case for focusing on indigenous employment is clear when we look at the nature of the indigenous population and Woodside’s business.

In Australia, we tend to operate in remote places away from major capital cities, where indigenous populations are large.

Increasing our exposure to a skilled local workforce can reduce staff turnover and decrease the transaction costs associated with relocating staff from capital cities.

Increasing the number of indigenous people in our workforce will help the Australian economy, is good for our business and provides far-reaching positive benefits to the indigenous community.

Woodside has training and policy initiatives to create employment for indigenous people with the company, including several mainstream apprenticeship and training programs. The number of indigenous people participating in these programs increased significantly in 2005.

In addition, Woodside has created or enhanced several programs designed specifically for indigenous Australians. Examples include the Indigenous Marine Traineeship Program, Oil and Gas Industry Indigenous Commercial Traineeship Program and National Indigenous Cadetship Program.

In a first for the oil and gas industry in Australia, Woodside has established a community-based traineeship program that is aimed at increasing adult participation in the workforce through the provision of traineeships based in the indigenous community.
Executive Management

Don Voelte

Chief Executive Officer and Managing Director

Mr Voelte joined Woodside in 2004. He has 30 years of extensive experience in the global oil and gas industry, starting with Mobil Corporation in 1975. He held a variety of roles over 22 years at Mobil, with his final role being President, New Exploration and Producing Ventures. In 1997, Mr Voelte left Mobil to join Atlantic Richfield Company where he remained until 2000. Immediately before joining Woodside, he was Director, President and Chief Executive Officer of Chroma Energy Inc. based in Houston.

Agu Kantsler

Director Exploration and New Ventures

Dr Kantsler was seconded by Shell to Woodside in mid-1995 as General Manager and then Director of the New Ventures Business Unit, following 15 years of international exploration experience with Shell. In 2000, he formally joined Woodside as a permanent employee and was appointed Director, Exploration, in 2001.

Keith Spence

Chief Operating Officer

Mr Spence joined Woodside in 1998 after a long career with Shell and was Acting Chief Executive Officer from September 2003 to April 2004 before being appointed Chief Operating Officer. He was previously Director, Oil Business Unit, and has more than 25 years’ experience in the oil and gas industry. Before joining Woodside, Mr Spence was on secondment from Shell.

Ross Carroll

Chief Financial Officer

Mr Carroll was appointed in February 2005. He has more than 20 years experience in oil and gas, mining and agribusiness, mostly with BHP Billiton. Before joining Woodside, Mr Carroll was Vice President, Finance and Planning, at BHP Billiton Petroleum Americas, based in Houston.

Reinhardt Matisons

Director – Marketing

Mr Matisons joined Woodside in 1996 as LNG Marketing Manager, before leaving in 2002 to join Poten & Partners, Inc., a private energy firm in New York. Mr Matisons re-joined Woodside in July 2004 and has functional responsibility for all of Woodside’s LNG marketing activities. Mr Matisons has more than 20 years of experience in gas marketing and contract negotiation.

Mark Chatterji

Director – Mergers & Acquisitions

Mr Chatterji joined Woodside in 2004. Before this, he was a Vice President of Goldman Sachs & Co in New York. He has previously worked for Atlantic Richfield Company and Merrill Lynch.
Paul Moore
Director – Browse
Mr Moore joined Woodside in October 2005 and brings more than 23 years’ experience in the upstream oil and gas business. He started work with Shell International in 1982 as a petroleum engineer, with postings in Africa, Europe, United Kingdom and New Zealand. From 1990 to 2001, he held various positions with Fletcher Challenge Energy. Mr Moore joined Santos in 2001, and was Vice President, Development Projects and Technical Services, before joining Woodside.

Lucio Della Martina
Director – Pluto
Mr Della Martina joined Woodside in 1991 and was appointed Director of the Pluto gas project in October 2005. He has held various positions in Woodside including General Manager of Gas Business Development, General Manager of LNG Marketing and Vice President, ALNG (the marketing arm of the North West Shelf Venture). Before joining Woodside, Mr Della Martina was employed by Shell from 1980 to 1991 in roles covering refining technology, operations, economics, planning and international oil trading.

Duncan Clegg
Director – Africa Business Unit
Dr Clegg was appointed Director of the Africa Business Unit in August 2004 having spent 11 months as Director of the Australian Business Unit. Dr Clegg joined Woodside in 1997 after 20 years with Shell working in Europe, Africa and SE Asia.

Lucy Jones
Director – Asia Business Unit
Ms Jones joined Woodside in 2000, working in gas marketing and the domestic gas business before being appointed Director of Strategic Planning in July 2004. In July 2005, Ms Jones was appointed Director of the Australia Business Unit. Before joining Woodside, Ms Jones worked for 20 years with BHP Billiton in roles in gas marketing, business planning and analysis, and reservoir engineering.

Jack Hamilton
Director – North West Shelf Venture
Dr Hamilton joined Woodside in November 2001 as Managing Director of Metasource Pty Ltd. He moved to General Manager, Business Development, North West Shelf Venture, in 2003. Dr Hamilton was appointed to his current role in January 2005. He had more than 21 years’ international experience with Shell before joining Woodside, working in operations management in refining, petrochemicals and gas production, marketing, strategy and LNG project management.

Betsy Donaghey
Director – Australia Business Unit
Ms Donaghey joined Woodside in 2000, working in gas marketing and the domestic gas business before being appointed Director of Strategic Planning in July 2004. In July 2005, Ms Donaghey was appointed Director of the Australia Business Unit. Before joining Woodside, Ms Donaghey worked for 19 years with BHP Billiton in roles in gas marketing, business planning and analysis, and reservoir engineering.

David McCubbin
President – Woodside Energy USA Inc.
Mr McCubbin joined Woodside in January 2005 as part of the Explore Enterprises alliance. He remains President of Explore Enterprises, which he co-founded. Before that, he worked at W&T Offshore Inc. for 12 years, and was Executive Vice President before joining Explore. He began his career as a reservoir engineer at Exxon, where he worked for 10 years. His first role was in the Baton Rouge refinery, then in the production department as a reservoir engineer.
Corporate Governance Statement
This statement reports on Woodside’s key governance principles and practices. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and best practice in corporate governance.

ASX Principles and Recommendations
The company, as a listed entity, must comply with the Corporations Act 2001 (Cwlth) (Corporations Act), the Australian Stock Exchange Limited (ASX) Listing Rules (ASX Listing Rules) and other Australian and international laws.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles) released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider carefully the development and adoption of appropriate governance policies and practices founded on the ASX Principles.

In 2004, the company updated its policies and procedures to reflect the ASX Principles. Throughout 2005, these policies and procedures have been reviewed by the Board and, where necessary, updated to reflect changes in law and best practice in corporate governance. Details of Woodside’s compliance with the ASX Principles are set out below and in the ASX Principles Compliance Statement found on pages 43 to 47 of this report and published in the corporate governance section of Woodside’s website (www.woodside.com.au).

Shareholders
The company’s shareholders play a fundamental role in enabling Woodside to meet its objectives through the election or re-election each year of Directors to the Board and their ongoing support as investors.

Directors recognise that shareholders, as the ultimate owners of the company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of shares.

Woodside’s Shareholder Communication Policy provides that the company will communicate effectively with its shareholders and give shareholders ready access to balanced and understandable information about Woodside and its corporate proposals. The way it does this includes:

- ensuring that published financial and other statutory reports are prepared in accordance with applicable laws and industry best practice;
- ensuring the disclosure of full and timely information about Woodside’s activities in accordance with the general and continuous disclosure principles in the ASX Listing Rules and the Corporations Act;
Woodside is committed to the highest standards of corporate governance.

- providing detailed reports from the Chairman and from the Managing Director and Chief Executive Officer (CEO) at the company’s Annual General Meeting (AGM);
- placing all material information released to the market (including notices of meeting and explanatory materials) on Woodside’s website as soon as practicable following release;
- ensuring that notices of meeting, annual reports and other shareholder communications are drafted clearly and concisely;
- placing the company’s market announcements and financial data for the preceding three years on Woodside’s website; and
- evaluating the use of additional forms of electronic communication with shareholders.

Continuous Disclosure and Market Communications Policy

Woodside is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by Woodside.

Woodside’s Continuous Disclosure and Market Communications Policy and associated guidelines reinforce Woodside’s commitment to continuous disclosure and outline management’s accountabilities and the processes to be followed for ensuring compliance. The policy also describes Woodside’s guiding principles for market communications.

The policy is described in more detail on page 45 of this report.

Board Charter

The Board has approved a formal Board Charter which details the Board’s role, powers, duties and functions. The central role of the Board is to set the company’s strategic direction, to select and appoint a CEO and to oversee the company’s management and business activities.

In addition to matters required by law to be approved by the Board, the following powers are reserved to the Board for decision:

- the appointment and removal of the CEO and the Company Secretary and determination of their remuneration and conditions of service;
- authorising the issue of shares, options, equity instruments or other securities;
- authorising expenditures which exceed the CEO’s delegated authority levels;
- approving strategic plans and budgets;
- approving the appointment and removal of executives who report directly to the CEO (together with the remuneration and conditions of service of executives reporting directly to the CEO);
- approving senior management succession plans and significant changes to organisational structure;
- approving the acquisition, sale or cessation of significant businesses;
- evaluating the use of additional forms of electronic communication with shareholders.

Woodside is committed to the highest standards of corporate governance.
• approving annual and half-year reports and disclosures to the market that contain or relate to financial projections, statements as to future financial performance or changes to the policy or strategy of the company;
• approving policies of company-wide or general application;
• authorising borrowings and the granting of security over the company or any of its assets other than in the ordinary course of business;
• the appointment of additional Directors who would come before shareholders for election at the next AGM; and
• establishing procedures which ensure that the Board is in a position to exercise its powers and to discharge its responsibilities as set out in the Board Charter.

The Board also recognises its responsibilities to Woodside’s employees, the communities and environments within which Woodside operates and, where relevant, other stakeholders. Responsibility for management of Woodside’s business activities is delegated to the CEO who is accountable to the Board.

Board Composition

The names of the Directors in office at the date of this report, the date they were first appointed, their status as non-executive, independent or executive Directors and whether they are retiring by rotation and seeking re-election or are newly appointed Directors seeking election by shareholders at the 2006 AGM, are set out in Table 1 on page 36. Biographical details for each Director are set out on pages 48 to 49 of this report.

In 2005, the following changes were made to the Board:

• The retirement of Mr Peter de Wit, a Shell-nominated non-executive Director, on 15 February 2005 and his replacement on the Board by Dr Andrew Jamieson as a Shell-nominated non-executive Director on 16 February 2005. Dr Jamieson retired at the 2005 AGM and was elected by shareholders at that meeting.

• The appointment of Dr Ashton Calvert and Mr David McEvoy as independent non-executive Directors on 1 September 2005, both of whom will retire at the 2006 AGM and make themselves available for election by shareholders at that meeting.

• The retirement of Dr John Rose, an independent non-executive Director, on 12 September 2005.

• The appointment of Mr Michael Chaney as an independent non-executive Director on 30 November 2005. Mr Chaney will retire at the 2006 AGM and will make himself available for election by shareholders at that meeting.

The number of non-executive Directors increased during the year from the preferred number of nine to eleven in order to accommodate impending retirements of non-executive Directors.

Mr Rory Argyle, an independent non-executive Director, will retire from the Board at the 2006 AGM and will not be seeking re-election. The Chairman, Mr Charles Goode, has announced his intention to retire in mid-2007 at which time Mr Chaney will succeed him as Chairman of the company.

Mr Tim Warren and Mr Peter van Rossum, Shell-nominated non-executive Directors, have given notice of their intention to retire as Directors following the February 2006 Board meeting, as they are ceasing employment with Shell. Shell has nominated Mr Russell Caplan to replace Mr Warren as Shell-nominated non-executive Director. Details relating to Mr Caplan will be included in the 2006 Notice of AGM.

Table 1 – Names of Directors in office as at the date of this report

<table>
<thead>
<tr>
<th>Directors</th>
<th>First Appointed</th>
<th>Non-executive</th>
<th>Independent</th>
<th>Retiring at 2006 AGM</th>
<th>Seeking Re-election at 2006 AGM</th>
</tr>
</thead>
<tbody>
<tr>
<td>RES Argyle</td>
<td>1 November 1995</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>JR Broadbent</td>
<td>17 June 1998</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>AT Calvert</td>
<td>1 September 2005</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>MA Chaney</td>
<td>30 November 2005</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>E Fraunschiel</td>
<td>1 December 2002</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>CB Goode</td>
<td>3 February 1988</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>A Jamieson</td>
<td>16 February 2005</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>PJMH Jungels</td>
<td>1 December 2002</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>DI McEvoy</td>
<td>1 September 2005</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>PM van Rossum</td>
<td>15 April 2004</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>DR Voelte</td>
<td>5 April 2004</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>TN Warren</td>
<td>15 July 2002</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Directors’ Retirement and Re-election

Non-executive Directors must retire at the third AGM following their election or most recent re-election. At least one non-executive Director must stand for election at each AGM. Any Director appointed to fill a casual vacancy since the date of the previous AGM must submit themselves to shareholders for election at the next AGM. Re-appointment of Directors retiring by rotation is not automatic. All Directors are subject to an annual performance evaluation in accordance with the evaluation process described on pages 38 to 39 of this report.

Skills, Knowledge and Experience

The Board considers that the non-executive Directors, including those offering themselves for election at the forthcoming AGM, collectively bring the range of skills, knowledge and experience necessary to direct the company.

In assessing the composition of the Board, the Directors have regard to the following policy:

- the Chairman should be non-executive, independent and an Australian citizen or permanent resident;
- the role of the Chairman and the CEO should not be filled by the same person;
- the CEO should be a full-time employee of the company;
- the majority of the Board should comprise Directors who are both non-executive and independent;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the company; and
- the number of Shell-nominated Directors, as a proportion of the Board, should normally be in the proportion that Shell’s holding of fully paid ordinary shares in the company bears to all of the issued fully paid ordinary shares in the company.

Board Succession Planning

The Board manages its succession planning with the assistance of the Governance & Nominations Committee.

The committee reviews annually the size and composition of the Board and the mix of existing and desired competencies across members and reports its conclusions to the Board.

The Board may engage an independent recruitment firm to undertake a search for suitable candidates.

Criteria considered by the Governance & Nominations Committee when evaluating prospective candidates are contained in the committee’s charter, which is available in the corporate governance section of Woodside’s website.

Professional Advice

Directors may, in carrying out their duties owed to the company, seek external professional advice.

They are entitled to reimbursement of all reasonable costs where such a request for advice is approved by the Chairman. In the case of a request made by the Chairman, approval is required by the Chair of the Governance & Nominations Committee.

Director Independence

The Board has approved a Policy on Independence of Directors, a copy of which is available in the corporate governance section of Woodside’s website.

The purpose of this policy is to:

- describe the test that will be used and the criteria that will be taken into account by the Board when assessing the independence of each Director;
- identify the information that will be collected from each Director to make the assessment of independence; and
- outline the disclosure to shareholders of the assessment of independence of Directors, including the disclosure of any relationships and associations that may be perceived to affect the independence or objectivity of a Director.

The policy provides that the independence of a Director will be assessed by determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the Director. Materiality is considered from the perspective of Woodside, the persons or organisations with which the Director has an affiliation and from the perspective of Woodside. Materiality thresholds are considered by the Board from time to time. The Board considers that:

- a material customer is a customer of Woodside which accounts for more than 2% of Woodside’s consolidated gross revenue;
- a supplier is material if Woodside accounts for more than 2% of the supplier’s consolidated gross revenue; and
- service on the Board for a period exceeding 10 years is a period which could, or could reasonably be perceived to, materially interfere with a Director’s ability to act in the best interests of the company.

In the event that one or more of these thresholds is exceeded, the Board then focuses on whether or not in their view that impacts materially on the independence of judgement of the Director.

The Board has considered the associations of each of the eleven non-executive Directors in office at the date of this report and its determination in relation to their independence is set out in Table 1 on page 36.
The three non-executive Directors who are not considered to be independent are current executives of Shell, which is a substantial shareholder of the company. In most years, the number of decisions the Board makes on matters where the three Shell-nominated Directors are considered to have a conflict of interest is few. Such matters are dealt with under the Directors’ Conflict of Interest Guidelines.

For the vast majority of decisions made by the Board, the three Shell-nominated Directors bring substantial global oil and gas industry expertise to the Board. The Board considers that the value of this expertise far outweighs any issues associated with these Directors not having “independent Director” status.

None of the non-executive Directors is considered to have business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their independent judgement, except in the case of the three Shell-nominated Directors in matters where Shell may have an interest. Apart from Dr Jamieson, who was seconded to Woodside as General Manager NWS Venture from 1997 to 1999, Mr Chaney, who was employed by Woodside as a petroleum geologist in the 1970s and Mr Caplan, who will become a non-executive Director in February 2006 and was previously a non-executive Director from 1988 to 1990, none of the non-executive Directors has ever been employed by Woodside.

Two non-executive Directors have served as members of the Board for 10 years or more, namely, Mr Charles Goode (18 years) and Mr Rory Argyle (10 years). The Board has concluded that notwithstanding these periods of service, both Directors retain their independence. Mr Argyle will retire from the company following the 2006 AGM.

Mr Fraunschiel serves on the board of directors of WorleyParsons Limited, a supplier of engineering services to Woodside. The value of services provided by the WorleyParsons Limited group of companies to Woodside in 2005 exceeded the Board’s materiality threshold relating to suppliers.

Dr Jungels serves on the board of directors of Offshore Logistics Inc.

The value of services provided by the Offshore Logistics Inc. group of companies to Woodside in 2005 also exceeded the Board’s materiality threshold relating to suppliers. In each case, the Board, having regard to the nature and value of the commercial relationship between Woodside and each of WorleyParsons Limited and Offshore Logistics Inc and the materiality criteria set out above, is satisfied that Mr Fraunschiel and Dr Jungels remain independent. Should a matter involving either WorleyParsons Limited or Offshore Logistics Inc. come before the Board, the Directors’ Conflict of Interest Guidelines would apply.

Certain non-executive Directors hold directorships or executive positions in companies with which Woodside has commercial relationships. Details of other directorships and executive positions held by non-executive Directors are set out on pages 48 to 49 of this report.

Conflicts of Interest

The Board has approved Directors’ Conflict of Interest Guidelines which apply if there is, or may be, a conflict between the personal or other interests of a Director and the business of Woodside. A Director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter and when the matter comes before the Board for discussion, the Director withdraws from the meeting for the period the matter is considered and takes no part in the discussions or decision-making process.

Minutes reporting on matters in which a Director is considered to have a conflict of interest are not provided to that Director. However, the Director is given notice of the nature of the matter for discussion and, as much as practicable, is updated on the progress of the matter.

Chairman

The Chairman of the Board, Mr Charles Goode, is an independent, non-executive Director and a resident Australian citizen. The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board’s function and for the promotion of relations between Board members and between Board and management that are open, cordial and conducive to productive co-operation. The Chairman’s responsibilities are set out in more detail in the Board Charter.

Mr Goode is also Chairman of Australia and New Zealand Banking Group Limited (ANZ). The Board considers that neither his Chairmanship of ANZ, nor any of his other commitments (listed on page 48 of this report), interfere with the discharge of his duties to the company. The Board is satisfied that he commits the time necessary to discharge his role effectively.

Company Secretaries

The company’s Company Secretaries are Ms Frances Kernot and Mr David Martin. The qualifications and experience of each Company Secretary are set out on page 50. The appointment and removal of a Company Secretary is a matter for decision by the Board. Mr Martin has given notice of his intention to resign as a Company Secretary with effect from 28 February 2006, as he is ceasing employment with Woodside. The Company Secretaries are responsible for ensuring that Board procedures are complied with and that governance matters are addressed. All Directors have access to the Company Secretaries’ advice and services.

Board Performance Evaluation

The Governance & Nominations Committee is responsible for determining the process for evaluating Board performance. Evaluations are conducted every year.
The performance of the Board as a whole and each of its committees are reviewed against the requirements of their respective charters. In addition, the individual performance of the Chairman and the Directors are also reviewed. These annual evaluations have produced continuing improvements in Board processes and overall efficiency.

The Chairman’s performance is reviewed each year by the following process:

- all other members of the Board are invited to complete a formal assessment and questionnaire that has been approved by the Board;
- their responses are tabulated and a written report on the findings and comments is prepared by an external consultant;
- a copy of that report is provided to the Chairman, the Chair of the Governance & Nominations Committee and one other member of that Committee; and
- the contents of the report are then discussed by the Chairman, the Chair of the Governance & Nominations Committee and one other member of that committee and a summary of that discussion is reported to the Board.

Individual Director’s performance reports are provided to the individuals and copied to the Chairman. The performance of each Director retiring at the next AGM is taken into account by the Governance & Nominations Committee in making its recommendation as to whether or not the Board should support the re-election of the Director.

The Human Resources & Compensation Committee reviews and makes recommendations to the Board on the criteria for, and the evaluation of, the performance of the CEO.

Terms of Appointment, Induction Training and Continuing Education

All new Directors are provided with a formal letter of appointment setting out the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board’s expectations regarding their involvement with committee work.

Induction training is provided to all new Directors. It includes a comprehensive induction manual, meetings with the CEO and key executives, information on key corporate and Board policies and the option to visit Woodside’s principal operations either upon appointment or with the Board during its next inspection tour.

All Directors are expected to maintain the skills required to discharge their obligations to the company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the company where appropriate. In addition, the company provides the Board with regular educational information papers and presentations on industry-related matters and new developments with potential to affect Woodside.

Directors’ Remuneration

Details of remuneration paid to Directors (executive and non-executive) are set out on page 59 of this report.

Securities Ownership and Dealing

Woodside’s Securities Dealing Policy is binding on all Directors, employees, contractors, consultants and advisers. This policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for or are associated with Woodside and is intended to assist in maintaining market confidence in the integrity of dealings in the company’s securities.

The policy stipulates that the only appropriate time for a Director or employee to deal in the company’s securities is when he or she is not in possession of price sensitive information that is not generally available to the market. A Director wishing to deal in the company’s securities may only do so after first having advised the Chairman of his or her intention. A key executive wishing to deal must first notify the CEO. Confirmation of any dealing must also be given by the Director or key executive within two business days after the dealing. In the case of other employees, contractors, consultants and advisers, there is no notification requirement.

Non-executive Directors, other than Shell-nominated Directors, may elect to participate in the Non-Executive Directors’ Share Plan approved by shareholders at the 2000 AGM. On-market purchases as a result of such elections are made at pre-determined intervals, but only after a determination has been made that the Directors are not in possession of price-sensitive information that has not been released to the market.

Any securities dealing by Directors is notified to the ASX within five business days of the dealing.

Codes of Conduct

The Board has approved a Code of Conduct for Directors and Key Executives which describes the standards of ethical behaviour that Directors and key executives are required to maintain. A summary of this code is available in the corporate governance section of Woodside’s website.

The Board has also approved a Corporate Code of Conduct which has been designed to demonstrate and codify Woodside’s commitment to appropriate and ethical corporate practices.

Compliance with the Corporate Code of Conduct by Directors, key executives and employees will also assist Woodside in effectively managing its operating risks and meeting its legal and...
compliance obligations, as well as enhancing Woodside’s corporate reputation.

The Corporate Code of Conduct describes Woodside’s mission and vision, together with the business principles approved by the Board. It also summarises Woodside’s policies on matters such as confidentiality, conflicts of interest, sound employment practices, compliance with laws and regulations and the protection and proper use of Woodside’s assets.

A summary of the main provisions of the Corporate Code of Conduct is available in the corporate governance section of Woodside’s website.

The Board has also approved a Whistleblower Policy which documents Woodside’s commitment to maintaining an open working environment in which employees and contractors are able to report instances of unethical, unlawful or undesirable conduct without fear of intimidation or reprisal.

The purpose of the Whistleblower Policy is to:

• help detect and address unacceptable conduct;
• help provide employees and contractors with a supportive working environment in which they feel able to raise issues of legitimate concern to them and to Woodside;
• provide an external helpline which can be used for reporting unacceptable conduct; and
• help protect people who report unacceptable conduct in good faith.

Political Donations

The Board’s policy is not to donate funds to any political party, politician, or candidate for public office in any country.

Board Meetings

During the year ended 31 December 2005, the Board held six Board meetings. Generally, Board meetings run over two days. Details of Directors’ attendance at these meetings are set out in Table 2 on page 41 of this report.

The Chairman sets the agenda for each meeting in conjunction with the CEO and the Company Secretary. Any Director may request additional matters be added to the agenda. Members of senior management attend meetings of the Board by invitation, but sessions are also scheduled at each formal Board meeting for non-executive Directors to meet without management present.

Copies of Board papers are circulated in advance of the meetings in either electronic or hard copy form. Directors are entitled to request additional information where they consider the information is necessary to support informed decision-making.

The Board works to an annual agenda encompassing periodic reviews of Woodside’s operating business units, recurring statutory obligations, business approvals and other responsibilities identified in the Board Charter.

Committees of the Board

The Board has established three standing committees to assist in the discharge of its responsibilities. These are the:

• Audit & Risk Committee;
• Governance & Nominations Committee; and
• Human Resources & Compensation Committee.

Each of the standing committees has its own charter which describes its role and duties. The office of the Company Secretary provides secretariat services for each committee.

All papers considered by the standing committees are available on request to Directors who are not on that committee.

Minutes of all standing committee meetings are provided to all Directors and the proceedings of each meeting are reported by the Chair of the committee at the next Board meeting. All Directors may, through the Chair of the committee, recommend the inclusion of specific topics on committee agendas.

Ad hoc committees are convened to address major transactions or other matters calling for special attention.

The term of the Shell Relationship Committee, formed as an ad hoc committee in August 2000, has been extended to 30 June 2006. Its members comprise all of the Directors that are not nominated by Shell. The purpose of the committee is to provide a forum in which Directors can discuss, in the absence of Shell-nominated Directors, matters relating to the ongoing relationship with Shell.

The number of committee meetings held during the year, and members’ attendances at these meetings, are set out in Table 2 on page 41 of this report.

Audit & Risk Committee

The role of the Audit & Risk Committee is to assist the Board to meet its oversight responsibilities in relation to the company’s financial reporting, internal control structure, risk management procedures and the internal and external audit function. In doing so, it is the committee’s responsibility to maintain free and open communication between the committee and the external auditors, the internal auditors and the management of Woodside.

The committee’s charter, detailing its duties, is available in the corporate governance section of Woodside’s website.

Members of the Audit & Risk Committee are Mr E Fraunschiel (Chair), Mr RES Argyle, Ms JR Broadbent, Mr MA Chaney, Mr DI McEvoy and Mr PM van Rossum.
The external auditors, the Chairman, the CEO, the Chief Financial Officer, the Group Financial Controller and the Audit & Business Risk Manager attend committee meetings by invitation. The committee meets with the external auditors at regular scheduled sessions without management present. The committee met six times during the year.

Governance & Nominations Committee
The role of the Governance & Nominations Committee is to assist the Board to meet its oversight responsibilities in relation to the company’s governance practices and to review Board composition and Board succession planning.

The committee’s charter, detailing its duties, is available in the corporate governance section of Woodside’s website.

Members of the Governance & Nominations Committee are Mr RES Argyle (Chair), Dr AT Calvert, Mr E Fraunschiel, Mr CB Goode, Mr DI McEvoy and Mr TN Warren.

Table 2 – Directors’ attendances at meetings

<table>
<thead>
<tr>
<th>Directors</th>
<th>Board</th>
<th>Audit &amp; Risk</th>
<th>Human Resources &amp; Compensation</th>
<th>Governance &amp; Nominations</th>
<th>Shell Relationship</th>
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<td>TN Warren</td>
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</tbody>
</table>

The CEO and the General Counsel attend committee meetings by invitation. The committee met five times during the year.

Human Resources & Compensation Committee
The role of the Human Resources & Compensation Committee is to assist the Board in establishing policies and practices which:

• enable the company to attract talented Directors and to attract, retain and motivate employees who achieve operational excellence and create value for shareholders;
• reward employees fairly and responsibly, having regard to the financial results of the group, individual performance and general remuneration conditions;
• reflect best practice in people development while meeting Woodside’s business needs; and
• comply with the ASX Listing Rules and the Corporations Act.

The committee’s charter, detailing its duties, is available in the corporate governance section of Woodside’s website.

Members of the Human Resources & Compensation Committee are Ms JR Broadbent (Chair), Dr AT Calvert, Mr MA Chaney, Dr PJMH Jungels and Mr TN Warren. The Chairman, the CEO and the Director Human Resources attend committee meetings by invitation. The committee met eight times during the year.

External Auditor Relationship
In accordance with the External Auditor Policy, the Audit & Risk Committee oversees detailed External Auditor Guidelines covering the terms of engagement of Woodside’s external auditor. The guidelines include provisions directed to maintaining the independence of the external auditor and in assessing whether the provision of any non-audit services by the external auditor that may be proposed is appropriate. Such provisions are referenced to the Code of Ethics published by the International Federation of Accountants (IFAC).
The External Auditor Guidelines contain a set of controls which address threats to the independence of the external auditor including, in particular, any threat which may arise by reason of self-interest, self-review, advocacy, familiarity or intimidation (all terms defined by the IFAC’s Code of Ethics). The External Auditor Guidelines classify a range of non-audit services which could potentially be provided by the external auditor as:

- acceptable within limits;
- requiring the approval of the CFO;
- requiring the approval of the Audit & Risk Committee; or
- not acceptable.

The services considered not acceptable for provision by the external auditor are:

- internal audit;
- acquisition accounting/due diligence where the external auditor is also the auditor of the other party;
- book-keeping activities to the extent such activities require decision-making ability and/or posting entries to the ledger;
- the design, implementation, operation or supervision of information systems;
- transactional support for acquisitions or divestments where the external auditor is also auditor of the other party;
- valuation assistance for regulatory purposes;
- independent expert reports;
- transaction project management;
- outsourcing/partnering;
- financial risk management;
- taxation transactions advice, taxation structuring advice or assistance in resolution of disputes;
- executive recruitment, secondment of staff into accounting or decision-making roles;
- execution of corporate financing, funding or similar activities; and
- legal services.

Further, the External Auditor Guidelines require rotation of the audit partner at least every five years, prohibit the reinvolvement of a previous audit partner in the audit service for two years following rotation, and provide that a former partner of the audit firm or member of the audit team may only be recruited into a position as a Director or senior employee of Woodside after the expiry of at least two years.

The Board has recently approved the appointment of Mr Michael Minosora, the Managing Partner in Western Australia of Ernst & Young, the company’s external auditor, to the position of Director Corporate Centre, a senior management position in Woodside. In approving the appointment the Board took into consideration Mr Minosora’s role at Ernst & Young, where Mr Minosora was not a member of the audit team for the company, and the role of the Director Corporate Centre, which does not include oversight of the financial or internal audit functions of the company, and was satisfied that the appointment does not compromise the independence of the external auditor or the integrity of the financial or internal audit functions of the company.

Risk Management

Through the Audit & Risk Committee, the Board is responsible for overseeing the implementation of the company’s Enterprise Risk and Internal Control Policy.

The company has a comprehensive program for the identification, assessment, monitoring and management of material risks embedded in its management systems. This process is based on the Committee of Sponsoring Organisations of the US Treadway Commission (COSO) control framework for enterprise risk management. Every business unit, corporate function and significant project initiative has a risk management section within its annual business plan. These business plans are discussed at regular performance reviews and each business unit must report annually on the application and effectiveness of the risk management process within the business unit.

A description of Woodside’s risk profile is included in the summary of the Enterprise Risk and Internal Control Policy which is available in the corporate governance section of Woodside’s website.

The Audit & Risk Committee oversees the scope of the internal audit function, approves the appointment and dismissal of the Audit & Business Risk Manager and has access to the internal audit function without the presence of other management. The company’s internal audit function provides reports to the Audit & Risk Committee on the effectiveness of the risk-based control framework in Woodside. Woodside’s internal audit function provides information to management and has all necessary access to management and information. The internal and external audit functions are separate and independent of each other.

Management Assurance

Consistent with ASX Recommendation 7.2, the CEO and the CFO have stated in writing to the Board that the company’s financial reports present a true and fair view, in all material respects, of the group’s financial condition and operational results and are in accordance with relevant accounting standards. The CEO and CFO have also stated in writing to the Board that the statement they have given relating to the integrity of the company’s financial statements and notes is founded on a sound system of risk management and internal compliance and control which implements the policies approved by the Board, and that Woodside’s risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.
ASX Principles Compliance Statement

This ASX Principles Compliance Statement provides a description of the manner in which the company complies with the ASX Principles and associated recommendations. A more detailed compliance statement is also available in the corporate governance section of Woodside’s website (www.woodside.com.au).

Principle 1 - Lay solid foundations for management and oversight

ASX Principle 1 states that a company should “recognise and publish the respective roles and responsibilities of board and management”. Woodside complies with this principle and associated recommendations in the following manner.

Board Charter

The Board Charter sets out, amongst other things, the functions and responsibilities of:

- the Board;
- the Chairman of the Board;
- the non-executive Directors collectively; and
- the individual non-executive Directors.

Other than as specifically reserved to the Board in the Board Charter, responsibility for the management of Woodside’s business has been formally delegated to the CEO. The Board Charter and the delegation of Board authority to the CEO are reviewed regularly.

Director appointment letters

Each new non-executive Director is required to sign and return a letter of appointment which sets out the key terms of the Director’s appointment. The content of the letters of appointment for new non-executive Directors is consistent with the ASX Principles.

Woodside also enters into formal employment contracts with the CEO and the CFO which describe, among other things, their terms of office, duties, rights, responsibilities and entitlements on termination.

Reporting on ASX Principle 1

A copy of the Board Charter is available in the corporate governance section of Woodside’s website.

Principle 2 - Structure the Board to add value

ASX Principle 2 states that a company should “have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties”. Woodside complies with this principle and associated recommendations in the following manner.

The Governance & Nominations Committee

The Board Charter provides for the establishment of a Governance & Nominations Committee. The Board has approved a Governance & Nominations Committee Charter which sets out the committee’s role and responsibilities, composition, structure and membership requirements.

Assessment of Director independence

The Board Charter requires that the majority of the Board comprises Directors who are non-executive and independent. The independence of a Director is determined in accordance with Woodside’s Policy on Independence of Directors, which is described in the Corporate Governance Statement contained on pages 34 to 42 of this report.

The Governance & Nominations Committee reviews the independence of the Directors before their appointment and annually with reference to:

- the requirements of, and the materiality thresholds set out in, the Policy on Independence of Directors;
- the Directors’ standing notices of material personal interests and Woodside’s relationship with any people or organisations disclosed in those standing notices; and
- any other relevant information.

The Governance & Nominations Committee makes a recommendation to the Board on Directors’ independence.

At or before the December Board meeting each year, the Board:

- considers the recommendation of the Governance & Nominations Committee regarding independence of Directors;
- considers whether the exceeding of materiality thresholds has or could reasonably be perceived to interfere materially with the independent judgement of a Director; and
- determines the independence status of its Directors.

Disclosure of independence

The Board has made the following disclosure to shareholders in the Corporate Governance Statement in this report:

- the independence or otherwise of each Director and the basis of the assessment of independence;
- a specific explanation of any assessment of independence for any Director who has other relationships that exceed the materiality thresholds set out in the independence criteria contained in the Policy on Independence of Directors;
- material relationships, associations and other business of each Director, including details of any relationships or circumstances which the Board believes do not affect independence but which could be perceived as influencing the Director’s judgement, objectivity or ability to act in the best interests of the company;
• the period of office held by each Director; and
• the materiality thresholds adopted by the Board to assist in the assessment and determination of independence.

The independence status of Directors standing for election or re-election will also be identified in the notice of AGM. If the Board’s assessment of a Director’s independence changes, that change will be disclosed immediately through an ASX announcement.

**Independent decision making**

The Board has agreed a procedure under which Directors are entitled to obtain independent legal, accounting or other professional advice at the company’s expense.

**The Chairman**

As required by the Board Charter, the Chairman of the Board is an independent, non-executive Director and a resident Australian citizen. The positions of Chairman and CEO are not filled by the same person.

**Board Composition**

It is the Board’s current view that the appropriate composition of the Board is nine non-executive Directors and the CEO. This number may be increased (providing it does not exceed 15) where it is felt that additional expertise is required in specific areas, where an outstanding candidate is identified or to ensure a smooth transition between outgoing and incoming non-executive Directors.

Where the Board has more than nine non-executive Directors, it is the intention of the Board to return the number to nine upon the retirement or resignation of the next independent Director, subject to the resulting composition continuing to satisfy Board policy.

**Selection of new Directors**

The Governance & Nominations Committee is responsible for evaluating Board candidates and recommending individuals for appointment to the Board. Suitable nominees may be appointed by the Board subject to shareholder election at the next AGM.

Prior to appointment, preferred candidates must disclose to the Chairman the nature and extent of their other appointments and activities. Candidates must also demonstrate that they understand what is expected of them and confirm that they are willing to make the necessary commitments, and will have available the time required, to discharge their responsibilities as a Director.

**Shareholder election of Directors**

All Directors seeking election by shareholders must agree to submit the following details for inclusion in the relevant notice of meeting:

- biographical details, including competencies and qualifications, and information sufficient to enable assessment of the independence of the Director;
- details of relationships between the candidate and Woodside and the candidate and the Directors of the company;
- other directorships held;
- particulars of other positions which involve significant time commitments;
- the term of office currently served by any Director seeking re-election; and
- any other particulars required by law.

Non-executive Directors are elected by shareholders for a three-year term and should, prior to the conclusion of that term, declare their availability or otherwise for a further term. Board support for a Director’s re-election is not automatic and is subject to satisfactory Director performance (as evidenced in the Director’s individual performance evaluation report) and the continuing satisfaction of the selection criteria and other requirements of the Board and the Governance & Nominations Committee.

**Director competencies and succession planning**

The Governance & Nominations Committee has a process for identifying and assessing Director competencies.

Board succession is reviewed each year by the Governance & Nominations Committee.

**Reporting on ASX Principle 2**

A copy of the Governance & Nominations Committee Charter and a description of Woodside’s procedure for the selection and appointment of new Directors is available in the corporate governance section of Woodside’s website.

**Principle 3 - Promote ethical and responsible decision making**

ASX Principle 3 states that a company should “actively promote ethical and responsible decision making”. Woodside complies with this principle and associated recommendations in the following manner.

**Code of Conduct for Directors and Key Executives**

The Board has approved a Code of Conduct for Directors and key executives which describes the standards of ethical behaviour that Directors and key executives are required to maintain.

**Securities Dealing Policy**

The Board has approved a Securities Dealing Policy which sets out a brief summary of the law on insider trading and other relevant laws and sets out the restrictions on dealing in securities by people who work for or are associated with Woodside.
Reporting on ASX Principle 3
A summary of the main provisions of the Code of Conduct for Directors and Key Executives and the main provisions of the Securities Dealing Policy are available in the corporate governance section of Woodside’s website.

Principle 4 - Safeguard integrity in financial reporting
ASX Principle 4 states that a company should “have a structure to independently verify and safeguard the integrity of the company’s financial reporting”. Woodside complies with this principle and associated recommendations in the following manner.

Financial Reporting Policy
The Board has approved a Financial Reporting Policy which is designed to ensure the presentation of a true and fair view of Woodside’s financial position. The Financial Reporting Policy requires the CEO and the CFO to state in writing to the Board that Woodside’s financial statements and notes:
- have been maintained properly in accordance with the Corporations Act;
- are in accordance with relevant accounting standards; and
- present a true and fair view, in all material respects, of Woodside’s financial position and performance.

Audit & Risk Committee
The Board Charter provides for the establishment of an Audit & Risk Committee. The Board has approved an Audit & Risk Committee Charter which sets out the committee’s role and responsibilities, composition, structure and membership requirements.

External auditor relationship
The Audit & Risk Committee also oversees the Board’s External Auditor Policy and detailed External Auditor Guidelines which address the terms of engagement of Woodside’s external auditor.

Reporting on ASX Principle 4
A copy of the Audit & Risk Committee Charter and information on the procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners are available in the corporate governance section of Woodside’s website.

Principle 5 - Make timely and balanced disclosure
ASX Principle 5 states that a company should “promote timely and balanced disclosure of all material matters concerning the company”. Woodside complies with this principle and associated recommendations in the following manner.

Continuous disclosure
The company is committed to ensuring that shareholders and the market are provided with full and timely information concerning Woodside. In this regard the Board has approved a Continuous Disclosure and Market Communications Policy which is designed to:
- record and communicate the company’s commitment to continuous disclosure;
- outline the processes followed by the company to ensure compliance with its disclosure obligations; and
- outline the corporate governance standards applied by the company in its market communications practices.

Woodside has also introduced Implementation Guidelines for the Continuous Disclosure and Market Communications Policy which describe in more detail the methods by which Woodside and its employees can ensure compliance with the Continuous Disclosure and Market Communications Policy.

Commentary on financial results
Woodside’s Statement of Financial Reporting Integrity requires the inclusion of commentary on Woodside’s financial results to enhance the clarity and balance of Woodside’s reporting.

This commentary includes information needed by an investor to make an informed assessment of Woodside’s activities and results.

Reporting on ASX Principle 5
A copy of the Continuous Disclosure and Market Communications Policy is available in the corporate governance section of Woodside’s website.

Principle 6 - Respect the rights of shareholders
ASX Principle 6 states that a company should “respect the rights of shareholders and facilitate the effective exercise of those rights”. Woodside complies with this principle and associated recommendations in the following manner.

Shareholder communication
The Board has approved a Shareholder Communication Policy which provides, among other things, that:
- the company will communicate effectively with its shareholders and will give shareholders ready access to balanced and understandable information about Woodside and its corporate proposals; and
- the company recognises the importance of shareholder participation in general meetings and supports and encourages that participation.

Auditor attendance at AGMs
The Shareholder Communication Policy also provides that the company’s external auditors are required to attend the company’s AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor’s report.

Reporting on ASX Principle 6
A summary of the Shareholder Communications Policy is available in the corporate governance section of Woodside’s website.
Principle 7 - Recognise and manage risk

ASX Principle 7 states that a company should "establish a sound system of risk oversight and management and internal control". Woodside complies with this principle and associated recommendations in the following manner.

Policy on risk oversight and management and internal control

The Board has approved an Enterprise Risk and Internal Control Policy which describes the manner in which Woodside ensures a sound system of risk oversight and management and internal control. This policy is implemented within Woodside by:

- establishing and implementing across the group a formal risk management and internal control process;
- identifying from this risk management and internal control process specific project, business unit and corporate risks which may impact upon the group;
- regularly monitoring and assessing the performance and effectiveness of the risk management and internal control process;
- ensuring the risk management and internal control process is overseen by the Audit & Risk Committee; and
- requiring the CEO and CFO to certify to the Board that Woodside’s risk management and internal control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

CEO and CFO certification of risk management and internal compliance and controls

The Enterprise Risk and Internal Control Policy requires Woodside’s CEO and CFO to state to the Board in writing that:

- the statement given by the CEO and the CFO relating to the integrity of Woodside’s financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies approved by the Board; and
- Woodside’s risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

Reporting on ASX Principle 7

A summary of Woodside’s risk profile, risk management policy and internal compliance and control system is available in the corporate governance section of Woodside’s website.

Principle 8 - Encourage enhanced performance

ASX Principle 8 states that a company should “fairly review and actively encourage enhanced board and management effectiveness”. Woodside complies with this principle and associated recommendations in the following manner.

Performance evaluations

In accordance with the Board Charter and the Governance & Nominations Committee Charter, the Board (with the assistance of the Governance & Nominations Committee) conducts the following annual reviews:

- Board performance against the requirements of the Board Charter;
- Committee performances against their respective charters;
- the performance of the Chairman, both as a Chairman and as an individual member of the Board;
- Board composition against a matrix of desired competencies across all Board members, with the Board forming a view as to whether or not it has (with the Director or Directors next coming up for re-election) the requisite balance of skills, knowledge and experience to direct Woodside going forward;
- the performance of the individual Directors against criteria determined by the Governance & Nominations Committee;
- the independence of Directors; and
- the performance of the CEO against criteria set by the Board, with the assistance of the Human Resources & Compensation Committee.

Induction and continuing education

Details of the induction training available to all new Directors is described on page 39 of this report. Details of Directors’ continuing education are discussed on page 39 of this report.

Reporting on ASX Principle 8

A description of the company’s process for performance evaluation of the Board, its committees and individual Directors including the CEO is available in the corporate governance section of Woodside’s website.

Principle 9 - Remunerate fairly and responsibly

ASX Principle 9 states that a company should “ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined”. Woodside complies with this principle and associated recommendations in the manner set out below. Woodside’s Remuneration Report is set out on pages 51 to 60 of this report.

Director and Key Executive remuneration

Woodside has developed an Executive Remuneration Policy and a Non-Executive Director Remuneration Policy which set out Woodside’s position with regard to remunerating non-executive Directors and key executives. These policies require, amongst other things:

- full disclosure to investors of Woodside’s remuneration policies;
- the structure of key executive remuneration to be distinguished from the remuneration of non-executive Directors;
• that the payment of equity-based remuneration be made in accordance with thresholds set in accordance with plans approved by shareholders; and

• compliance with the ASX Principles with regard to remuneration and the identification in the Woodside annual report of any recommendations relating to ASX Principle 9 that have not been followed and the reasons for not following them.

Human Resources & Compensation Committee
The Board Charter provides for the establishment of a Human Resources & Compensation Committee. The Board has approved a Human Resources & Compensation Committee Charter which sets out the committee’s role and responsibilities, composition, structure and membership requirements.

Reporting on ASX Principle 9
A copy of the Human Resources & Compensation Committee Charter is available in the corporate governance section of Woodside’s website.

Principle 10 - Recognise the legitimate interests of stakeholders
ASX Principle 10 states that a company should “recognise legal and other obligations to all legitimate stakeholders”. Woodside complies with this principle and associated recommendations in the following manner.

Corporate Code of Conduct
The Board has approved a Corporate Code of Conduct which has been designed to demonstrate and codify Woodside’s commitment to appropriate and ethical corporate practices.

All Directors, executives, employees and contractors are required to comply with the Corporate Code of Conduct. Any breach of applicable laws, prevailing business ethics or other aspects of the Corporate Code of Conduct will result in disciplinary action.

Such disciplinary action may include (depending on the severity of the breach) reprimand, formal warning, demotion or termination of employment.

Reporting on ASX Principle 10
A summary of the main provisions of the Corporate Code of Conduct is available in the corporate governance section of Woodside’s website.
Board of Directors
As at 31 December 2005

Charles B Goode, AC
(Chairman)
BCom (Hons) (Melb), MBA (Columbia University), Hon. LLD (Melb), Hon. LLD (Monash)
Appointed a Director in February 1988 and Chairman in May 1999. Chair of the Shell Relationship Committee, Member of the Governance & Nominations Committee and attends most other Board committee meetings. Over 35 years experience in the financial services industry. Age: 67.

Current Directorships:

Donald R Voelte
(Managing Director and CEO)
BSc (University of Nebraska)
Appointed as Managing Director and CEO in April 2004. Member of the Shell Relationship Committee and attends most other Board committee meetings. Mr Voelte has 30 years experience in the global oil and gas business, including 22 years with Mobil Corporation, 3 years with Atlantic Richfield Company and three years as CEO of Chroma Energy, a private exploration and production company. Age: 53.

Rory ES Argyle
LLB, Dip PL (Dundee), Hon. LLD (Murdoch), FAICD
Appointed a Director in November 1995. Chair of the Governance & Nominations Committee, Member of the Audit & Risk and Shell Relationship Committees. Over 35 years experience as a commercial and resources lawyer in Perth. Age: 69.

Current Directorships:
Chair: St George’s College Foundation Inc. (since 1989).

Directors held within the last 3 years:

Jillian R Broadbent, AO
BA (Economics and Maths), Hon. D. Litt (UWS)

Current Directorships:
Chair: The National Institute of Dramatic Art (since 2005).

Directors held within the last 3 years:
Director: Coca-Cola Amatil Limited (since 1999) and Special Broadcasting Service (since 2002).

Michael Chaney, AO
BSc, MBA, Hon. LLD Western Australia, FAIM, FAICD
Appointed as a Director in November 2005. Member of the Audit & Risk, Human Resources & Compensation and Shell Relationship Committees. Mr Chaney’s experience includes 22 years with Wesfarmers Limited (including Managing Director and Chief Executive Officer from 1992 to December 2004), 3 years with investment bank Australian Industry Development Corporation and 8 years as a petroleum geologist working on the North West Shelf and in the USA and Indonesia. Age: 55.
Current Directorships:
Chair: National Australia Bank Ltd (director since 2004), Gresham Partners Holdings Limited (since 1985), Australian Research Alliance for Children and Youth Limited.

Director: The Centre for Independent Studies Ltd (since 2000).

Council Member: National Gallery of Australia; Chancellor: University of Western Australia.

Directorships held within the last 3 years:

Erich Fraunschiel
BCom (Hons) (UWA)
Appointed a Director in December 2002. Chair of the Audit & Risk Committee and Member of the Governance & Nominations and Shell Relationship Committees. Over 18 years experience in senior executive positions with Wesfarmers Limited, including ten years as Chief Financial Officer and Executive Director. Age: 60.

Current Directorships:
Chair: Lumley General Insurance Limited (since 2003) and Wesfarmers Federation Insurance Limited (since 2002).

Director: WorleyParsons Limited (since 2003), West Australian Newspapers Holdings Limited (since 2002), Rabobank Australia Limited (since 2003), The Hoyts Corporation Pty. Ltd. (since 2003), The WCM Group Ltd. (since 2005) and The West Australian Opera Inc (since 1999).

Directorships held within the last 3 years:

Dr Andrew Jamieson, OBE
CEng., FI. Chem E.
Appointed a Director in February 2005. Vice President Gas and Projects of Shell Gas and Power International B.V. Over 30 years experience with Shell in Europe, Australia and Africa. From 1997 to 1999 Mr Jamieson was seconded to Woodside Energy Ltd. as General Manager North West Shelf Venture. Age: 58.

Dr Pierre JMH Jungels, CBE
PhD (Geophysics and Hydraulics) (Caltech)
Appointed a Director in December 2002. Member of the Human Resources & Compensation and the Shell Relationship Committees. Former Chief Executive Officer of Enterprise Oil Plc and President of the Institute of Petroleum. Over 30 years experience in the international oil and gas industry. Age: 61.

Current Directorships:
Chair: Offshore Hydrocarbon Mapping Plc. (Director since 2004) and Rockhopper Exploration Plc. (since 2005).

Director: Imperial Tobacco Group Plc. (since 2002) and Offshore Logistics Inc. (since 2002).

David I McEvoy
BSc (Physics), Grad Dip (Geophysics)
Appointed a Director in September 2005. Member of the Audit & Risk, Governance & Nominations and Shell Relationship Committees.

Mr McEvoy had a 34-year career with ExxonMobil involving extensive international exploration and development experience. Age: 59.

Current Directorships:
Director: Innaminka Petroleum Ltd. (since 2002) and Po Valley Energy Ltd. (since 2004).

Peter M van Rossum
CA, MbusEcon (Free University Amsterdam)

Tim N Warren
BSc (Hons) (St Andrews)
Appointed a Director in July 2002. Member of the Governance & Nominations and Human Resources & Compensation Committees. Over 30 years experience in the international oil and gas industry. Age: 57.

Current Directorships:
Chair: Shell Australia Limited (director since 2002), Shell Energy Holdings Australia Limited (director since 2002), Shell Development (Australia) Pty. Ltd. (director since 2002), Shell Todd Oil Services Limited (director since 2002) and Save the Children Australia Business Alliance (since 2004).
Directors’ Report


Directors

The Directors of Woodside Petroleum Ltd. in office at any time during or since the end of the 2005 financial year are set out in Table 3 on page 50. Additional information (including qualifications and experience) on the Directors is set out on pages 48 to 49 of this report.

Company Secretary

The following individuals have acted as Company Secretary during 2005:

DR Martin
B Juris, LLB (UWA)
Mr Martin holds Bachelor of Jurisprudence and Bachelor of Laws degrees and is the company’s General Counsel. He was appointed a Secretary of the company on 21 October 2004. Mr Martin joined Woodside in September 2001 after 12 years working in London, Singapore and Hong Kong including nine years as a partner in an international law firm. Mr Martin has given notice of his intention to resign as a Company Secretary with effect from 28 February 2006, as he is ceasing employment with Woodside.

FM Kernot
BCom (Hons) (UWA), Grad. Dip. CSP, CA, ACIS
Ms Kernot holds a Bachelor of Commerce with Honours and is a Chartered Accountant and Chartered Secretary. She has also completed the Australian Institute of Company Secretaries’ Graduate Diploma in Company Secretarial Practice. Ms Kernot has over 15 years experience in company secretarial, compliance and financial accounting roles. She has been employed by Woodside since September 2003 and was appointed a Secretary of the company on 16 April 2004.

Table 3 - Names of Directors in office during or since the end of 2005

<table>
<thead>
<tr>
<th>Directors</th>
<th>Date Appointed</th>
<th>Date Retired</th>
<th>Period in Office*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB Goode</td>
<td>3 February 1998</td>
<td>-</td>
<td>18 years</td>
</tr>
<tr>
<td>DR Voite</td>
<td>5 April 2004</td>
<td>-</td>
<td>1 year, 10 months</td>
</tr>
<tr>
<td>RES Argyle</td>
<td>1 November 1995</td>
<td>-</td>
<td>10 years, 4 months</td>
</tr>
<tr>
<td>JR Broadbent</td>
<td>17 June 1998</td>
<td>-</td>
<td>7 years, 8 months</td>
</tr>
<tr>
<td>AT Calvert</td>
<td>1 September 2005</td>
<td>-</td>
<td>6 months</td>
</tr>
<tr>
<td>MA Chaney</td>
<td>30 November 2005</td>
<td>-</td>
<td>2 months</td>
</tr>
<tr>
<td>BPT de Wit</td>
<td>13 August 2002</td>
<td>15 February 2005</td>
<td>2 years, 6 months</td>
</tr>
<tr>
<td>E Fraunischiel</td>
<td>1 December 2002</td>
<td>-</td>
<td>3 years, 3 months</td>
</tr>
<tr>
<td>A Jamieson</td>
<td>16 February 2005</td>
<td>-</td>
<td>1 year</td>
</tr>
<tr>
<td>PJMH Jungels</td>
<td>1 December 2002</td>
<td>-</td>
<td>3 years, 3 months</td>
</tr>
<tr>
<td>DI McEvoy</td>
<td>1 September 2005</td>
<td>-</td>
<td>6 months</td>
</tr>
<tr>
<td>PJB Rose</td>
<td>6 December 1990</td>
<td>12 September 2005</td>
<td>14 years, 9 months</td>
</tr>
<tr>
<td>P M van Rossum</td>
<td>15 April 2004</td>
<td>-</td>
<td>1 year, 10 months</td>
</tr>
<tr>
<td>TN Warren</td>
<td>15 July 2002</td>
<td>-</td>
<td>3 years, 7 months</td>
</tr>
</tbody>
</table>

* Period in office calculated to the date of this report being 15 February 2006, rounded to the nearest month.

Corporate Information

Woodside Petroleum Ltd. is a company limited by shares that is incorporated in Australia. It is the ultimate parent entity of the Woodside group of companies.

The registered office of Woodside Petroleum Ltd. is located at: Woodside Plaza 240 St Georges Terrace Perth Western Australia 6000

Bankers
JPMorgan Chase Bank

Share Registry
Computershare Investor Services Pty. Limited

Auditors
Ernst & Young

Directors’ Meetings

The number of Directors’ meetings held (including meetings of committees of the Board) and the number of meetings attended by each of the Directors of Woodside Petroleum Ltd. during the financial year are shown on page 41 of this report.

Principal Activities

The principal activities and operations of the group during the financial year were hydrocarbon exploration, evaluation, development, production and marketing. Other than as previously referred to in this report, there were no other significant changes in the nature of the activities of the consolidated entity during the year.

Number of Employees

As at 31 December 2005, the group had 3,054 employees. This compares with 2,528 employees as at 31 December 2004.

Consolidated Results

The consolidated operating profit attributable to the company’s shareholders after provision for income tax and individually significant items was $1,107.4 million ($1,146.4 million in 2004).

Review of Operations

A review of the operations of the Woodside group during the financial year and the results of those operations are set out on pages 12 to 17 of this report and in the Concise Financial Statements contained in this report.

Significant Changes in State of Affairs

The review of operations sets out a number of matters which have had an effect on the state of affairs of the consolidated entity. Other than those matters, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Events Subsequent to End of Financial Year

No events, other than those disclosed in Note 7 of the Concise Financial Report on page 74 have occurred subsequent to balance date which have a significant effect on the financial statements of the consolidated entity.
Likely Developments
In general terms, the review of operations of the group gives an indication of likely developments and the expected results of the operations.

Environmental Compliance
Woodside is subject to a range of environmental legislation in Australia and other countries in which it operates. During 2005, Woodside complied, in all material respects, with the requirements of that legislation. More detailed information on Woodside’s environmental performance is provided on page 28 of this report and will be included in Woodside’s Health, Safety, Environment and Community Report which will be released in April 2006).

Through its environmental policy, Woodside plans and performs activities so that adverse effects on the environment are avoided or kept as low as reasonably practicable.

Dividends
A final dividend of 32 cents per ordinary share (fully franked) was paid to shareholders on 23 March 2005 in respect of the year ended 31 December 2004. Together with the fully franked interim dividend of 35 cents per share paid to shareholders on 23 September 2005, the total dividend paid during the 2005 year was 67 cents per share (fully franked).

The Directors have declared a final dividend out of profits of the company in respect of the year ended 31 December 2005 of 58 cents per ordinary share (fully franked) payable on 22 March 2006.

Corporate Governance
A statement of the Board’s governance practices in effect during the year is set out on pages 34 to 42 of this report.

Directors’ Interests in Shares
The particulars of Directors’ interests in shares of the company as at 15 February 2006 are set out in Table 4 on page 51.

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

- a benefit included in the aggregate amount of remuneration received, or due and receivable, by Directors other than as reported in the consolidated accounts;
- normal benefits as a full-time employee of the company or a related corporation; or
- as outlined under the heading Indemnification and Insurance of Directors and Officers.

Table 4 – Directors’ interests in shares as at 15 February 2006

<table>
<thead>
<tr>
<th>Executive Director</th>
<th>Beneficial, in own name</th>
<th>Beneficial, private company or trust</th>
<th>Beneficial, via Non-Executive Directors’ Share Plan</th>
<th>Other relevant interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR Voelte</td>
<td>-</td>
<td>69,404</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CB Goode</td>
<td>2,000</td>
<td>118,000</td>
<td>96,361</td>
<td>-</td>
</tr>
<tr>
<td>RES Argyle</td>
<td>7,000</td>
<td>20,000</td>
<td>1,340</td>
<td>11,300</td>
</tr>
<tr>
<td>JR Broadbent</td>
<td>-</td>
<td>20,000</td>
<td>21,357</td>
<td>5,000</td>
</tr>
<tr>
<td>AT Calvert</td>
<td>-</td>
<td>262</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MA Chaney</td>
<td>-</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>E Fraunschiel</td>
<td>-</td>
<td>50,000</td>
<td>2,702</td>
<td>-</td>
</tr>
<tr>
<td>A Jamieson</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PJMH Jungels</td>
<td>-</td>
<td>7,367</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DI McEvoy</td>
<td>-</td>
<td>2,500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PM van Rossum</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TN Warren</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Indemnification and Insurance of Directors and Officers
The company’s Constitution (Rule 118) requires the company to indemnify each Director, secretary, executive officer or employee of the company or its wholly owned subsidiaries against liabilities (to the extent the company is not precluded by law from doing so) incurred in or arising out of the conduct of the business of the company or the discharge of the duties of any such person. The company has entered into deeds of indemnity with each of its Directors in terms of the indemnity provided under the company’s Constitution.

The company has paid a premium under a contract insuring each Director, secretary and executive officer of the company and its controlled entities against liability incurred in that capacity.

Disclosure of the nature of the liability covered by and the amount of the premium payable for such insurance is subject to a confidentiality clause under the contract of insurance.

The company has not provided any insurance for the external auditor of the company or a body corporate related to the external auditor.

Remuneration Report
This Remuneration Report forms part of the Directors’ Report for 2005.

Woodside Structure and Employees
Woodside Petroleum Ltd. is the listed parent and holding company of the Woodside group of companies. The Managing Director and Chief Executive Officer (CEO), Mr Donald Voelte, is the only person employed by Woodside Petroleum Ltd. Most employees of the Woodside group of companies, including the Specified Executives discussed in this Remuneration Report, are employed by Woodside Energy Ltd.

The remuneration disclosure and practices discussed in this Remuneration Report relate to both Woodside Petroleum Ltd. and the Woodside group.
Human Resources & Compensation Committee

Role and membership
The Human Resources & Compensation Committee (Committee) operates under the delegated authority of the Board. The role of the Committee and its members are described in the Corporate Governance Statement set out earlier in this report. The Committee’s charter is available in the Corporate Governance section of Woodside’s website (www.woodside.com.au).

Advisors to the Committee
The Woodside Chairman, the CEO and the Director Human Resources attend Committee meetings by invitation and have assisted the Committee in its deliberations during the year, except where matters associated with their own remuneration were considered.

Woodside has engaged external advisors during the year to prepare reports for the Committee on matters relating to remuneration. All information relevant to matters being considered by the Committee has been made available to the Committee.

Table 5 lists those advisors who have been retained during 2005. All advisors are independent and were engaged solely on the basis of their competency in the relevant field.

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Services provided to the Committee and Board</th>
<th>Services provided to Human Resources department</th>
<th>Other Services provided to Woodside</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blake Dawson Waldron</td>
<td>Legal advice</td>
<td>Legal advice</td>
<td>Legal advice</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>CEO remuneration and tax</td>
<td>-</td>
<td>Audit services</td>
</tr>
<tr>
<td>Hay Group</td>
<td>Executive remuneration benchmarking</td>
<td>Job evaluations</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Executive job evaluations</td>
<td>Remuneration benchmarking</td>
<td></td>
</tr>
<tr>
<td>Mercer</td>
<td>Non-executive Director remuneration benchmarking</td>
<td>Remuneration and benefit trends</td>
<td>-</td>
</tr>
<tr>
<td>Pricewaterhouse Coopers</td>
<td>-</td>
<td>Service provider for expatriate administration</td>
<td>Employee tax compliance and preparation services</td>
</tr>
<tr>
<td>Stern Stewart</td>
<td>Advisor on Economic Value Added (EVA*) for new Executive Incentive Plan</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Table 6 - The Directors of Woodside Petroleum Ltd. during 2005

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Period (if less than the entire period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D R Voelte</td>
<td>Managing Director / CEO</td>
<td></td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C B Goodie</td>
<td>Chairman</td>
<td></td>
</tr>
<tr>
<td>R E S Argyle</td>
<td>Director (Non-Executive)</td>
<td></td>
</tr>
<tr>
<td>J R Broadbent</td>
<td>Director (Non-Executive)</td>
<td></td>
</tr>
<tr>
<td>A T Calvert</td>
<td>Director (Non-Executive)</td>
<td>Appointed 1 September 2005</td>
</tr>
<tr>
<td>M A Chaney</td>
<td>Director (Non-Executive)</td>
<td>Appointed 30 November 2005</td>
</tr>
<tr>
<td>B P T de Wit</td>
<td>Director (Non-Executive)</td>
<td>Retired 15 February 2005</td>
</tr>
<tr>
<td>E Fraunschiel</td>
<td>Director (Non-Executive)</td>
<td></td>
</tr>
<tr>
<td>A Jamieson</td>
<td>Director (Non-Executive)</td>
<td>Appointed 16 February 2005</td>
</tr>
<tr>
<td>P J M H Jungels</td>
<td>Director (Non-Executive)</td>
<td></td>
</tr>
<tr>
<td>D J McEvoy</td>
<td>Director (Non-Executive)</td>
<td>Appointed 1 September 2005</td>
</tr>
<tr>
<td>P J B Rose</td>
<td>Director (Non-Executive)</td>
<td>Retired 12 September 2005</td>
</tr>
<tr>
<td>P M Van Rossum</td>
<td>Director (Non-Executive)</td>
<td></td>
</tr>
<tr>
<td>T N Warren</td>
<td>Director (Non-Executive)</td>
<td></td>
</tr>
</tbody>
</table>

Table 7 - The Specified Executives (other than the Executive Director) during 2005

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Period (if less than the entire period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R A Carroll</td>
<td>Chief Financial Officer</td>
<td>Appointed 21 March 2005</td>
</tr>
<tr>
<td>M Chatterji</td>
<td>Director Mergers and Acquisitions</td>
<td></td>
</tr>
<tr>
<td>J A Hamilton</td>
<td>Director North West Shelf (NWS) Ventures</td>
<td></td>
</tr>
<tr>
<td>A J Kantsler</td>
<td>Director Exploration and New Ventures</td>
<td></td>
</tr>
<tr>
<td>D G Parkinson</td>
<td>Director Development</td>
<td></td>
</tr>
<tr>
<td>K W Spence</td>
<td>Chief Operating Officer</td>
<td></td>
</tr>
<tr>
<td>D P Maxwell</td>
<td>Director Gas and Commercial</td>
<td>Ceased employment 2 July 2005</td>
</tr>
<tr>
<td>S Ollereamshaw</td>
<td>Chief Executive Officer, NWS Ventures</td>
<td>Ceased employment 1 April 2005</td>
</tr>
</tbody>
</table>
Remuneration Policy
The Board recognises that Woodside’s performance is dependent on the quality of its people. To achieve its financial and operating objectives, Woodside must be able to attract, retain and motivate highly skilled executives. Woodside’s executive remuneration policy and principles have been designed to ensure that Woodside:

- provides competitive rewards that attract, retain and motivate executives of the highest calibre;
- sets demanding levels of performance which are clearly linked to an executive’s remuneration;
- structures remuneration at a level that reflects the executive’s duties and accountabilities and is competitive within Australia and, for certain roles, internationally;
- benchmarks remuneration against appropriate comparator groups at the 75th percentile;
- aligns executive incentive rewards with the creation of value for shareholders; and
- complies with applicable legal requirements and appropriate standards of governance.

Woodside’s desire to remunerate executives fairly and responsibly and in accordance with the Australian (and in some instances, international) market is achieved by ensuring that:

- the level and composition of remuneration is sufficient and reasonable;
- there is a clear relationship between the performance of Woodside, individual performance and remuneration;
- the policy underlying executive remuneration is openly communicated to and understood by executives; and
- the approach to executive remuneration demonstrates continuity and consistency with minimum exceptions.

Executive remuneration is reviewed annually having regard to individual and business performance against agreed financial and non financial performance measures set at the start of the year, relevant comparative information and expert advice from both internal and independent external sources.

Remuneration Structure
Woodside’s remuneration structure for the CEO and senior executives is divided into two principle components:

- Fixed annual reward (FAR); and
- Variable annual reward (VAR), which includes a short-term incentive (STI) and a long-term incentive (LTI).

Fixed annual reward
The FAR component of executive remuneration comprises base salary, superannuation contributions and other allowances such as motor vehicle and health insurance. It is determined by the scope of each executive’s role, level of knowledge, skill and experience along with their individual performance.

Woodside annually reviews, forecasts and benchmarks this component of executive remuneration against appropriate market comparisons using information and advice from external consultants.

Variable annual reward
The VAR component of executive remuneration is a percentage of an executive’s FAR, set against market comparator groups and relative to the scope of the executive’s role.

The VAR component of an executive’s remuneration for 2005 onwards is covered by the Executive Incentive Plan (EIP), which was approved by shareholders at Woodside’s Annual General Meeting held on 19 April 2005. The EIP was implemented to clarify and strengthen the relationship between performance and executive remuneration, with effect from 1 January 2005. The first allocations, if any, made under the EIP will be made in March or April 2006 in respect of the 2005 performance year.

The EIP aims to reward executives for meeting or exceeding their performance targets, whilst at the same time linking the reward to the creation of long term sustainable wealth for shareholders.

The key performance measures which underpin the EIP are the executive’s individual performance, Woodside Economic Value Added (Woodside EVA) and Total Shareholder Return (TSR). Woodside EVA measures the change in the value of Woodside’s assets resulting from its activities during a period, over and above what is required to cover the cost of capital. TSR measures the growth in the value of Woodside’s shares over a given period of time, plus the value of dividends and other distributions over that period.

At the commencement of each performance year (1 January to 31 December), the Board will set baseline parameters for the measurement of Woodside’s EVA performance and determine a base incentive pool. At the end of the performance year, Woodside’s EVA performance will be assessed and the base incentive pool adjusted up or down depending on the Woodside EVA result to form an annual incentive pool: up for a positive result, down for a negative result or no adjustment for a zero result.

Executives may receive a VAR allocation from this annual incentive pool, based on an assessment of their individual performance relative to other executives. These assessments will be conducted by the CEO and approved by the Board. The performance assessment for the CEO will be conducted by the Board.

Each executive’s VAR allocation will comprise a:

- short-term incentive component: 40% of the VAR allocation will be paid in cash with the executive’s salary in April following the allocation of the VAR; and
• **long-term incentive component**: 60% of the VAR allocation will be allocated as Variable Pay Rights (VPRs). A VPR represents a conditional right with a value equivalent to the market value of one Woodside share, fixed at a pricing date (the volume-weighted average price of Woodside shares over a 5 day period) close to the date when the VPR is allocated. The VPRs are not options over Woodside shares.

• One third of the VPR allocation will be deferred for 3 years with no additional performance hurdle (Time-Tested VPRs).

• Two thirds of the VPR allocation will vest if a TSR Hurdle Rate is achieved at the end of the 3 year deferral period (TSR Tested VPRs). If the TSR Hurdle Rate is not met at the end of the initial 3 year period, re-testing will continue for a further 2 years until the fifth anniversary of the allocation date. The TSR Tested VPRs will vest if, at any time during the 2 year re-testing period, the TSR Hurdle Rate is achieved. If not, on the fifth anniversary all of the relevant TSR Tested VPRs will lapse.

The TSR Hurdle Rate will be set by the Board with reference to the Cost of Equity Capital at that time. Executives will be notified of the TSR Hurdle Rate for each allocation of TSR-tested VPRs and once the TSR Hurdle Rate is set it will apply throughout the VPR vesting cycle.

The Board will determine, from time to time, whether VPRs are to be satisfied in cash or in Woodside shares at the time of vesting.

If there is any variation in Woodside’s capital structure (including any pro rata issue, consolidation or subdivision) while VPRs remain outstanding, the number of VPRs will be adjusted to maintain value equivalence between one VPR and one Woodside share at the date of grant.

If an executive’s employment is terminated by Woodside with cause or due to resignation during the performance year, the executive will receive no cash incentive payment and no VPRs.

If an executive dies or suffers total and permanent disability, all VPRs which have been allocated to the executive will immediately vest.

Subject to the discretion of the Board, VPRs may immediately vest in the event of a change of control of Woodside.

The Board has power under the rules of the EIP to terminate, suspend or amend the EIP, and to alter the management or administration of the EIP. Board decisions about the operation of the EIP will be made on the recommendation of the Committee.

Further details on how the EIP operates are set out in the rules and in the Notice of 2005 Annual General Meeting, copies of which are available on the website (www.woodside.com.au).

**Transitional arrangements**

The variable components of executive remuneration reported in this Remuneration Report relate to Woodside’s previous short-term incentive (STI) and long-term incentive (LTI) plans as the variable components of remuneration for any given year are not finally determined and paid until the following year. The variable components are therefore reported on a “lag” basis, and relate to incentives which were earned in respect of the 2004 performance year but were finally determined and paid in 2005.

Details of the remuneration paid to the CEO and Specified Executives in 2005 are set out in Tables 10, 13 and 14 on pages 58, 59 and 60.

Transitional arrangements have been introduced to phase out the previous arrangements and bring all executives within the scope of the EIP. Details of the arrangements which applied in 2004 are set out below along with any transitional arrangements.

It is expected that in the 2008 performance year, variable components of remuneration for all eligible executives will be set by reference to the EIP.

**Short-term incentives for 2004**

The short-term incentive component of executive remuneration for the 2004 performance year comprised an annual cash incentive which was linked to the performance of both Woodside and the individual executive.

The Board set a series of key performance indicators (KPIs) for Woodside which were linked to Woodside’s business principles, budget and business plan. The degree to which these KPIs were achieved determined the size of the total incentive pool available for distribution to all employees by way of a short-term incentive payment.

Woodside’s KPIs for the 2004 performance year were based on three primary areas - Business Financials, Internal Risked Asset Value (IRAV) and Health Safety and Environment.

The assessment was based on three levels of performance, met expectations, below expectations and exceeded expectations and the methods used to assess performance were chosen as the most objective approach.

Business Financials focused on net profit after tax and was chosen as an appropriate financial measure of contribution to shareholder value. Performance was measured by comparing actual results against the targets set by the Board.

Internal Risked Asset Value (IRAV) focused on the value of assets and cash flows generated in excess of expectations (net of any external factors) and was chosen as an appropriate measure of contribution to shareholder value. Performance was measured by comparing actual results against the targets set by the Board.

Health Safety and Environment focused on the number of fatalities, time injury frequency, reportable spills and environmental incidents during the 2004 performance year. These were considered critical measures of employee safety and environmental responsibility. Performance was measured by comparing the number of incidents against the benchmarks set by the Board.
The proportion of the 2004 short-term incentive pool received by an individual executive was determined by the extent to which the executive achieved the KPIs set out in their individual performance agreement. The executive’s performance agreement was made at the commencement of 2004 to ensure they met specific business objectives for which the individual was responsible. The quantum of the incentive was determined by the CEO and recommended to the Committee for approval on the basis of demonstrated performance at the end of the 2004 performance year.

Long-term incentives for 2004

The long-term incentive component of executive remuneration for the 2004 performance year involved the provision of an interest-free limited recourse loan which was used to purchase Woodside shares under the Woodside Employee Share Plan (WESP). The WESP is a broadly based employee share plan available to all Woodside employees. The WESP was last approved by shareholders in 1997 and participation is at Board discretion.

The value of the loan made available to an executive under the WESP was linked to the scope and complexity of the executive’s role within Woodside and based on a percentage of the executive’s FAR. Loans provided under the WESP are reduced by a portion of the dividends paid on the shares acquired with those loans and topped up on an annual basis.

As part of the transition to the EIP, the grant of loans and the top up of loans to senior executives under the WESP ceased with effect from 30 June 2004. As shares acquired under the WESP do not vest in the executive for a period of three years after acquisition, the WESP remains a long-term incentive component of executive remuneration for some executives. While these executives continue to receive benefits from prior allocations under the WESP, their VPR entitlements (that is, the long term variable component of their remuneration) under the new EIP will be reduced by the value of any WESP benefits received.

Any executives that participate in the WESP will be required to refinance or repay their outstanding WESP loans by 31 December 2007.

Relationship between remuneration and Woodside performance

The Committee and the Board continually seek to strengthen the link between executive remuneration and Woodside’s performance. The recently adopted EIP, which is described in more detail above, is an integral part of Woodside’s overall approach to competitive performance based remuneration.

Notwithstanding that there are a number of internal and external factors relevant to Woodside’s performance over the past five years, the Board believes that the increase in shareholder wealth over the past five years can be at least partly attributed to the ability to attract, retain and reward executives which can, in turn, be linked to sound recruitment and remuneration policies Woodside has had in place over that period.

Table 8 illustrates Woodside’s performance during 2005 and the previous four years.

Executive Directors

At the date of this report the CEO, Mr Donald Voelte, is the only Executive Director on the Board.

Employment contract

Mr Voelte was appointed as Woodside’s CEO with effect from 5 April 2004. Mr Voelte’s employment contract with Woodside Petroleum Ltd. is for a term of 4 years and 360 days.

Under his employment contract Mr Voelte receives an annual salary, participates in the EIP (subject to the matters described in more detail below) and receives the superannuation, health insurance and other benefits available to Woodside executives. The details of Mr Voelte’s remuneration are described below and are set out in Table 12 on page 59, and the details of Mr Voelte’s 2006 expected remuneration is described below and set out in Table 13 on page 59.

Table 8 - Woodside’s Five Year Performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after tax ($m)</td>
<td>1,107</td>
<td>1,146</td>
<td>527</td>
<td>(92)</td>
<td>910</td>
</tr>
<tr>
<td>Earnings per share (cents)</td>
<td>169.0</td>
<td>175.3</td>
<td>79.0</td>
<td>(13.8)</td>
<td>136.5</td>
</tr>
<tr>
<td>Dividends per share (cents) (1)</td>
<td>93.0</td>
<td>59.0</td>
<td>46.0</td>
<td>62.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Dividend payout ratio (%)</td>
<td>59.7</td>
<td>34.3</td>
<td>58.2</td>
<td>(449.3)</td>
<td>51.3</td>
</tr>
<tr>
<td>Shares closing price ($)</td>
<td>39.19</td>
<td>20.10</td>
<td>14.80</td>
<td>12.38</td>
<td>13.39</td>
</tr>
<tr>
<td>5-year rolling TSR (%)</td>
<td>29.4</td>
<td>19.8</td>
<td>22.7</td>
<td>8.5</td>
<td>12.9</td>
</tr>
<tr>
<td>STI awards paid/payable to executives as % of NPAT</td>
<td>0.49</td>
<td>0.13</td>
<td>0.74</td>
<td>(3.01)</td>
<td>0.23</td>
</tr>
<tr>
<td>LTI awards paid/payable to executives as % of NPAT (2)</td>
<td>0.74</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Dividends per share for 2002 includes a 41.0 cents dividend that was declared after 31 December 2002.
(2) This reflects the value of long-term incentive awards made to the executives under the EIP only. Prior to 2005, long-term incentives involved the provision of an interest-free limited recourse loan to the executives under the WESP with the value of the loan allocated being based on an executive’s role and expressed as a percentage of FAR. It is therefore not possible to express the LTIs awarded prior to 2006 as a percentage of NPAT.
(3) Periods prior to 1 January 2004 have not been restated under AIFRS.
Remuneration

The remuneration provisions of Mr Voelte’s employment contract as it applied for 2005 provided for:

- A Fixed Annual Reward (FAR) of $1,650,000 pa. (subject to annual review in accordance with his employment contract).
- A Variable Annual Reward (VAR) of 85% of FAR under the EIP, which will be adjusted depending on Woodside’s performance with reference to Woodside EVA, the CEO’s individual performance and Board discretion. The VAR allocation includes a:
  - short-term incentive component: 40% of the VAR will be paid in cash with Mr Voelte’s salary in the April following the allocation of a VAR; and
  - long-term incentive component: 60% of the VAR will be allocated as VPRs.

In addition, the Board exercised its discretion at its February 2006 meeting, in the light of the CEO’s performance during 2005, to grant a one-off TSR-tested VPR award of $1,000,000.

For 2006, the Board has approved the following changes to Mr Voelte’s remuneration package:

- A Fixed Annual Reward (FAR) of $2,100,000 per annum; and
- A Variable Annual Reward (VAR) of 125% under the EIP, which will be adjusted depending on Woodside’s performance with reference to Woodside EVA, the CEO’s individual performance and Board discretion.

For further details on the EIP see the section above on “Variable annual reward”.

Chief Executive Officer performance conditions for 2004

The CEO KPIs for the 2004 performance year were based on eight primary areas and assessed against three levels of performance - met expectations, below expectations and exceeded expectations.

The methods used to assess performance were chosen for their objectivity. The Board determined performance against the following KPIs based on measuring or evaluating or both actual performance against targets set by the Board.

**Business Financials**, which relates to Net Profit After Tax, overall portfolio value creation and reserves additions, was chosen as an appropriate financial measure of contribution to shareholder value. **Health Safety and Environment**, which focuses on fatalities, time injury frequency, reportable spills and environmental incidents. These were considered critical measures of employee safety and environmental responsibility. **Risk Identification and Management**, which focuses on security and crisis management and was chosen as a critical measure of security and risk. **External and Internal Relationships**, which relates to Government relations, stakeholder relations and indigenous affairs and is designed to measure Woodside’s reputation across community relations / responsibility. **Strategic Development**, which focuses on strategic planning capability and new entry strategies. **Governance and Compliance**, which relates to external compliance, risk management and internal controls. **HR Development and Succession Planning**, which focuses on recruitment and selection of critical business executive roles, people and performance management and executive succession planning. **Vision and Values**, which relates to integrity and courage.

CEO short-term incentive for 2004

Mr Voelte’s short-term incentive opportunity for the 2004 performance year ranged from 25% of FAR for meeting performance expectations up to 62.5% of FAR for exceeding performance expectations, as outlined in the remuneration provisions of his employment contract. Based on Mr Voelte’s performance in 2004 (as measured against the relevant performance conditions), the Board determined that Mr Voelte’s short-term incentive award for the 2004 performance year was 40% of FAR. This award was prorated based on Mr Voelte’s nine months service in 2004 and resulted in a payment of $405,000.

CEO long-term incentive for 2004

The Board determined that the long-term incentive payable to Mr Voelte in respect of the 2004 performance year would be a base value, at the date of grant, of 60% of FAR. For performance above or below this level the base long-term incentive value would be increased or reduced as determined by the Board in its discretion.

Mr Voelte’s long-term incentive payment determined for the 2004 performance year was $1,106,994 based on the achievement of the performance conditions for 2004. Based on this determination, Woodside acquired 69,404 of the company’s shares on market which are now held in trust for Mr Voelte. The number of shares acquired was calculated by dividing the long-term incentive amount by $15.95 (being the price of a Woodside share as quoted on the ASX at the commencement of trading on the date of commencement of Mr Voelte’s employment contract). The shares were purchased on 15 April 2005, at the market price on that day of $24.1096, for a total value of $1,673,302.68.

Mr Voelte may not deal with or dispose of any of the shares acquired and held in trust for him until the earlier of:

- the end of a period of 10 years commencing on the grant date;
- the time when Mr Voelte ceases to be employed by Woodside; or
- the time when any person acquires a relevant interest in 50.1% of Woodside’s issued share capital.

Total “at risk” remuneration

The percentage of Mr Voelte’s total remuneration for the 2004 performance year “at risk” was 46%.

Other Benefits

Mr Voelte’s employment in Australia may have adverse tax consequences for Mr Voelte and his wife in respect of his non-Australian income. Woodside has agreed to a limited “taxation equalisation” provision to compensate for this. Mr Voelte and his wife may claim reimbursement of tax paid or payable to the Australian Taxation Office for income or gain in relation to certain disclosed investments in the US to a maximum of
US$500,000 over the term of Mr Voelte’s employment.

Termination

Mr Voelte’s employment contract may be terminated by:

- expiry;
- Mr Voelte, at any time during the term of the agreement on giving six months notice;
- Woodside, immediately in the event of serious misconduct or in other nominated circumstances;
- Woodside, at any time during the term of the agreement on giving written notice; and
- Mr Voelte’s death.

On termination of the agreement for any of the reasons outlined above, Mr Voelte (or his estate in the event of his death) will be entitled to:

- payment or award of any FAR calculated up to the termination date;
- any annual leave entitlement accrued as at the termination date; and
- any payment or award under the EIP or the 2004 long-term incentive calculated to the termination date (other than where his employment contract is summarily terminated).

If Mr Voelte resigns, Woodside may terminate Mr Voelte’s employment before the notice period has expired and pay him an amount equal to a proportion of the FAR, at the time at which notice is given, which corresponds to the remainder of the notice period which was not worked by Mr Voelte.

If Woodside terminates Mr Voelte’s employment during the term of his employment contract (other than on certain stipulated grounds such as misconduct), Mr Voelte will also be entitled to a termination payment equivalent to his FAR, as at the termination date, calculated over a period which is the lesser of:

- 18 months; or
- if termination takes place in the final 18 months of the term of his employment contract, the balance of the period until the expiry of the term.

This payment is subject to statutory and regulatory restrictions.

Mr Voelte is restrained from certain activities for specified periods after termination of his employment to protect Woodside’s interests.

Specified Executives

Contracts for Specified Executives

This section contains information relating to the Specified Executives. During 2005 Woodside entered into a new Executive Employment Agreement with each Specified Executive.

A summary of the new contractual provisions for the Specified Executives is set out in the Table 9 below.

Specified Executive remuneration

Specified Executives will be eligible to participate in the EIP as part of their contractual arrangements.

Table 9 - Contractual Provisions for Specified Executives

<table>
<thead>
<tr>
<th>Name and Job Title</th>
<th>Employing Company</th>
<th>Contract duration</th>
<th>Notice Period Company</th>
<th>Notice Period Employee</th>
<th>Termination Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>R A Carroll, Chief Financial Officer</td>
<td>Woodside Energy Ltd.</td>
<td>Unlimited</td>
<td>12 months</td>
<td>6 months</td>
<td>Woodside may choose to terminate the contract immediately by making a payment equal to 12 months’ FAR in lieu of notice.</td>
</tr>
<tr>
<td>M Chatterji, Director Mergers &amp; Acquisitions</td>
<td>Woodside Energy Ltd.</td>
<td>Fixed-term contract until 31/12/2006 with two one-year options for extension by both parties</td>
<td>18 months</td>
<td>6 months</td>
<td>Woodside may choose to terminate the contract immediately by making a payment equal to 18 months’ FAR in lieu of notice.</td>
</tr>
<tr>
<td>J A Hamilton, Director North West Shelf (NWS) Ventures</td>
<td>Woodside Energy Ltd.</td>
<td>Unlimited</td>
<td>12 months</td>
<td>3 months</td>
<td>Woodside may choose to terminate the contract immediately by making a payment equal to 12 months’ FAR in lieu of notice.</td>
</tr>
<tr>
<td>A J Kantler, Director Exploration and New Ventures</td>
<td>Woodside Energy Ltd.</td>
<td>Unlimited</td>
<td>12 months</td>
<td>6 months</td>
<td>Woodside may choose to terminate the contract immediately by making a payment equal to 12 months’ FAR in lieu of notice.</td>
</tr>
<tr>
<td>D G Parkinson, Director Development</td>
<td>Shell International Exploration &amp; Production</td>
<td>Unlimited (Secondment to Woodside - 15/7/2007)</td>
<td>3 months (Shell)</td>
<td>3 months (Shell)</td>
<td>Secondee from Shell.</td>
</tr>
<tr>
<td>K W Spence, Chief Operating Officer</td>
<td>Woodside Energy Ltd.</td>
<td>Unlimited</td>
<td>12 months</td>
<td>6 months</td>
<td>Woodside may choose to terminate the contract immediately by making a payment equal to 12 months’ FAR in lieu of notice.</td>
</tr>
<tr>
<td>D P Maxwell, Director Gas and Commercial</td>
<td>Woodside Energy Ltd.</td>
<td>Unlimited</td>
<td>N/A</td>
<td>N/A</td>
<td>Ceased employment by mutual agreement.</td>
</tr>
<tr>
<td>S Ollerearnshaw, Chief Executive Officer, NWS Ventures</td>
<td>Shell International Exploration &amp; Production</td>
<td>Unlimited (Secondment to Woodside - 1/4/2005)</td>
<td>N/A</td>
<td>N/A</td>
<td>Ceased employment – End of Secondment.</td>
</tr>
</tbody>
</table>
remuneration with effect from 1 January 2005. The final level of this “at risk” remuneration for any performance year is recommended by the CEO to the Board for final approval.

Full remuneration details for the Specified Executives are set out in Table 14 on page 60.

Set out in Table 10 are the short and long-term incentives for Specified Executives made in 2005 in respect of the 2004 performance year. Details of these previous arrangements are outlined earlier in this Remuneration Report.

Non-executive Directors

Remuneration policy

The Board recognises that, in order to achieve Woodside’s financial and operating objectives, Woodside must be able to attract, retain and motivate talented non-executive Directors.

Woodside’s non-executive Director remuneration policy aims to reward non-executive Directors fairly and responsibly having regard to:

- the level of fees paid to Directors relative to other major Australian companies;
- the size and complexity of Woodside’s operations; and
- the responsibilities and work requirements of individual Board members.

Fees paid to non-executive Directors of Woodside are recommended by the Committee based on advice from external remuneration consultants and determined by the Board, subject to the aggregate limit of $2.3 million approved by shareholders at the 2004 Annual General Meeting.

Non-executive Directors remuneration consists only of base fees, committee fees and superannuation contributions (or payments in lieu of such contributions) set out in Table 11 below. Fees payable to non-executive Directors are reviewed annually and fixed by the Board. Non-executive Directors are not entitled to incentive rewards for annual results or otherwise according to Woodside’s performance.

Board fees are not paid to Executive Directors as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of their normal employment conditions.

In addition to the fees, non-executive Directors are entitled to:

- either a contribution to superannuation or an allowance equivalent to the superannuation guarantee levy (currently 9%), dependent on their personal circumstances and based on Board and committee fees; and
- all reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, Committees or shareholders or while engaged on Woodside business.

The total remuneration which was paid to each non-executive Director in 2005 is set out in Table 12 on page 59.

There are no provisions in any of the non-executive Directors’ appointment arrangements for compensation payable on early termination of their directorship.

Equity participation

Under the terms of the Non Executive Directors’ Share Plan (NEDSP), non-executive Directors may elect to sacrifice a percentage of their remuneration to be applied to the purchase of shares of the company.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R A Carroll</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>M Chatterji</td>
<td>18.9%</td>
<td>Not applicable</td>
<td>15.9%</td>
</tr>
<tr>
<td>J A Hamilton</td>
<td>18.2%</td>
<td>Not applicable</td>
<td>15.4%</td>
</tr>
<tr>
<td>A J Kantzler</td>
<td>16.4%</td>
<td>Not applicable</td>
<td>14.1%</td>
</tr>
<tr>
<td>D G Parkinson</td>
<td>12.3%</td>
<td>Not applicable</td>
<td>11.5%</td>
</tr>
<tr>
<td>K W Spence</td>
<td>17.5%</td>
<td>Not applicable</td>
<td>14.9%</td>
</tr>
<tr>
<td>D P Maxwell</td>
<td>13.5%</td>
<td>Not applicable</td>
<td>11.9%</td>
</tr>
<tr>
<td>S Ollerearnshaw</td>
<td>0%</td>
<td>Not applicable</td>
<td>0%</td>
</tr>
</tbody>
</table>

* This table reflects payments made in 2005 in respect of 2004 performance.

** There was no LTI awarded in 2005 in respect of the 2004 performance year, due to the transition arrangements to the EIP.
### Table 12 – 2005 Remuneration of Directors of Woodside Petroleum Ltd.

<table>
<thead>
<tr>
<th>Name</th>
<th>Cash Salary &amp; Fees</th>
<th>Cash Bonuses</th>
<th>Non Monetary</th>
<th>Pension Super</th>
<th>Prescribed Benefits</th>
<th>Options and Rights</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Director</td>
<td>$1,495,703</td>
<td>$405,000</td>
<td>$57,039</td>
<td>$11,862</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Salaries and Allowances</em></td>
<td>(Paid in 2005 for 2004 performance year)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C B Goode</td>
<td>$68,076</td>
<td>$341,273</td>
<td>-</td>
<td>-</td>
<td>$36,841</td>
<td>-</td>
<td>$446,190</td>
</tr>
<tr>
<td>R E S Argyle</td>
<td>$152,057</td>
<td>$4,950</td>
<td>-</td>
<td>-</td>
<td>$14,131</td>
<td>-</td>
<td>$171,138</td>
</tr>
<tr>
<td>J R Broadbent</td>
<td>$108,436</td>
<td>$43,691</td>
<td>-</td>
<td>-</td>
<td>$13,691</td>
<td>-</td>
<td>$165,818</td>
</tr>
<tr>
<td>A T Calvert</td>
<td>$42,797</td>
<td>$12,737</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$55,534</td>
</tr>
<tr>
<td>M A Chaney</td>
<td>$13,962</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$13,962</td>
</tr>
<tr>
<td>P J T de Wit (e)</td>
<td>$15,393</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$15,393</td>
</tr>
<tr>
<td>E Fraunschiel</td>
<td>$164,462</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$164,462</td>
</tr>
<tr>
<td>A Jamieson (e)</td>
<td>$116,775</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$116,775</td>
</tr>
<tr>
<td>P J M H Jungels</td>
<td>$170,180</td>
<td>$23,916</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$194,096</td>
</tr>
<tr>
<td>D I McEvoy</td>
<td>$50,948</td>
<td>-</td>
<td>$4,585</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$55,533</td>
</tr>
<tr>
<td>P J B Rose</td>
<td>$7,559</td>
<td>$136,230</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$143,789</td>
</tr>
<tr>
<td>P M van Rossum (e)</td>
<td>$148,248</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$148,248</td>
</tr>
<tr>
<td>T N Warren (e)</td>
<td>$163,508</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$163,508</td>
</tr>
<tr>
<td><strong>(a)</strong> Participation in the Non-Executive Director Share Plan.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(b)</strong> Reflects the value of allowances and benefits including but not limited to travel, motor vehicles and health insurance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(c)</strong> Mr Voelte elected to be paid balance of super benefits as a super in lieu allowance. Amount is included in Salaries, Fees and Allowances.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(d)</strong> Mr Voelte’s long term incentive for the 2004 Performance Year based on 69,404 shares purchased at the share price of $24.1096.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(e)</strong> Board fees for Directors nominated by Shell are paid directly to their employing company, not to the individuals.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 13 – 2006 CEO Remuneration

<table>
<thead>
<tr>
<th>Name</th>
<th>Cash Salary &amp; Fees</th>
<th>Cash Bonuses</th>
<th>Non Monetary</th>
<th>Pension Super</th>
<th>Prescribed Benefits</th>
<th>Options and Rights</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Director</td>
<td>$1,987,500</td>
<td>-</td>
<td>$1,034,000</td>
<td>$57,039</td>
<td>$11,862</td>
<td></td>
<td>$4,806,101</td>
</tr>
<tr>
<td><strong>(a)</strong> The Board has approved an increase in Mr Voelte’s Fixed Annual Reward (FAR) effective 1 April 2006 from $1,650,000 to $2,100,000.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(b)</strong> The Board reviewed Mr Voelte’s total remuneration and increased his target EIP from 85% of FAR to 125% of FAR for 2006.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(c)</strong> In regard to Mr Voelte’s 2005 performance year the Board has approved an EIP award of $2,585,000, of which 40% will be paid in the form of a Cash Bonus (to be paid in April 2006), 20% will be in the form of Time-tested Variable Pay Rights (VPRs) and 40% in TSR-tested VPRs. In addition, the Board approved a one-off TSR-tested VPR award of $1,000,000.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(d)</strong> The amount shown under Equity and Other represents a value attributed to the TSR-tested and Time-tested VPRs using a binomial valuation model. Please note this will not necessarily align with any value generated for financial reporting.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
These shares are acquired by on market purchase. Participation in the NEDSP is voluntary and therefore the shares are not subject to performance conditions.

Non-Audit Services and Auditors Independence Declaration

Details of the amounts paid or payable to the external auditor of the company, Ernst & Young, for audit and non-audit services provided during the year is disclosed in Note 5 on page 71 of the Concise Financial Report.

The Audit & Risk Committee has provided the Board with written advice in relation to the provision of non-audit services by Ernst & Young. Based on the advice provided by the Audit & Risk Committee, the Directors are satisfied that the provision of non-audit services by the external auditor during the financial year is compatible with the general standard of independence for auditors imposed by the Corporations Act for the following reasons:

- all non-audit services were provided in accordance with Woodside’s External Auditor Policy and External Auditor Guidelines; and
- all non-audit services were subject to the corporate governance processes adopted by the company and have been reviewed by the Audit & Risk Committee to ensure that they do not affect the integrity or objectivity of the auditor.

Further information on Woodside’s policy in relation to the provision of non-audit services by the auditor is set out in the section titled External Auditor Relationship on page 41 of this report.

A copy of the auditors’ independence declaration, as required under section 307C of the Corporations Act, is set out on page 60 of this report.

Rounding of Amounts

The amounts contained in this report have been rounded to the nearest thousand dollars under the option available to the company under Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998.

On behalf of the Board and in accordance with a resolution of the Board of Directors made on 15 February 2006.

Table 14 – 2005 Remuneration of Specified Executives of the Woodside Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Cash Salary &amp; Fees</th>
<th>Cash Bonuses</th>
<th>Short Term Incentive/ Bonus (Paid in 2005 for 2004 Performance Year)</th>
<th>Non Monetary</th>
<th>Benefits &amp; Allowances</th>
<th>Company Contributions to Superannuation</th>
<th>Share Plan</th>
<th>Termination/ Sign On Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>R A Carroll, Chief Financial Officer</td>
<td>$451,575</td>
<td></td>
<td>$5,532</td>
<td>$36,052</td>
<td>-</td>
<td>$341,343</td>
<td>$834,502</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M Chatterji, Director Mergers and Acquisitions</td>
<td>$351,367</td>
<td>$126,898</td>
<td>$53,464</td>
<td>$62,526</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$594,255</td>
</tr>
<tr>
<td>J A Hamilton, Director North West Shelf Ventures</td>
<td>$377,415</td>
<td>$11,614</td>
<td>$30,648</td>
<td>$15,705</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$543,382</td>
</tr>
<tr>
<td>A J Kantsler, Director Exploration and New Ventures</td>
<td>$420,899</td>
<td>$83,194</td>
<td>$38,324</td>
<td>$78,340</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$620,757</td>
</tr>
<tr>
<td>D G Parkinson, Director Development</td>
<td>$865,257</td>
<td>$105,019</td>
<td>$82,009</td>
<td>$165,090</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,207,374</td>
</tr>
<tr>
<td>K W Spence, Chief Operating Officer</td>
<td>$598,926</td>
<td>$222,401</td>
<td>$39,072</td>
<td>$135,070</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$995,469</td>
</tr>
<tr>
<td>D P Maxwell, Director Gas and Commercial</td>
<td>$191,023</td>
<td>$68,347</td>
<td>$43,223</td>
<td>$60,248</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$668,957</td>
<td>$1,031,798</td>
</tr>
<tr>
<td>S Ollereamshaw, Chief Executive Officer, NWS Ventures</td>
<td>$262,440</td>
<td>$221,334</td>
<td>$60,257</td>
<td>$75,860</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$749,216</td>
<td>$1,588,107</td>
</tr>
</tbody>
</table>

(a) Reflects the value of allowances and benefits including but not limited to travel, motor vehicles and health insurance.

(b) There was no LTI awarded in 2005 in respect of the 2004 Performance Year, due to the transition arrangements to the EIP.

(c) This reflects Mr Carroll’s sign-on bonus and relocation expenses.

Auditor Independence Declaration

In relation to our audit of the financial report of Woodside Petroleum Ltd. for the year ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

J P Dowling
Partner

Dated at Perth this 15th day of February 2006.
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</tbody>
</table>

The financial statements and other specific disclosures have been derived from Woodside Petroleum Ltd. and its controlled entities’ (the ‘Group’) Full Financial Report for the year. Other information included in the Concise Financial Report is consistent with the Group’s Full Financial Report.

The Concise Financial Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the Full Financial Report.

A copy of the Group’s 2005 Full Financial Report, including the independent audit report, is available to all shareholders, and will be sent to shareholders without charge upon request. The 2005 Full Financial Report can be requested by telephone (Australia: 1300 557 012, Overseas: +61 (8) 9348 6988) and by Internet at www.woodside.com.au.
## Income Statement
For the year ended 31 December 2005

<table>
<thead>
<tr>
<th></th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from sale of goods</strong></td>
<td>2,746,715</td>
<td>2,124,841</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(854,002)</td>
<td>(744,984)</td>
</tr>
<tr>
<td><strong>Petroleum Resource Rent Tax</strong></td>
<td>(123,306)</td>
<td>(56,383)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1,769,407</td>
<td>1,323,474</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td>22,301</td>
<td>41,298</td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>(478,896)</td>
<td>(276,181)</td>
</tr>
<tr>
<td><strong>Profit before income tax and finance costs</strong></td>
<td>1,522,912</td>
<td>1,629,868</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(30,685)</td>
<td>(41,061)</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>1,492,227</td>
<td>1,588,807</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(384,800)</td>
<td>(442,424)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>1,107,427</td>
<td>1,146,383</td>
</tr>
<tr>
<td><strong>Basic and diluted earnings per share (cents)</strong></td>
<td>169</td>
<td>175</td>
</tr>
<tr>
<td><strong>Dividend per share (cents)</strong></td>
<td>93</td>
<td>59</td>
</tr>
</tbody>
</table>

The income statement is to be read in conjunction with the discussion and analysis on page 63 of this report and the notes to the Concise Financial Report set out on pages 70 to 78 of this report.
Overview
Woodside’s 2005 profit before significant items increased by 54.5%, principally due to sustained high oil prices that have more than offset lower oil volumes and an unfavourable A$/US$ exchange rate. The 2005 reported results have also been impacted by two significant items, namely the sale of the Group’s interests in Hardman Resources Ltd. and the Blacktip gas field and its associated permit.

<table>
<thead>
<tr>
<th></th>
<th>2005 ($)</th>
<th>2004 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after tax – before significant items</td>
<td>1,037.7</td>
<td>671.8</td>
</tr>
<tr>
<td>Add/(subtract) significant items after tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sale of Blacktip / WA-279-P</td>
<td>17.8</td>
<td>-</td>
</tr>
<tr>
<td>Gain on sale of investment in Hardman Resources Ltd.</td>
<td>51.9</td>
<td>-</td>
</tr>
<tr>
<td>Gain on sale of interest in Enfield project / WA-271-P</td>
<td>-</td>
<td>472.8</td>
</tr>
<tr>
<td>Gain on China equity sale</td>
<td>-</td>
<td>73.5</td>
</tr>
<tr>
<td>Effect of tax consolidation on tax expense</td>
<td>-</td>
<td>(71.7)</td>
</tr>
<tr>
<td>Reported net profit after tax</td>
<td>1,107.4</td>
<td>1,146.4</td>
</tr>
</tbody>
</table>

Items that affected the Group’s financial performance in the year were:

Revenue from sale of goods – The average oil price in 2005 was US$56.73 per barrel compared with US$41.47 in 2004, increasing revenues by A$552.6 million. Appreciation of the Australian dollar against the US dollar decreased revenue by A$88.2 million with an average realised A$/US$ exchange rate in 2005 of 0.7622 compared with 0.7360 in 2004. Higher sales volumes increased revenue by A$98.4 million, driven by strong LNG sales, offset by natural field decline on the Laminaria and Legendre projects and well shut-ins on the Wanaea oil field.

Cost of sales – Increased $109.0 million:
- Increases in production costs of $37.6 million resulted primarily from subsea repairs on the Laminaria field, start-up of the Mutineer-Exeter field, and LNG Train 4 repairs.
- Production taxes contributed $25.6 million to the increase due to higher realised sales prices.
- Increased insurance premiums of $20.1 million followed from Hurricane damage in the Gulf of Mexico.
- Shipping and marketing costs increased $21.9 million. The major factor influencing these costs were diversion fees payable to Shell in 2005, where Woodside are able to divert Train 4 LNG cargoes, which would otherwise have been sold to Shell under contract, to other customers. The net economic return is shared with Shell on a 50/50 basis.

Petroleum Resource Rent Tax – Increased $66.9 million predominantly due to the start-up of the Mutineer-Exeter field and higher sales revenue from Laminaria driven by higher commodity prices.

Other revenues and income – Decreased $360.2 million as a result of the proceeds on the Enfield/WA-271-P and China Equity sales in 2004, offset by current year profits on the sales of Blacktip WA-279-P and interest in Hardman Resources Ltd.

Other expenses – Total exploration and evaluation expense increased $53.1 million mainly due to increased activity in international regions and higher drilling rig rates. Corporate and business development costs increased $42.3 million primarily due to; studies into additional business opportunities, including the Clearwater LNG Terminal; regulatory changes such as IFRS; and increased employee costs which are recovered through management fees in other income ($18.6 million).

Finance costs – Decreased as interest was capitalised on major construction projects, reducing net borrowing costs expended in 2005. This was partially offset by increased debt levels of US$23.0 million during the year, with the drawdown of short-term borrowings.

Income tax – The effective tax rate, before significant items, decreased to 27.1% in 2005 from 34.1% in 2004. The decrease in the effective tax rate was mainly due to the income tax benefit arising from US tax losses of $95.4 million brought to account in 2005.

Key metrics
Return on equity (net profit attributable to the members of Woodside Petroleum Ltd. divided by total equity) decreased from 41.4% in 2004 to 31.6% in 2005 due to the large significant items in the prior period. Adjusting for significant items, return on equity increased from 29.3% in 2004 to 30.2% in 2005.
Balanced Sheet
As at 31 December 2005

<table>
<thead>
<tr>
<th></th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>232,904</td>
<td>797,140</td>
</tr>
<tr>
<td>Receivables</td>
<td>358,088</td>
<td>375,823</td>
</tr>
<tr>
<td>Inventories</td>
<td>56,345</td>
<td>28,758</td>
</tr>
<tr>
<td>Financial and other assets</td>
<td>84,796</td>
<td>78,595</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>732,133</strong></td>
<td><strong>1,280,316</strong></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>10,553</td>
<td>11,489</td>
</tr>
<tr>
<td>Financial and other assets</td>
<td>97,005</td>
<td>118,706</td>
</tr>
<tr>
<td>Exploration and evaluation</td>
<td>694,566</td>
<td>378,822</td>
</tr>
<tr>
<td>Oil and gas properties</td>
<td>5,202,648</td>
<td>3,520,406</td>
</tr>
<tr>
<td>Other plant and equipment</td>
<td>100,925</td>
<td>110,958</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>131,547</td>
<td>25,426</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td><strong>6,237,244</strong></td>
<td><strong>4,165,807</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>6,969,377</td>
<td>5,446,123</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>632,540</td>
<td>339,476</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>31,400</td>
<td>-</td>
</tr>
<tr>
<td>Tax payable</td>
<td>152,773</td>
<td>51,012</td>
</tr>
<tr>
<td>Financial and other liabilities</td>
<td>43,732</td>
<td>45,482</td>
</tr>
<tr>
<td>Provisions</td>
<td>71,995</td>
<td>52,562</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td><strong>932,440</strong></td>
<td><strong>488,532</strong></td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>9,404</td>
<td>13,067</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>1,096,127</td>
<td>1,013,479</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>673,318</td>
<td>525,904</td>
</tr>
<tr>
<td>Financial and other liabilities</td>
<td>356,808</td>
<td>363,835</td>
</tr>
<tr>
<td>Provisions</td>
<td>400,649</td>
<td>270,237</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td><strong>2,536,306</strong></td>
<td><strong>2,186,522</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>3,468,746</td>
<td>2,675,054</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>3,500,631</td>
<td>2,771,069</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued and fully paid shares</td>
<td>706,492</td>
<td>706,492</td>
</tr>
<tr>
<td>Shares held for employee share plan</td>
<td>(148,040)</td>
<td>(136,890)</td>
</tr>
<tr>
<td>Other reserves</td>
<td>6,104</td>
<td>(7,120)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,936,075</td>
<td>2,208,587</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>3,500,631</td>
<td>2,771,069</td>
</tr>
</tbody>
</table>

The balance sheet is to be read in conjunction with the discussion and analysis on page 65 of this report and the notes to the Concise Financial Report set out on pages 70 to 78 of this report.
Overview
The Group’s net assets increased by 26.3% to $3,500.6 million over the year.

Items that affected the Group’s financial position in the period were:

Assets
- Cash – $564.2 million decrease due to the acquisition of Gryphon Exploration Company and additional interests in the Laminaria/Corallina fields and increased expenditure on major capital projects, offset by strong operating cash flows from high oil prices and proceeds from the Sunrise, Blacktip WA-279-P and Hardman Resources Ltd. interest sales.
- Receivables – Decreased with the receipt of Sunrise sale proceeds of $190.2 million offset by higher trade receivables relating to December sales.
- Inventories – Increased with the purchase of operational spares for the start-up of major capital projects commencing in 2006 and an accumulation of finished goods.
- Financial and other assets – Decreased $15.5 million. The reduction in derivative instruments (reclassified into equity effective 1 January 2005) and the sale of the Group’s interest in Hardman Resources Ltd., were largely offset by increases in PRRT receivables, embedded derivatives and the defined benefits superannuation plan surplus.
- Exploration and evaluation – Increased following the acquisition of Gryphon Exploration Company ($191.0 million) and evaluation of previously discovered areas including Pluto and Browse.
- Oil and gas properties – Additions from major capital projects during the year included Enfield $339.0 million, Chinguetti $300.6 million and Otway $199.6 million. The purchase of Gryphon Exploration Company added $415.1 million to oil and gas properties. Offsetting these additions was depreciation and amortisation of $264.4 million.
- Deferred tax assets – Increased due to the recognition of foreign tax assets in the United States and Mauritania.

Liabilities
- Payables – Increased $289.4 million due to the purchase of long-lead items for the Group’s exploration and development activities and the acquisition of Gryphon payables ($45.0 million).
- Interest Bearing Liabilities – Increased $114.0 million due to the drawdown of US$23.0 million and an increase in the A$ value of US$ debt due to the lower A$/US$ exchange rate at balance date.
- Tax payable – Increased $101.8 million predominantly due to the increase in taxable profit.
- Financial and other liabilities – Decreased as a result of previously deferred exchange gains being de-recognised (through retained earnings) under AIFRS, offset by increases in PRRT liabilities and unearned revenue.
- Provisions – Increased following the Gryphon and Laminaria acquisitions and the revision of underlying restoration cost estimates for Laminaria and Legendre.
- Deferred tax liabilities – Increased $147.4 million primarily as a result of the acquisition of Gryphon Exploration Company.

Equity
- The increase in equity arises from the reported profit for the financial year less the payment of dividends.

Key Metrics
Gearing (net debt/net debt + equity) has increased from 7.2% in 2004 to 20.4% in 2005. The Company has substantial long-term undrawn financing facilities totalling $651.2 million and cash of $232.9 million available to meet any long or short-term funding requirements.
## Cash Flow Statement
For the year ended 31 December 2005

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from customers</td>
<td>2,817,764</td>
<td>2,378,241</td>
</tr>
<tr>
<td>Interest received</td>
<td>21,131</td>
<td>19,164</td>
</tr>
<tr>
<td>Dividends received</td>
<td>7,033</td>
<td>8,089</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(387,154)</td>
<td>(221,530)</td>
</tr>
<tr>
<td>Borrowing costs paid</td>
<td>(8,065)</td>
<td>(16,741)</td>
</tr>
<tr>
<td>Management and other fees</td>
<td>21,818</td>
<td>26,075</td>
</tr>
<tr>
<td>Royalty, excise and PRRT payments</td>
<td>(376,949)</td>
<td>(351,694)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(369,268)</td>
<td>(383,421)</td>
</tr>
<tr>
<td>Purchase of shares relating to employee share plan</td>
<td>(59,858)</td>
<td>(37,277)</td>
</tr>
<tr>
<td>Payments received from employees relating to employee share plan</td>
<td>48,216</td>
<td>39,333</td>
</tr>
<tr>
<td><strong>Net Cash from Operating Activities</strong></td>
<td>1,714,668</td>
<td>1,460,239</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for capital and exploration expenditure</td>
<td>(1,835,333)</td>
<td>(995,338)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>118,319</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from sale of exploration and evaluation</td>
<td>229,835</td>
<td>200</td>
</tr>
<tr>
<td>Proceeds from sale of oil and gas properties</td>
<td>-</td>
<td>708,502</td>
</tr>
<tr>
<td>Proceeds from sale of other plant and equipment</td>
<td>240</td>
<td>18,963</td>
</tr>
<tr>
<td>Payments for investments in controlled entities</td>
<td>(355,639)</td>
<td>(64,355)</td>
</tr>
<tr>
<td>Payments for investments in other entities</td>
<td>(1,999)</td>
<td>(23,964)</td>
</tr>
<tr>
<td><strong>Net Cash used in Investing Activities</strong></td>
<td>(1,844,577)</td>
<td>(356,153)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES</th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from borrowings</td>
<td>170,323</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(180,518)</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(446,667)</td>
<td>(346,667)</td>
</tr>
<tr>
<td>Payments for finance lease liabilities</td>
<td>(4,952)</td>
<td>(4,952)</td>
</tr>
<tr>
<td><strong>Net Cash used in Financing Activities</strong></td>
<td>(461,814)</td>
<td>(351,619)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET INCREASE/(DECREASE) IN CASH HELD</th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(591,723)</td>
<td>752,467</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>797,140</td>
<td>122,691</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effects of exchange rate changes on the balances of cash held in foreign currencies</th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>27,487</td>
<td>(78,018)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</th>
<th>2005 $000</th>
<th>2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>232,904</td>
<td>797,140</td>
<td></td>
</tr>
</tbody>
</table>

(1) Unrealised exchange fluctuations have been reclassified in the 2004 comparative ($99.2 million).

The cash flow statement is to be read in conjunction with the discussion and analysis on page 67 of this report and the notes of the Concise Financial Report set out on pages 70 to 78 of this report.
Discussion and Analysis of the Cash Flow Statement

Overview
Issues that affected the Group’s cash flows during the period were:

Cash flows from operating activities
- Increased receipts from customers arose primarily due to the increase in revenue from higher commodity prices.
- Payments to suppliers and employees increased by $165.6 million due to: increased shipping costs; increased production costs in relation to NWS activities; the additional interest in the Laminaria-Corallina production licence and first oil in March 2005 from the Mutineer-Exeter field where Woodside is a non-operator participant.
- Higher royalty and PRRT payments are the result of higher revenues, offset by lower excise payments relating to Legendre.

Cash flows used in investing activities
- Significantly higher oil and gas properties expenditure arose from a number of new projects (Neptune, Stybarrow, LNG Train 5, Angel gas field), continued expenditure on major projects (Enfield, Chinguetti, Otway) and the purchase of Shell’s interest in the Laminaria and Corallina oil fields. Exploration and evaluation expenditure increased in 2005 as appraisal work on the Pluto and Browse fields increased along with the Libyan seismic acquisition.
- Proceeds from the sale of investments arose from the sale of Woodside’s 10% share in Hardman Resources Ltd.
- Proceeds from the sale of exploration and evaluation arose from the receipt of proceeds from the 2001 sale of an interest in the Sunrise field and proceeds from the December sale of the Blacktip WA-279-P interest.
- Sale of oil and gas properties for 2004 includes the Enfield WA-271-P and CNOOC LNG equity sales.
- The prior year proceeds from sale of other plant and equipment relates to outsourcing of the Group’s computer equipment.
- Payments for investments in controlled entities represents the purchase of Gryphon Exploration Company.
- Payments for interests in other entities in the prior year relates primarily to the acquisition of AGIP Mauritania BV.

Cash flows used in financing activities
- During the year, repayments of debt associated with Gryphon were offset by the draw-down of short-term debt from existing US$ facilities.
- Dividend payments of 67 cents per share, compared with 52 cents per share in the prior year, were funded from cash reserves.
Statement of Changes in Equity
For the year ended 31 December 2005

<table>
<thead>
<tr>
<th>Consolidated</th>
<th>Issued and fully paid shares $000</th>
<th>Shares held for employee share plan $000</th>
<th>Other reserves (Note 19) $000</th>
<th>Retained earnings (Note 20) $000</th>
<th>Total equity $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2004</td>
<td>706,492</td>
<td>(138,987)</td>
<td></td>
<td>1,408,871</td>
<td>1,976,376</td>
</tr>
<tr>
<td>Employee share plan purchases</td>
<td>-</td>
<td>(37,277)</td>
<td></td>
<td></td>
<td>(37,277)</td>
</tr>
<tr>
<td>Employee share plan redemptions</td>
<td>-</td>
<td>34,504</td>
<td></td>
<td></td>
<td>34,504</td>
</tr>
<tr>
<td>Dividends applied</td>
<td>-</td>
<td>4,870</td>
<td></td>
<td></td>
<td>4,870</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td></td>
<td>(7,120)</td>
<td></td>
<td>(7,120)</td>
</tr>
<tr>
<td>Amounts recognised directly in equity</td>
<td>-</td>
<td>2,097</td>
<td>(7,120)</td>
<td></td>
<td>(5,023)</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>-</td>
<td></td>
<td></td>
<td>1,146,383</td>
<td>1,146,383</td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td></td>
<td></td>
<td>(346,667)</td>
<td>(346,667)</td>
</tr>
<tr>
<td>Balance at 31 December 2004</td>
<td>706,492</td>
<td>(136,890)</td>
<td>(7,120)</td>
<td>2,208,587</td>
<td>2,771,069</td>
</tr>
<tr>
<td>Adoption of new accounting standards relating to financial instruments</td>
<td>-</td>
<td></td>
<td>34,969</td>
<td>66,728</td>
<td>101,697</td>
</tr>
<tr>
<td>Balance at 1 January 2005</td>
<td>706,492</td>
<td>(136,890)</td>
<td>27,849</td>
<td>2,275,315</td>
<td>2,872,766</td>
</tr>
<tr>
<td>Employee share plan purchases</td>
<td>-</td>
<td>(59,858)</td>
<td></td>
<td></td>
<td>(59,858)</td>
</tr>
<tr>
<td>Employee share plan redemptions</td>
<td>-</td>
<td>42,989</td>
<td></td>
<td></td>
<td>42,989</td>
</tr>
<tr>
<td>Dividends applied</td>
<td>-</td>
<td>5,719</td>
<td></td>
<td></td>
<td>5,719</td>
</tr>
<tr>
<td>Cost of share-based payment</td>
<td>-</td>
<td></td>
<td>18,668</td>
<td></td>
<td>18,668</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td></td>
<td>7,850</td>
<td></td>
<td>7,850</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>-</td>
<td>(20,794)</td>
<td></td>
<td></td>
<td>(20,794)</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>(27,469)</td>
<td></td>
<td></td>
<td>(27,469)</td>
</tr>
<tr>
<td>Amounts recognised directly in equity</td>
<td>-</td>
<td>(11,150)</td>
<td>(21,745)</td>
<td></td>
<td>(32,895)</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>-</td>
<td></td>
<td></td>
<td>1,107,427</td>
<td>1,107,427</td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td></td>
<td></td>
<td>(446,667)</td>
<td>(446,667)</td>
</tr>
<tr>
<td>Balance at 31 December 2005</td>
<td>706,492</td>
<td>(148,040)</td>
<td>6,104</td>
<td>2,936,075</td>
<td>3,500,631</td>
</tr>
</tbody>
</table>

The statement of changes in equity is to be read in conjunction with the discussion and analysis on page 69 of this report and the notes of the Concise Financial Report set out on pages 70 to 78 of this report.
Discussion and Analysis of the Statement of Changes in Equity

Overview
Issues that affected the Group’s Statement of Changes in Equity during the period were:

Issued and fully paid shares
- There were no shares issued during 2004 and 2005.

Shares held for employee share plan
- The $11,150,000 increase in shares held for employee share plan resulted mainly from an increase in the number of employees and a general increase in salary rates.

Other reserves
- With the implementation of AASB 2 Share Based Payments, the cost of share-based payments associated with the employee share plan is recognised as an increase in equity for the first time in 2005. There is a corresponding impact on earnings.
- Currency translation gains arose because of the depreciation of the Australian dollar against the US dollar throughout 2005. These gains were offset by unrealised losses on foreign currency cash flow hedges and net investment hedges designated by the company.
- The investment fair value reserve, which records changes in the fair value of the Group’s available for sale investments, decreased primarily because of the disposal of Woodside’s investment in Hardman Resources Ltd.

Retained Earnings
- Increased by the Group’s 2005 profit. Dividends declared during the year partially offset this increase.
1. Preparation of Concise Financial Report

The Concise Financial Report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports. The concise financial report and specific disclosures required by AASB 1039 have been derived from the Group’s Full Financial Report for the financial year. Information included in the Concise Financial Report is consistent with the Group’s Full Financial Report, and is presented in Australian dollars. A full description of the accounting policies adopted by the consolidated entity is provided in the 2005 financial statements which form part of the Full Financial Report. The Concise Financial Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Economic Entity as the Full Financial Report.

From 1 January 2005, Woodside prepares its financial statements in accordance with Australian equivalents to IFRS (‘AIFRS’). Due to the requirement to publish comparative information for the previous corresponding period, the effective date for transition to AIFRS is 1 January 2004.

The Group’s accounting policies have been consistently applied to all periods presented in the Concise Financial Report, with the exception of the treatment of financial instruments, where comparative amounts are presented according to the Group’s previous accounting policy.

2. Earnings per Share

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2005</th>
<th>Consolidated 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit ($000)</td>
<td>1,107,427</td>
<td>1,146,383</td>
</tr>
<tr>
<td>Weighted average number of shares on issue (i)</td>
<td>655,150,640</td>
<td>653,790,795</td>
</tr>
<tr>
<td>Basic and diluted earnings per share from continuing operations (cents) (ii)</td>
<td>169</td>
<td>175</td>
</tr>
</tbody>
</table>

\(i\) 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.

\(ii\) Earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Weighted average number of shares makes allowance for shares held for the employee share plan. Diluted earnings per share is not significantly different from basic earnings per share.

3. Dividends Paid and Proposed

(a) Dividends paid during the year

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2005</th>
<th>Consolidated 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year fully franked interim dividend 35.0 cents, paid 23 September 2005 (2004: 27.0 cents, paid 24 September 2004)</td>
<td>233,333</td>
<td>180,000</td>
</tr>
<tr>
<td>Prior year fully franked final dividend 32.0 cents, paid 23 March 2005 (2004: 25.0 cents, paid 26 March 2004)</td>
<td>213,334</td>
<td>166,667</td>
</tr>
</tbody>
</table>

(b) Dividend declared (not recorded as a liability)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2005</th>
<th>Consolidated 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully franked final dividend 58.0 cents, to be paid 22 March 2006 (2004: 32.0 cents, paid 23 March 2005)</td>
<td>386,667</td>
<td>213,333</td>
</tr>
<tr>
<td>Dividend per share in respect of financial year (cents)</td>
<td>93</td>
<td>59</td>
</tr>
</tbody>
</table>

(c) Franking credit balance

Franking credits available for the subsequent financial year arising from:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2005</th>
<th>Consolidated 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franking account balance as at the beginning of the financial year</td>
<td>697,988</td>
<td>531,080</td>
</tr>
<tr>
<td>Current year tax payment instalments and adjustments</td>
<td>325,550</td>
<td>291,254</td>
</tr>
<tr>
<td>Franked dividends received</td>
<td>213</td>
<td>359</td>
</tr>
<tr>
<td>Interim dividends paid</td>
<td>(99,999)</td>
<td>(77,143)</td>
</tr>
<tr>
<td>Franking account balance as at the end of the financial year</td>
<td>923,752</td>
<td>745,550</td>
</tr>
<tr>
<td>Current year income tax payable</td>
<td>137,570</td>
<td>43,867</td>
</tr>
<tr>
<td>Dividend declared</td>
<td>(165,714)</td>
<td>(91,429)</td>
</tr>
<tr>
<td>Franking account balance after payment of current year tax and dividends</td>
<td>895,608</td>
<td>697,988</td>
</tr>
</tbody>
</table>
Notes to and forming part of the Concise Financial Report
For the year ended 31 December 2005

4. Retained Earnings

Movements in retained profits

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>2,208,587</td>
<td>1,408,871</td>
</tr>
<tr>
<td>Adjustment on adoption of new accounting standards relating to financial instruments</td>
<td>66,728</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>1,107,427</td>
<td>1,146,383</td>
</tr>
<tr>
<td>Dividends</td>
<td>(446,667)</td>
<td>(346,667)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>2,936,075</td>
<td>2,208,587</td>
</tr>
</tbody>
</table>

5. Auditor Remuneration

Amounts received or due and receivable by the auditors for:

Ernst & Young Australia

<table>
<thead>
<tr>
<th>Service</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing and review of financial reports</td>
<td>1,184</td>
<td>1,444</td>
</tr>
<tr>
<td>International accounting standards assurance</td>
<td>251</td>
<td>288</td>
</tr>
<tr>
<td>Other assurance/advisory services</td>
<td>250</td>
<td>193</td>
</tr>
<tr>
<td>Other accounting services</td>
<td>73</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>1,758</td>
<td>1,990</td>
</tr>
</tbody>
</table>

Ernst & Young Global

<table>
<thead>
<tr>
<th>Service</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing of financial reports</td>
<td>288</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>288</td>
<td>12</td>
</tr>
</tbody>
</table>

Amounts received or due and receivable by auditors other than Ernst & Young for:

<table>
<thead>
<tr>
<th>Service</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing and review of financial reports</td>
<td>47</td>
<td>38</td>
</tr>
<tr>
<td>Other accounting services</td>
<td>298</td>
<td>1,116</td>
</tr>
<tr>
<td></td>
<td>345</td>
<td>1,154</td>
</tr>
</tbody>
</table>
6. Segment Reporting

The Group’s primary reporting format is business segments and its secondary reporting format is geographical segments.

(a) Business segments

The Group has the following reportable segments:

**North West Shelf Ventures**
Exploration, evaluation, development, production and sale of LNG, domestic gas, condensate, LPG and crude oil from the North West Shelf Ventures.

**Australia Business Unit**
Exploration, evaluation, development, production and sale of crude oil in assigned permit areas and from the Laminaria and Legendre, Mutineer-Exeter, Enfield, Otway and Stybarrow projects.

**Africa Business Unit**
Evaluation, development and production from the Algerian Ohanet project and Mauritanian Chinguetti project, Tiof and Banda exploration, evaluation and development.

**United States of America Business Unit**
Exploration, evaluation, development, production and sale of gas, condensate and crude oil in assigned permit areas.

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

(b) Geographical segments

The Group operates in four main geographical segments as follows:

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

**Asia**
The majority of the Group’s sales are made to customers within this region.

**Africa**
Revenues are received from the Algerian Ohanet project. Other segment information includes the development of the Mauritanian Chinguetti Project, and Tiof and Banda exploration, evaluation and development.

**United States of America**
Exploration, evaluation, development, production and sale of gas, condensate and crude oil in assigned permit areas.

**Other**
Exploration, evaluation and development activities in other areas.
### Secondary Reporting – Geographical Segments

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>Asia</th>
<th>Africa</th>
<th>United States</th>
<th>Other</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2004</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

### Notes to and forming part of the Concise Financial Report

For the year ended 31 December 2005

6. **Segment Reporting (continued)**

#### Primary Reporting – Business Segments

<table>
<thead>
<tr>
<th></th>
<th>North West Shelf Ventures</th>
<th>Australia Business Unit</th>
<th>Africa Business Unit</th>
<th>United States Business Unit</th>
<th>Group and Unallocated</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from sale of goods</td>
<td>2,056,224</td>
<td>1,560,192</td>
<td>591,320</td>
<td>487,581</td>
<td>71,180</td>
<td>77,068</td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production costs</td>
<td>(387,492)</td>
<td>(288,881)</td>
<td>(108,528)</td>
<td>(128,836)</td>
<td>(10,381)</td>
<td>(6,505)</td>
</tr>
<tr>
<td>Shipping and marketing</td>
<td>(75,533)</td>
<td>(51,406)</td>
<td>(5,239)</td>
<td>(7,473)</td>
<td>(87)</td>
<td>(116)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(144,439)</td>
<td>(167,283)</td>
<td>(74,678)</td>
<td>(64,852)</td>
<td>(34,569)</td>
<td>(32,017)</td>
</tr>
<tr>
<td>Restoration provision</td>
<td>-</td>
<td>2,385</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cost of sales</td>
<td>(607,462)</td>
<td>(505,185)</td>
<td>(188,445)</td>
<td>(201,161)</td>
<td>(45,037)</td>
<td>(38,638)</td>
</tr>
<tr>
<td>Petroleum Resource Rent Tax</td>
<td>-</td>
<td>-</td>
<td>(123,306)</td>
<td>(56,383)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,448,762</td>
<td>1,055,007</td>
<td>279,569</td>
<td>230,037</td>
<td>26,143</td>
<td>38,430</td>
</tr>
<tr>
<td>Other revenue and income</td>
<td>38,986</td>
<td>87,602</td>
<td>37,138</td>
<td>500,560</td>
<td>2,951</td>
<td>36,706</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(13,533)</td>
<td>(21,900)</td>
<td>(7,487)</td>
<td>(26,832)</td>
<td>(6,876)</td>
<td>(19,368)</td>
</tr>
<tr>
<td>Segment results</td>
<td>1,471,479</td>
<td>1,109,003</td>
<td>260,632</td>
<td>644,574</td>
<td>(27,656)</td>
<td>(3,527)</td>
</tr>
<tr>
<td>Borrowing costs expensed</td>
<td>-</td>
<td>-</td>
<td>(123,306)</td>
<td>(56,383)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(30,685)</td>
<td>(41,061)</td>
<td>(80,857)</td>
<td>(86,037)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit/(loss)</td>
<td>1,107,427</td>
<td>1,146,383</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Segment Reporting (continued)

- **Revenue from sale of goods**: 2,056,224
- **Cost of sales**: 1,795,407
- **Gross profit**: 260,817
- **Other revenue and income**: 38,986
- **Other expenses**: 13,533
- **Exploration expenses**: 2,736
- **Segment results**: 1,471,479
- **Borrowing costs expensed**: -
- **Income tax expense**: (30,685)
- **Net profit/(loss)**: 1,107,427

#### Secondary Reporting – Geographical Segments

- **Australia**: 394,455
- **Asia**: 414,546
- **Africa**: 2,149,917
- **United States**: 1,501,056
- **Other**: 94,669
- **Consolidated**: 1,246,841

- **Revenue from sale of goods**: 2,056,224
- **Segment assets**: 4,951,967
- **Other segment information**: 924,288

Woodside Petroleum Ltd. and its Controlled Entities | Concise Financial Report 2005 | 73
7. Events after the Balance Sheet Date

Dividends
Since the reporting date, the Directors have declared a fully franked dividend of 58 cents (2004: 32 cents), payable in March 2006. The amount of this dividend will be $386,667,000 (2004: $213,333,000). 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.

Mauritanian Development
In February 2006 Woodside was advised by the Mauritanian Government that it disputed amendments to four offshore production sharing contracts ("PSCs") operated by the Company. The amendments are supplementary to the PSCs and were approved by the Mauritanian Government and Mauritanian Parliament before becoming law in 2005. Woodside remains in discussions with the Mauritanian Government. No adjustment has been made to the financial report, and at the date of this report, the financial impact, if any, is not able to be estimated.

8. Impact of Adoption of Australian Equivalents to International Financial Reporting Standards and Voluntary Changes to Accounting Policies

Introduction
From 1 January 2005, Woodside prepares its financial statements in accordance with Australian equivalents to IFRS ("AIFRS"). Due to the requirement to publish comparative information for the previous corresponding period, the effective date for transition to AIFRS is 1 January 2004.

To explain how Woodside’s reported income statement and balance sheet are affected by this change together with the effect of voluntary changes in accounting policies, information previously published under Australian GAAP ("AGAAP") is restated under AIFRS in the tables that follow.

Table A - Summary reconciliation of total equity as presented under AGAAP to that under AIFRS

<table>
<thead>
<tr>
<th></th>
<th>Explanatory transition notes</th>
<th>1 January 2005 $000</th>
<th>31 December 2004 $000</th>
<th>Consolidated 1 January 2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity under AGAAP</td>
<td></td>
<td>3,170,495</td>
<td>3,170,495</td>
<td>2,433,531</td>
</tr>
<tr>
<td>Change in accounting policy</td>
<td></td>
<td>40,322</td>
<td>40,322</td>
<td>32,279</td>
</tr>
<tr>
<td>AIFRS adjustments to equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petroleum Resource Rent Tax</td>
<td>(a)</td>
<td>(195,737)</td>
<td>(195,737)</td>
<td>(246,649)</td>
</tr>
<tr>
<td>Employee share plan</td>
<td>(b)</td>
<td>(136,890)</td>
<td>(136,890)</td>
<td>(138,987)</td>
</tr>
<tr>
<td>Leases</td>
<td>(c)</td>
<td>4,084</td>
<td>4,084</td>
<td>5,824</td>
</tr>
<tr>
<td>Functional and presentation currency</td>
<td>(d)</td>
<td>(110,311)</td>
<td>(110,311)</td>
<td>(109,631)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(e)</td>
<td>(28,028)</td>
<td>(28,028)</td>
<td>(67,158)</td>
</tr>
<tr>
<td>Provision for restoration</td>
<td>(f)</td>
<td>15,745</td>
<td>15,745</td>
<td>11,724</td>
</tr>
<tr>
<td>Investments</td>
<td>(g)</td>
<td>51,408</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Defined benefit superannuation fund</td>
<td>(i)</td>
<td>23,419</td>
<td>23,419</td>
<td>7,849</td>
</tr>
<tr>
<td>Embedded derivatives</td>
<td>(j)</td>
<td>2,677</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial instruments</td>
<td>(k)</td>
<td>29,541</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hedge of net investments</td>
<td>(l)</td>
<td>60,790</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(m)</td>
<td>(12,882)</td>
<td>(12,882)</td>
<td>2,899</td>
</tr>
<tr>
<td>Income tax</td>
<td>(n)</td>
<td>(41,867)</td>
<td>852</td>
<td>44,695</td>
</tr>
<tr>
<td>Total equity under AIFRS</td>
<td></td>
<td>2,872,766</td>
<td>2,771,069</td>
<td>1,976,376</td>
</tr>
</tbody>
</table>
8. Impact of Adoption of Australian Equivalents to International Financial Reporting Standards and Voluntary Changes to Accounting Policies (continued)

Table B - Summary reconciliation of profit after tax presented under AGAAP to that under AIFRS

<table>
<thead>
<tr>
<th>Explanatory transition notes</th>
<th>Consolidated year ended 31 December 2004 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total profit after tax under AGAAP</td>
<td>1,083,631</td>
</tr>
<tr>
<td>Change in accounting policy</td>
<td>8,042</td>
</tr>
<tr>
<td>AIFRS adjustments to profit after tax</td>
<td></td>
</tr>
<tr>
<td>Petroleum Resource Rent Tax</td>
<td>(a) (8,883)</td>
</tr>
<tr>
<td>Leases</td>
<td>(c) (1,740)</td>
</tr>
<tr>
<td>Functional and presentational currency</td>
<td>(d) 6,498</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(e) 39,130</td>
</tr>
<tr>
<td>Provision for restoration</td>
<td>(f) 4,020</td>
</tr>
<tr>
<td>Defined benefit superannuation fund</td>
<td>(i) 15,570</td>
</tr>
<tr>
<td>Profit on disposal of oil and gas properties</td>
<td>(a) 59,795</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(15,836)</td>
</tr>
<tr>
<td>Income tax</td>
<td>(h) (43,844)</td>
</tr>
<tr>
<td>Total profit after tax under AIFRS</td>
<td>1,146,383</td>
</tr>
</tbody>
</table>

Transitional arrangements

The rules for first time adoption of AIFRS are set out in AASB 1. In general, a company is required to determine its AIFRS accounting policies and apply these retrospectively to determine its opening balance sheet at 1 January 2004 (transitional balance sheet) under AIFRS. The standard allows a number of exceptions to this general principle to assist companies as they transition to reporting under AIFRS. Where the Group has utilised these exemptions they are noted below.

Change in Accounting Policy – Entitlements method of revenue recognition

From 1 January 2005, the Group changed its accounting policy in relation to the recognition of revenues from oil and gas operations. The Group now recognises revenues from sale of goods under the ‘entitlement method’, which adjusts sales to reflect the working interest in the relevant lease or licence. Previously, the Group recorded actual sales without adjusting for its working interest. Accounting for oil and gas revenues using the entitlement method is common within the oil and gas industry. The impact of the change in accounting policy is quantified in the tables above, and is reflected in comparative amounts. There is no significant impact on the Group’s basic earnings per share.

AIFRS adjustments to equity

(a) Petroleum Resource Rent Tax

AASB 112 extends the scope of tax-effect accounting to encompass all taxes on income, including Petroleum Resource Rent Tax (PRRT). Under AGAAP the Group accounted for PRRT on an accruals basis. Under AIFRS a deferred PRRT liability or asset is recognised for the differences that have accumulated between the PRRT tax base and the accounting base. These differences arise from the earlier deductibility of expenditure for PRRT when compared with expense outcomes under the Group’s accounting policies for exploration and evaluation and oil and gas property assets. These taxable temporary differences will reverse as each project generates PRRT assessable income or on disposal. The impact at the end of each transitional period results in an increase in deferred tax liabilities and a reduction in retained earnings.
8. Impact of Adoption of Australian Equivalents to International Financial Reporting Standards and Voluntary Changes to Accounting Policies (continued)

(b) Employee Share Plan
From 1 January 2005, AASB 2 requires Woodside’s employee share plan to be treated as share-based compensation. Under this approach the principal amount of the interest-free, limited-recourse loans to acquire shares are reclassified from receivables to a separate class of shareholders’ equity (‘shares held for employee share plan’). Dividends paid on shares issued under the share plan, to the extent they are retained to repay the loans, are offset against that separate class of shareholders’ equity.

Woodside has elected to adopt AASB 1 transitional arrangements which allow companies not to fully retrospectively apply AASB 2. Under the terms of the transitional arrangements, the cost of the shares issued under the share plan, after 7 November 2002, and which had not vested by 1 January 2005, have not been recognised in the income statement.

(c) Leases
Under AIFRS, service contracts which include the provision of equipment must be analysed to determine whether they contain leases. Any leases identified are to be accounted for in accordance with AASB 117 Leases. A review of the Group’s contracts has identified one case which has been assessed as containing a finance lease required to be reported on the balance sheet, resulting in the fair value of leased assets being capitalised into oil and gas properties and the remaining balance of the lease liability being reported as interest-bearing loans and borrowings. The impact on retained earnings in the transitional period reflects the replacement of lease payments expense with interest and depreciation charges.

Under certain LNG transportation agreements, the Group leases transportation assets under a back-to-back operating lease agreement. Under AIFRS, the group is now required to net these revenues and expenditures. The impact on retained earnings is nil.

(d) Functional and Presentation Currency
As required by AASB 121 The Effects of Changes in Foreign Exchange Rates, the Group has determined that the functional currency of its major Australian operating subsidiaries is Australian dollars and the majority of the Group’s foreign subsidiaries is US dollars, reflecting the economic environment in which they operate. The presentation currency of the Group continues to be Australian dollars. Assets and liabilities of subsidiaries with a foreign currency as their functional currency are translated into Australian dollars at each period’s closing rate and any exchange movements are recorded through a Foreign Currency Translation Reserve (FCTR). The impact at the end of each transitional period includes the reduction of oil and gas properties and exploration and evaluation expenditure in relation to foreign operations where assets are now translated at closing rates compared to historical rates under AGAAP.

The Group has elected to apply the available exemption in AASB 1 under which the cumulative translation for all foreign operations represented in the FCTR are transferred to retained earnings at 1 January 2004.

(e) Borrowing Costs
The Group has elected to capitalise borrowing costs on qualifying assets i.e. assets which take a significant period of time (greater than 12 months) to construct and commission. The Group has chosen to specifically exclude from qualifying assets those assets with a value of less than $50,000,000 and all amounts relating to exploration and evaluation.

Borrowing costs exclude foreign exchange differences as they are now expensed. Consequently, the carrying value of oil and gas properties has been reduced by net foreign exchange differences on borrowing costs that had previously been capitalised on qualifying assets.
8. **Impact of Adoption of Australian Equivalents to International Financial Reporting Standards and Voluntary Changes to Accounting Policies (continued)**

**(f) Provisions for Restoration**
Under AIFRS, at the commencement of a facility’s operation, the present value of restoration obligations is recognised as a non-current liability and the cost of future restoration is capitalised as part of the relevant project. The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost. The impact at the end of each transitional period is to reduce restoration provisions reflecting the difference between the previously recorded future value under AGAAP and the present value recorded under AIFRS.

**(g) Investments**
Under previous AGAAP, investments in equity securities were held at cost. Applicable from 1 January 2005, AASB 139 requires investments in equity securities that have readily determinable fair values to be classified as either held for trading or available-for-sale and carried at fair value. Unrealised gains or losses on investments held for trading are reported in the income statement while unrealised gains or losses on investments classified as available-for-sale are reported in equity. Woodside’s investments are not held for trading and accordingly have been classified as investments available-for-sale. Movements in fair value are dependent upon movements in the share price of investments. The impact as at 1 January 2005 was to increase other financial assets and retained earnings for the difference between the fair value of investments and historical cost.

**(h) Income Tax**
Under previous AGAAP, income tax expense was calculated by reference to the accounting profit after allowing for permanent differences. Under AIFRS, any difference between the carrying value of an asset or liability and its tax base is recognised as a temporary difference. Prior to transition to AIFRS, permanent differences were not included in calculating deferred tax balances.

**(i) Defined Benefit Superannuation Fund**
Woodside is the sponsor of a superannuation plan split between a defined benefit section and a defined contribution section. Under previous AGAAP, cumulative actuarial gains and losses on the defined benefit section were not recognised on the balance sheet. At the date of transition, an asset is recognised in the provision for employee benefits and is measured as the difference between the present value of the employees’ accrued benefits at that date and the net market value of the superannuation fund’s assets at that date. The impact at the end of each transitional period is to increase other assets for the surplus superannuation fund assets and to record the related gain in the income statement.

**(j) Embedded Derivatives**
The Group has taken the exemption available under AASB 1 to apply AASB 139 from 1 January 2005. AIFRS introduces the concept of embedded derivatives. AASB 139 requires the identification, recognition and measurement of derivatives embedded within contracts that a company may enter. Embedded derivatives which are not clearly and closely related to the host contract are required to be fair valued and movements reported in the income statement.

In reviewing existing contracts to determine the extent of any embedded derivatives, two gas sales contracts were identified as containing embedded derivatives. The fair valuation of these contracts will reflect the long-remaining term nature of these contracts and the estimated future changes in benchmark commodity prices and the AUD/USD exchange rate.

During 2005, Draft Interpretation D15 was released for comment by the International Financial Reporting Interpretations Committee (IFRIC) which clarified that contract inception, rather than transition to IFRS, was the relevant date to make the determination of whether embedded derivatives require separate recognition.

Indexation embedded within certain sales contracts was not consistent with market conditions upon transition to IFRS, however, at contract inception was commonly used in the market. Applying D15, these indices are not embedded derivatives that require separate recognition, accordingly embedded derivative assets of $157,000,000 with a corresponding entry in opening retained earnings recognised in the half yearly report have been derecognised at 31 December 2005.
8. Impact of Adoption of Australian Equivalents to International Financial Reporting Standards and Voluntary Changes to Accounting Policies (continued)

(k) Financial Instruments
The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 January 2005. The standards require all financial instruments to be initially recognised at fair value. Subsequently, certain financial instruments including derivatives must be remeasured at fair value with movements in the fair value of derivatives taken to the income statement. Where cash flow hedge accounting requirements are met, the effective portion of the hedge is taken to equity. Gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the income statement, for example when the future sale actually occurs. Where hedges are ineffective for accounting purposes, reported results may be more volatile. The impact as at 1 January 2005 reflects the released profit of the mark-to-market position of hedges identified as being ineffective.

(l) Hedge of Net Investments
Under AIFRS the US dollar borrowings have been assessed as not meeting the requirements for hedge accounting, due to the changed designation and effectiveness requirements. Under previous AGAAP, the US dollar borrowings were designated as a hedge of US dollar sales revenues. Therefore, as at 1 January 2005 the amount deferred as an exchange gain or loss on the US dollar debt has been taken to retained earnings. Subsequent to 1 January 2005, the US dollar borrowings have been designated as hedges of net investments in Woodside subsidiaries with a US dollar functional currency. Exchange differences that arise on the borrowings designated as a hedge are recorded in equity. The exchange differences arising from US dollar borrowings not designated as a hedge have been recorded in the income statement. Financial impacts are dependent upon movements in the Australian dollar to US dollar exchange rate, and the level of US dollar exposure.

(m) Sale of Assets
Under AIFRS the net gain or loss on sale of each class of asset is disclosed in the income statement as either other income or other expenses. Under previous AGAAP, proceeds on sale were classified as other income and the written down value of assets disposed were disclosed as other expenses.
Directors’ Declaration

In accordance with a resolution of directors of Woodside Petroleum Ltd., we state that:-

In the opinion of the Directors:

The Concise Financial Report of the Group, comprising Woodside Petroleum Ltd. and its controlled entities for the year ended 31 December 2005, set out on pages 62 to 78:

(i) has been derived from or is consistent with the Full Financial Report for the financial year; and
(ii) complies with Accounting Standard AASB 1039 Concise Financial Reports.

For and on behalf of the Board

Charles Goode AC.
Chairman

Don Voelte
Chief Executive Officer

Perth, 15 February 2006

Independent audit report to members of Woodside Petroleum Ltd.

Scope

The concise financial report and directors’ responsibility

The concise financial report comprises the income statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes to the financial statements for the consolidated entity for the year ended 31 December 2005. The consolidated entity comprises both Woodside Petroleum Ltd. (the company) and the entities it controlled during the year.

The directors of the company are responsible for preparing a concise financial report that complies with Accounting Standard AASB 1039 “Concise Financial Reports”, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report.

Audit approach

We conducted an independent audit on the concise financial report in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 “Concise Financial Reports”. We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report; and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report that were not directly derived from the full financial report.

We have also performed an independent audit of the full financial report of the company for the year ended 31 December 2005. Our audit report on the full financial report was signed on 15 February 2006, and was not subject to any qualification. For a better understanding of our approach to the audit of the full financial report, this report should be read in conjunction with our audit report on the full financial report.

Independence

We are independent of the company and the consolidated entity and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor’s Independence Declaration, signed on 15 February 2006, a copy of which is included in the Directors’ Report. In addition to our audit of the full and concise financial reports, we were engaged to undertake the services disclosed in the notes to the financial statements of the full financial report. The provision of these services has not impaired our independence.

Audit opinion

In our opinion the concise financial report of Woodside Petroleum Limited complies with Accounting Standard AASB 1039 “Concise Financial Reports”.

Ernst & Young

J P Dowling
Partner
Perth
15 February 2006
Shareholder Information
As at 3 February 2006

Number of Shareholders
There were 83,829 shareholders. All issued shares carry voting rights on a one for one basis.

Distribution of Shareholding

<table>
<thead>
<tr>
<th>Size of shareholding</th>
<th>Number of holders</th>
<th>Number of shares</th>
<th>% of issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 1,000</td>
<td>54,490</td>
<td>27,713,383</td>
<td>4.16</td>
</tr>
<tr>
<td>1,001 - 5,000</td>
<td>25,042</td>
<td>55,746,999</td>
<td>8.36</td>
</tr>
<tr>
<td>5,001 - 10,000</td>
<td>2,707</td>
<td>19,539,917</td>
<td>2.93</td>
</tr>
<tr>
<td>10,001 - 100,000</td>
<td>1,463</td>
<td>33,384,792</td>
<td>5.01</td>
</tr>
<tr>
<td>100,001 and over</td>
<td>127</td>
<td>530,281,576</td>
<td>79.54</td>
</tr>
<tr>
<td>Total</td>
<td>83,829</td>
<td>666,666,667</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Unmarketable Parcels
There were 233 members holding less than a marketable parcel of shares in the Company.

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

Twenty Largest Shareholders

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of shares</th>
<th>% of issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shell Energy Holdings Australia Limited</td>
<td>228,456,275</td>
<td>34.27</td>
</tr>
<tr>
<td>J P Morgan Nominees Australia Limited</td>
<td>58,518,960</td>
<td>8.78</td>
</tr>
<tr>
<td>Westpac Custodian Nominees Limited</td>
<td>53,662,336</td>
<td>8.05</td>
</tr>
<tr>
<td>National Nominees Limited</td>
<td>52,930,141</td>
<td>7.94</td>
</tr>
<tr>
<td>ANZ Nominees Limited Cash Income Account</td>
<td>37,441,681</td>
<td>5.62</td>
</tr>
<tr>
<td>Citcorp Nominees Pty Limited</td>
<td>17,069,396</td>
<td>2.56</td>
</tr>
<tr>
<td>Queensland Investment Corporation</td>
<td>7,543,215</td>
<td>1.13</td>
</tr>
<tr>
<td>Cogent Nominees Pty Limited</td>
<td>7,064,872</td>
<td>1.06</td>
</tr>
<tr>
<td>HSBC Custody Nominees (Australia) Limited</td>
<td>5,805,114</td>
<td>0.87</td>
</tr>
<tr>
<td>ANZ Nominees LimitedAus Cash Income Account</td>
<td>5,544,220</td>
<td>0.83</td>
</tr>
<tr>
<td>AMP Life Limited</td>
<td>5,478,193</td>
<td>0.82</td>
</tr>
<tr>
<td>Citcorp Nominees Pty Limited CFS WSLE Imputation Fund Account</td>
<td>3,383,341</td>
<td>0.51</td>
</tr>
<tr>
<td>UBS Wealth Management Australia Nominees Pty Ltd</td>
<td>2,686,911</td>
<td>0.40</td>
</tr>
<tr>
<td>Cogent Nominees Pty Limited SMP Accounts</td>
<td>2,560,327</td>
<td>0.38</td>
</tr>
<tr>
<td>Citcorp Nominees Pty Limited CFS Imputation Fund Account</td>
<td>2,235,321</td>
<td>0.34</td>
</tr>
<tr>
<td>Australian Foundation Investment Company Limited</td>
<td>2,150,000</td>
<td>0.32</td>
</tr>
<tr>
<td>RBC Dexia Investor Services Australia Nominees Pty Limited BKCUST Account</td>
<td>1,795,110</td>
<td>0.27</td>
</tr>
<tr>
<td>Citcorp Nominees Pty Limited CFS WSLE AUST Share Fund Account</td>
<td>1,618,319</td>
<td>0.24</td>
</tr>
<tr>
<td>PSS Board</td>
<td>1,473,369</td>
<td>0.22</td>
</tr>
<tr>
<td>Suncorp Custodian Services Pty Limited</td>
<td>1,391,975</td>
<td>0.21</td>
</tr>
<tr>
<td>Total</td>
<td>498,809,076</td>
<td>74.82</td>
</tr>
</tbody>
</table>

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

Shell Energy Holdings Australia Limited

Woodside Petroleum Ltd. and its Controlled Entities | Concise Financial Report 2005
Shareholder Information (continued)

Annual General Meeting
The 35th Annual General Meeting will be held at 10am (AWST) on Tuesday, 11 April 2006 at the Auditorium, Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia. Full details of the meeting are contained in the Notice of Annual General Meeting sent with this Report.

Stock Exchange Listing
Woodside Petroleum Ltd. securities are listed on the Australian Stock Exchange (ASX) under the Code “WPL”.

American Depository Receipts
The Bank of New York sponsors a Level One American Depository Receipts (ADR) program in the United States of America. One Woodside share equals one ADR and trades over the counter under the symbol “WOPEY”. ADR holders should deal directly with the Bank of New York on all matters relating to their ADRs. Enquiries should be directed to:
The Bank of New York
ADR Division
101 Barclay Street
22nd Floor West
New York NY 10286
USA Toll Free Number: 1-888-BNY-ADRS
Website: www.adrbny.com

Dividends
The company usually pays an interim dividend in September and a final dividend in March of each year. The 2005 final dividend will be paid on 22 March 2006. The record date for the 2005 final dividend is 1 March 2006.

The history of dividends paid by the company can be found on the Woodside website under the share information page in the Investor section. The following options are available regarding payment of dividends:
i. By cheque payable to the shareholder. Lost or stolen cheques should be reported immediately to Computershare, in writing; or
ii. By electronic funds transfer to an Australian bank, building society or credit union account.

Electronic payments are credited on the dividend payment date and confirmed by a payment advice sent to the shareholder. Request forms for this service are available from Computershare. Shareholders with a registered United Kingdom (UK) address will receive a UK currency cheque.

Change of Address
It is very important that shareholders notify Computershare immediately, in writing, of any change to their registered address.

Change of Name
Shareholders should notify Computershare, in writing, and attach a certified copy of a relevant marriage certificate or deed poll.

Tax File Numbers (TFN)
Although it is not compulsory for each shareholder to provide a TFN or exemption details, for those shareholders who choose not to, the company will be obliged to deduct tax from any unfranked portion of their dividends at the top marginal rate. TFN notification forms can be downloaded from the Woodside website or obtained from Computershare, any Australia Post office or the Australian Taxation Office.

Woodside Publications

Concise Annual Report and Half Yearly Report
The Concise Annual Report is mailed to shareholders in March. Shareholders also receive a half-year report in September.

Optional Full Financial Report
The company produces a Full Financial Report for shareholders who wish to receive the full financial statements and notes for the year. This report is provided to shareholders at no cost. Shareholders wanting to receive the Full Financial Report are requested to notify Computershare. The report is available in printed form or electronically from the company’s website.

Shareholders who do not want to receive a Report
Shareholders who have previously notified Computershare that they do not want to receive the annual report will not be sent either the Concise Annual Report or the Full Financial Report unless they notify Computershare otherwise. Shareholders currently in receipt of the Concise Annual Report, but who no longer wish to receive any reports, including the company’s half-year report, can also notify Computershare.

Information about Woodside
Further information about the company can be obtained from the company’s website at www.woodside.com.au

Requests for specific information on the company can be directed to the
Company Secretary at the following address:
Woodside Plaza
240 St George’s Terrace
Perth Western Australia 6000
Telephone: (61) 8 9348 4000
Facsimile: (61) 8 9348 2777
E-mail: investor@woodside.com.au
Shareholder Information (continued)

Ten-Year Comparative Data Summary

Year Ended 31 December

|------|----------------|------|------|------|------|------|------|------|------|

### Profit and Loss ($m)

<table>
<thead>
<tr>
<th>Sales Revenues</th>
<th>NWS LNG/Domgas</th>
<th>960</th>
<th>729</th>
<th>729</th>
<th>708</th>
<th>666</th>
<th>705</th>
<th>620</th>
<th>564</th>
<th>550</th>
<th>501</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWS Condensate</td>
<td>628</td>
<td>463</td>
<td>453</td>
<td>409</td>
<td>388</td>
<td>349</td>
<td>386</td>
<td>366</td>
<td>356</td>
<td>306</td>
<td>285</td>
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<tr>
<td>NWS LPG</td>
<td>92</td>
<td>60</td>
<td>64</td>
<td>55</td>
<td>59</td>
<td>60</td>
<td>72</td>
<td>41</td>
<td>20</td>
<td>26</td>
<td>12</td>
</tr>
<tr>
<td>NWS Methane</td>
<td>377</td>
<td>303</td>
<td>305</td>
<td>287</td>
<td>296</td>
<td>235</td>
<td>317</td>
<td>47</td>
<td>20</td>
<td>26</td>
<td>12</td>
</tr>
<tr>
<td>Lambram Oil</td>
<td>315</td>
<td>264</td>
<td>276</td>
<td>348</td>
<td>346</td>
<td>565</td>
<td>817</td>
<td>979</td>
<td>91</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Laminaria Oil</td>
<td>147</td>
<td>223</td>
<td>217</td>
<td>204</td>
<td>209</td>
<td>119</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Balance Sheet Cap ($m)

<table>
<thead>
<tr>
<th>Cash</th>
<th>2,147</th>
<th>2,125</th>
<th>2,119</th>
<th>2,212</th>
<th>2,345</th>
<th>2,354</th>
<th>989</th>
<th>947</th>
<th>870</th>
<th>738</th>
</tr>
</thead>
</table>

### Ratios (%)

<table>
<thead>
<tr>
<th>ROACE Before Significant Items</th>
<th>26.3</th>
<th>18.8</th>
<th>17.3</th>
<th>15.0</th>
<th>16.5</th>
<th>22.4</th>
<th>26.8</th>
<th>26.0</th>
<th>16.0</th>
<th>16.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROACE After Significant Items</td>
<td>8.1</td>
<td>11.1</td>
<td>7.9</td>
<td>7.2</td>
<td>8.1</td>
<td>9.2</td>
<td>10.3</td>
<td>10.5</td>
<td>10.5</td>
<td>10.5</td>
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</table>

### Volumes

<table>
<thead>
<tr>
<th>Ligna Oil</th>
<th>1,906,841</th>
<th>1,492,701</th>
<th>1,492,705</th>
<th>1,340,269</th>
<th>1,244,441</th>
<th>1,244,499</th>
<th>1,265,168</th>
<th>1,271,100</th>
<th>1,242,599</th>
<th>1,219,115</th>
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<tbody>
<tr>
<td>Condensate</td>
<td>101,585</td>
<td>101,192</td>
<td>101,192</td>
<td>110,230</td>
<td>97,455</td>
<td>97,820</td>
<td>98,872</td>
<td>90,155</td>
<td>85,666</td>
<td>78,181</td>
</tr>
<tr>
<td>LPG</td>
<td>8,748,172</td>
<td>8,730,105</td>
<td>8,636,956</td>
<td>7,608,503</td>
<td>7,940,693</td>
<td>7,902,190</td>
<td>7,859,499</td>
<td>8,003,565</td>
<td>8,203,889</td>
<td>8,930,221</td>
</tr>
<tr>
<td>Gas</td>
<td>2,455,476</td>
<td>2,076,357</td>
<td>2,076,335</td>
<td>1,793,772</td>
<td>1,774,310</td>
<td>1,774,310</td>
<td>1,868,493</td>
<td>1,930,345</td>
<td>1,930,345</td>
<td>2,000,534</td>
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</table>

### Production

<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>LPG</td>
<td>1,443</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
</tr>
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</table>

### Cash Flow ($m)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Net Debt</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
<td>1,951</td>
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</table>

### Shareholder Information (continued)

<table>
<thead>
<tr>
<th>Other</th>
<th>3,054</th>
<th>2,528</th>
<th>2,528</th>
<th>2,219</th>
<th>2,418</th>
<th>2,420</th>
<th>2,198</th>
<th>2,141</th>
<th>2,365</th>
<th>1,661</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>389</td>
<td>21.8</td>
<td>21.8</td>
<td>21.8</td>
<td>21.8</td>
<td>21.8</td>
<td>21.8</td>
<td>21.8</td>
<td>21.8</td>
<td>21.8</td>
</tr>
<tr>
<td>Shares</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

### Notes

1. Significant Items other than 2002 Successful Efforts and 2001 Gulf of Mexico write-off.
4. EPS for 2002 includes a 41.0% dividend that was declared after 31 December 2002.
5. DPS for 2002 includes a 41.0% dividend that was declared after 31 December 2002.
6. For 2003 includes acquisitions of additional Scope for Recovery volumes.
7. From 2003, Woodside reports of cash and作风建设 on a consistent basis.
8. From 2003, Woodside reports of cash and作风建设 on a consistent basis.
9. From 1 January 2004, Woodside prepares its financial statements in accordance with Australian equivalents to IFRS (AASB). This impact the presentation on previously reported data the information provided for 2004 has been restated. Information prior to 1 January 2004 has not been adjusted for the effects of AASB.
10. Earnings per share has been calculated using the following weighted average number of shares:
12. 2005 PP&E capital expenditures is acquired through an acquisition by Businesses of $451,036,000 relating to Grapyn Exploration Company.
Shareholder Information (continued)

Glossary

- **appraisal well**: a well drilled to follow up a discovery and evaluate its commercial potential
- **bbl, bbl/d**: barrels, barrels per day
- **boe**: barrels of oil equivalent
- **capital employed**: equity plus interest-bearing debt
- **condensate**: hydrocarbons, which are gaseous in a reservoir, but which condense to form a liquid as they rise to the surface
- **development well**: a well drilled specifically into a previously discovered field
- **dry gas**: “C4 minus” hydrocarbon components plus inert, these volumes include LPG (propane and butane) Reserves
- **EPSA**: exploration and production sharing agreement
- **finding cost**: cost of finding a barrel of oil
- **FPSO**: a floating production storage and offloading facility
- **gearing**: a measure of financial leverage determined by the ratio of net debt to net debt plus equity
- **HSE**: health, safety and environment
- **hydrocarbons**: compounds containing only the elements hydrogen and carbon, they may exist as solids, liquids or gases
- **joint venture**: a group of companies who share the cost and rewards of exploring for and producing oil or gas from a Permit or Licence
- **kms, km**: kilometres, square kilometres
- **licence**: area of specified size, which is licensed to a company by the government for production of oil and gas
- **LNG**: liquified natural gas
- **LPG**: liquified petroleum gas
- **MMbbl**: million barrels
- **MMboe**: million barrels of oil equivalent
- **Mt, Mt/a**: million tonnes, million tonnes per annum
- **net debt**: interest-bearing liabilities less cash and cash equivalents
- **NWS, NWS Venture**: North West Shelf, North West Shelf Venture
- **operator**: a company which organises the exploration and production programs in a permit or licence on behalf of all the interest holders in the permit or licence
- **permit**: area of specified size, which is licensed to a company by the government for exploration of oil and gas
- **PJ, PJ/a**: petajoules, petajoules per annum
- **proved/probable reserves**: refer to definitions on page 20 of the report
- **PSC**: Production Sharing Contract
- **reserves replacement ratio**: refer to definitions on page 20 of the report
- **contingent resource**: refer to definitions on page 20 of the report
- **t, t/d**: tonnes, tonnes per day
- **Tcf**: trillion cubic feet
- **TJ, Tjd**: Terajoules, terajoules per day
- **2-D, 3-D**: two-dimensional, three-dimensional
- **$: $m**: Australian dollars unless otherwise stated, millions of dollars

Conversion Factors

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

<table>
<thead>
<tr>
<th>Product</th>
<th>Factors</th>
<th>Conversion Factors*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Gas</td>
<td>1TJ</td>
<td>163.6 boe</td>
</tr>
<tr>
<td>Liquefied Natural Gas (LNG)</td>
<td>1 tonne</td>
<td>8,905.5 boe</td>
</tr>
<tr>
<td>Condensate</td>
<td>1 bbl</td>
<td>1,000 boe</td>
</tr>
<tr>
<td>Oil</td>
<td>1 bbl</td>
<td>1,000 boe</td>
</tr>
<tr>
<td>Liquefied Petroleum Gas (LPG)</td>
<td>1 tonne</td>
<td>8,178.6 boe</td>
</tr>
<tr>
<td>Gulf of Mexico Gas</td>
<td>1 MMBtu</td>
<td>0.1724 boe</td>
</tr>
</tbody>
</table>

* minor changes to some conversion factors can occur over time due to gradual changes in the process stream. 
## Events Calendar 2006

Key calendar dates for Woodside shareholders in 2006. Please note, dates subject to change.

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>19</td>
<td>Fourth Quarter 2005 Report</td>
</tr>
<tr>
<td>February</td>
<td>15</td>
<td>2005 Full Year Result and Final Dividend Announcement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2005 Reserves Statement</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>Ex-dividend Date</td>
</tr>
<tr>
<td>March</td>
<td>1</td>
<td>Dividend Record Date</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>2005 Concise Annual &amp; Full Financial Reports available</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Notice of Annual General Meeting and Proxy Form mailed to shareholders</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>Final Dividend Payment</td>
</tr>
<tr>
<td>April</td>
<td>9</td>
<td>Proxy returns close at 10.00am (AWST)</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>First Quarter 2006 Report</td>
</tr>
<tr>
<td>May</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>30</td>
<td>Woodside Half Year End</td>
</tr>
<tr>
<td>July</td>
<td>20</td>
<td>Second Quarter 2006 Report</td>
</tr>
<tr>
<td>August</td>
<td>16</td>
<td>2006 Half Year Result and Interim Dividend Announcement</td>
</tr>
<tr>
<td></td>
<td>28</td>
<td>Ex-dividend Date</td>
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<tr>
<td>September</td>
<td>1</td>
<td>Dividend Record Date</td>
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<tr>
<td></td>
<td>20</td>
<td>Interim Dividend Payment</td>
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<td>20</td>
<td>2006 Half Year Report available</td>
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<tr>
<td>October</td>
<td>19</td>
<td>Third Quarter 2006 Report</td>
</tr>
<tr>
<td>November</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>31</td>
<td>Woodside Year End</td>
</tr>
</tbody>
</table>

### Business Directory

Woodside Petroleum Ltd.
240 St George’s Terrace
Perth WA 6000
Telephone: (61) 8 9348 4000
Facsimile: (61) 8 9241 2777

Mail Address
GPO D188
Perth WA 6840

www.woodside.com.au

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Australia

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

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International

London
Woodside Energy (UK) Ltd
4th Floor, 7 Albemarle Street
London W1 4HQ UK
Telephone: (44) 20 7514 5560
Facsimile: (44) 20 7629 9096

Houston
Woodside Energy (USA) Inc.
Sage Plaza
5151 San Felipe, 12th Floor
Houston Texas 77056 USA
Telephone: (1) 713 963 8490
Facsimile: (1) 713 969 8868

Los Angeles
Woodside Natural Gas Inc
1901 Avenue of the Stars
Level 2, Century City
Los Angeles California 90067 USA
Telephone: (1) 310 461 1380
Facsimile: (1) 310 461 1304

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Further information available at
www.woodside.com.au