2007 Half-Year Briefing: Delivering value

Overview

Don Voelte, Managing Director and CEO

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Disclaimer and important notice

This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or $ in this presentation are to Australian currency, unless otherwise stated.

References to “Woodside” may be references to Woodside Petroleum Ltd. or its applicable subsidiaries.
Half-year financial highlights

- Reported profit of A$610M, up 16%*
- Underlying NPAT A$545M, up 11%*

- Sales volume of 35MMboe, up 19%*
- Revenue of A$1.9 billion, up 19%*

- Net operating cashflow A$1.4 billion, up 59%*

* Compared to 1H 2006
Half-year operational highlights

Production up 17%
- NWSV delivered 102 cargoes
- Strong performance from the Cossack Pioneer
- Enfield performance improving

Safety: In the first half of 2007:
- Potential injury incidents (HPIF) fell to 1.2
- Injury frequency (TRCF) fell to 4.5

Environment:
- Woodside had 11 reportable environmental incidents
Half-year project highlights

Projects progressing

- Enfield’s ENA03 sidetrack currently drilling (Sept 2007)
- Otway in commissioning phase (Sept 2007)
- Stybarrow nearing sail away from Singapore (late 2007)
- Neptune TLP in place (late 2007)
- Vincent’s FPSO Ellen Maersk: first modules installed on deck (Q3 2008)
- Angel jacket and topsides under construction (Q3 2008)
- NWSV Train 5 hook-up and commissioning (first LNG by Q4 2008)
Half-year LNG highlights

LNG Market remaining firm

- NWSV: further agreements with Kogas, Kyushu Electric and Tohoku Electric
- All 8 original NWSV customers now renewed long term LNG commitments
- Pluto: foundation customers will become joint venture partners
- Woodside is in discussion with potential Asian buyers for LNG from our portfolio of developments.

New LNG Project

- Approved Pluto LNG project for planned start-up in late 2010
Financial Results

Mark Chatterji
Strong first-half operating cash flow growth

Key drivers:
- Increased sales volumes resulting in higher revenue
- Management of working capital
Lifting costs

- Oil lifting cost per unit of production has reduced by $3.13
- Base oil lifting costs reduced by 3% (A$81M to A$79M) largely due to the sale of Legendre and reduced costs at Laminaria which offset Enfield production costs
- Gas lifting cost per unit of production rose by 23 cents per boe
- Base gas lifting costs rose by 13% to A$63 million

Lifting costs: Woodside share of all operating costs (excludes exchange fluctuation, marketing, royalties, excise, insurances and inventory movement) divided by production in barrels of oil equivalent. Excludes Ohanet production.

Leased FPSO capital costs: Relates to the lessors recovery of the FPSO capital costs (in effect a recovery of their depreciation charge)
Continued positive profit trend

1H Significant items:
- Sale of Legendre (+$57m)
- Sale of PNG entity (+$8m)

Profit drivers:
- Addition of production from Enfield
- Strong performance on Cossack Pioneer
- Significant items (net +$65m)

Outweighed unfavourable impact of:
- Higher AUD / USD exchange rates
- Increased depreciation
Reported profit – key items

Reported NPAT (1H 2006) 524 (0) (117) (18) 38
Reported NPAT (1H 2007) 610

- Revenue
- Embedded Derivatives
- Exchange Revenue
- Other
- Volume / Mix
- Costs
- Sale of Assets
- Exploration & Evaluation
- Hedging
- Finance Costs
- Secondary Income Tax
- Income Tax
Solid dividend growth

Strong cash flow enables maintenance of dividend payments
Updated 2007 capital expenditure forecast
Financial Management:
- Retaining flexibility to fund projects and exploration
- Pluto will be funded from Woodside’s free cash flow, the DRP and corporate debt
- Woodside’s investment grade credit rating recently reaffirmed
- Dividend Reinvestment Plan to remain in place
  - Shareholder option to reinvest with a 1.5% discount on market price
Outlook

Don Voelte
Focus on three strategic horizons:

**Foundation Business**
- Increase production, margins and efficiency
- Deliver projects on time and on budget

**Complementary Business**
- Explore deep water GoM
- Create options for future value growth
- Monetise assets with limited growth potential

**Global LNG Business**
- Commercialise world-class gas assets in Australia
- Establish Atlantic basin supply opportunities
North West Shelf

Production

Cossack Pioneer oil
- Strong performance

Karratha plant
- Strong gas production performance
- Delivered 102 cargoes in 1H

Projects

NWSV Train 5
- Hook-up and commissioning underway
- On schedule for first LNG by Q4 2008

Angel
- Jacket and topside fabrication underway
- On track for start-up 2008

NR2 (compression platform)
- Design and planning underway
- Final investment decision 1H 2008
Enfield Production
- Production rates stabilised
- 4D seismic success
- Drilling ENA-03 sidetrack

Vincent Project
- ‘Ellen Maersk’ is in Singapore
- Topsides modules being installed on deck
- On schedule for Q3 2008 start-up

Stybarrow Project (BHPB operated)
- Drilling and subsea activities on schedule
- FPSO expected to leave Singapore end August
- Start-up before year end 2007
Otway commissioning the plant
Complementary Business: United States

Oceanway
- Applied for US Deepwater Port permit
- Expect decision by mid 2008

Gulf of Mexico
- Production from 18 fields in 1H
- Mustang Island 804 back on production
- Neptune (BHPB) expect first production early 2008
- Exploration
  - Corona Del Mar (Woodside operator, ~14% for ~13%) to spud late August
  - Terrebonne (Woodside operator, ~8% for ~35%) to follow Corona Del Mar
Complementary Business : Africa

Libya
- Onshore exploration continues
  - NC209 development potential
- Offshore: four offshore wells drilled
  - One had gas shows

Mauritania
- Production averaged 15,000 bopd during Q2
- 4D seismic acquired to guide production optimisation

Algeria
- Ohanet continues to provide strong cashflow

Portfolio management
- Woodside is considering a range of options in relation to its African assets which may include an exit
Target set for 72 – 78 MMboe for full year

Half year achieved 35.0

- Supplementary production expected in second half from Otway, Enfield sidetrack Stybarrow and possibly Neptune.

- Enfield production has stabilised. Expect 45-55,000 bbl per day average for 2007 year

- Chinguetti production rates still uncertain, but could climb above 15,000 bopd

- 2007 production target will be updated for any portfolio changes
Pluto LNG Project approved

Stand-alone Pluto delivers…

- An LNG Train 1 plus infrastructure for up to $11.2 billion
  - With later spend identified for Xena, compression, new wells

- 4.8 mtpa capacity (100% utilisation, expected production 4.3 mtpa), backed by 15 year contracts for up to 3.75 mtpa
  - Spare capacity to spot market or further contracts

- IRR of 10-15%*
  - Trains 2 and 3 will share infrastructure and improve overall IRR
  - Progressive value enhancement from Trains 2 and 3

*utilising Board sanctioned assumptions and 5.0Tcf reserves
So how important is Pluto to Woodside?

Pluto Train 1 will help to more than triple our current LNG equity production.

Pluto approval provides opportunity for >150 MMboe additional 2P reserves.
What comes after Pluto?

Woodside has several options.
Pluto – designed for expansion

Pluto’s first class address will generate further options for Woodside.
Browse LNG development

Reducing volumetric uncertainty...

- 3D seismic acquisition on Torosa
- Snarf exploration and Torosa-4 appraisal top holes drilled
- Calliance appraisal to drill
- Awarded 2 new exploration blocks

...to optimise development
Sunrise LNG development

Political progress:
- Australian and Timor-Leste ratified treaties

Development progress:
- Considering development requirements
- Reprocessing 3D seismic
- Representative office now in Dili

Development needs:
- Agreement on optimal concept
- Approval of plan and terms
- Successful marketing of the resource
Asian LNG prices climbed steadily

Average Asian prices often above UK and North America (FOB) with recent Qatar deals achieving above oil parity.
Global LNG supply shortage likely to 2015

Price drivers:

- Flat production from existing suppliers
- Delays to new planned and possible supplies
- Increased demand from both traditional buyers and new market entrants

- Our supply options are well positioned in terms of timing
- Woodside is in discussions with potential Asian buyers re significant volumes
- A Key Terms Agreement* may soon be signed

*A Key Terms Agreement sets the key commercial LNG terms including price for good faith negotiations
Woodside is in a great position to leverage its LNG assets for the Asia market. Arbitrage, however, remains an attractive option.
Woodside: Delivering shareholder value.

Total Shareholder Return

...outperforming our peers and the LNG majors

Peers: Anadarko, Apache, BG, CNOOC, Marathon, Murphy, PetroCanada, Pioneer, Repsol, Santos, Talisman

Majors: BP, Chevron, Conoco Phillips, Exxon Mobil, Shell, Occidental, Total

Commodity prices – oil price increased 149% (since end 2002 to end July 2007)
Value-add projects – around 12 new projects have been approved
Production – increased by 15.1% from 2003 to 2006
Earnings – increased 165% from 2003 to 2006
# 1H 2007 financial performance

<table>
<thead>
<tr>
<th></th>
<th>1H 2007 A$M⁽¹⁾</th>
<th>1H 2006 A$M⁽¹⁾</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production volume (MMboe)</td>
<td>35.0</td>
<td>29.9</td>
<td>17.1</td>
</tr>
<tr>
<td>Sales volume (MMboe)</td>
<td>34.7</td>
<td>29.1</td>
<td>19.2</td>
</tr>
<tr>
<td>Oil &amp; gas revenues</td>
<td>1,869.0</td>
<td>1,567.9</td>
<td>19.2</td>
</tr>
<tr>
<td>EBITDAX (2)</td>
<td>1,395.6</td>
<td>1,171.5</td>
<td>19.1</td>
</tr>
<tr>
<td>Exploration and evaluation expensed</td>
<td>(232.8)</td>
<td>(229.4)</td>
<td>1.5</td>
</tr>
<tr>
<td>Depreciation and amortisation expensed</td>
<td>(357.8)</td>
<td>(207.8)</td>
<td>72.2</td>
</tr>
<tr>
<td>EBIT (3)</td>
<td>805.0</td>
<td>734.3</td>
<td>9.6</td>
</tr>
<tr>
<td>Net finance income /(costs)</td>
<td>(6.9)</td>
<td>(1.9)</td>
<td>n.m.⁽⁶⁾</td>
</tr>
<tr>
<td>Income tax expense before significant items</td>
<td>(252.7)</td>
<td>(239.1)</td>
<td>5.7</td>
</tr>
<tr>
<td>NPAT before significant items⁽⁴⁾</td>
<td>545.4</td>
<td>493.3</td>
<td>10.6</td>
</tr>
<tr>
<td>Gain on sale of Legendre</td>
<td>56.8</td>
<td>-</td>
<td>n.m.⁽⁶⁾</td>
</tr>
<tr>
<td>Gain on sale of entity (with PNG RL)</td>
<td>7.9</td>
<td>-</td>
<td>n.m.⁽⁶⁾</td>
</tr>
<tr>
<td>Gain on sale of Kipper interests</td>
<td>-</td>
<td>31.1</td>
<td>n.m.⁽⁶⁾</td>
</tr>
<tr>
<td>Reported Profit (after significant items)</td>
<td>610.1</td>
<td>524.4</td>
<td>16.3</td>
</tr>
<tr>
<td>Interim dividend (c.p.s)</td>
<td>49.0</td>
<td>49.0</td>
<td>--</td>
</tr>
<tr>
<td>Net operating cash flow</td>
<td>1,442.3</td>
<td>908.6</td>
<td>58.7</td>
</tr>
<tr>
<td>Gearing (%)⁽⁵⁾</td>
<td>21.7</td>
<td>30.2</td>
<td>(28.1)</td>
</tr>
<tr>
<td>Long term debt (US$M)</td>
<td>974.0</td>
<td>1,175.0</td>
<td>(17.1)</td>
</tr>
<tr>
<td>Short term debt (US$M)</td>
<td>250.0</td>
<td>115.0</td>
<td>117.4</td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>117.3</td>
<td>181.2</td>
<td>(35.3)</td>
</tr>
</tbody>
</table>

1. All amounts are in A$M unless otherwise stated.  
2. EBITDAX = earnings before interest, tax, depreciation, amortisation and exploration (before significant items).  
3. EBIT = earnings before interest and tax, (before significant items)  
4. Vincent Hedge losses are no longer considered a significant item and have been removed from analysis.  
5. Gearing = (net debt) divided by (net debt + equity).  
6. n.m. = not meaningful.
## Net profit sensitivities

<table>
<thead>
<tr>
<th>A$M change in NPAT</th>
<th>2H 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realised Oil Price</td>
<td>US$1/bbl increase</td>
</tr>
<tr>
<td>Henry Hub Gas Price</td>
<td>US$1/MMBtu increase</td>
</tr>
<tr>
<td>Exchange Rates ($A/US)</td>
<td>1 cent increase</td>
</tr>
<tr>
<td>US interest Rate</td>
<td>1% increase</td>
</tr>
</tbody>
</table>
## Total Hedges outstanding as at 30 June 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume  bbl</th>
<th>Price Collars US$ per bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6,600,000</td>
<td>55.00 – 77.34</td>
</tr>
<tr>
<td>2009</td>
<td>4,400,000</td>
<td>55.00 – 75.94</td>
</tr>
<tr>
<td>2010</td>
<td>2,500,000</td>
<td>55.00 – 73.68</td>
</tr>
</tbody>
</table>
### Total Hedges outstanding as at 30 June 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume MMBtu</th>
<th>Price Collars US$ per MMBtu</th>
<th>Average price swaps US$ per MMBtu</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,970,000</td>
<td>6.57 – 8.87</td>
<td>8.85</td>
</tr>
<tr>
<td>2008</td>
<td>5,310,000</td>
<td>n.m.</td>
<td>8.39</td>
</tr>
</tbody>
</table>
### 1H 2007 exploration drilling

<table>
<thead>
<tr>
<th>Well Name</th>
<th>Location</th>
<th>Title</th>
<th>Target</th>
<th>% Equity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sculptor-3</td>
<td>Carnarvon</td>
<td>WA-24-L</td>
<td>Gas</td>
<td>15.78</td>
<td>Non-commercial hydrocarbons</td>
</tr>
<tr>
<td>Ixion-1</td>
<td>Carnarvon</td>
<td>WA-370-P</td>
<td>Gas</td>
<td>50</td>
<td>Top hole drilled</td>
</tr>
<tr>
<td>Snarf-1</td>
<td>Browse</td>
<td>WA-275-P</td>
<td>Gas</td>
<td>25</td>
<td>Top hole drilled</td>
</tr>
<tr>
<td>Belicoso-1</td>
<td>Carnarvon</td>
<td>WA-347-P</td>
<td>Gas</td>
<td>100</td>
<td>Top hole drilled</td>
</tr>
<tr>
<td>Calthorpe-1</td>
<td>Carnarvon</td>
<td>WA-271-P</td>
<td>Gas</td>
<td>60</td>
<td>Top hole drilled</td>
</tr>
<tr>
<td><strong>Libya</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C1-NC206</td>
<td>Sirte</td>
<td>NC206</td>
<td>Oil &amp; Gas</td>
<td>-</td>
<td>Non-commercial hydrocarbons</td>
</tr>
<tr>
<td>A1-35-3</td>
<td>offshore</td>
<td>35-3</td>
<td>Oil / Gas</td>
<td>-</td>
<td>Dry hole, HC shows</td>
</tr>
<tr>
<td>A1-36-2</td>
<td>offshore</td>
<td>36-2</td>
<td>Oil / Gas</td>
<td>-</td>
<td>Dry hole</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ashiko-1, ST01</td>
<td>GoM</td>
<td>MU 803</td>
<td>Gas</td>
<td>75</td>
<td>Non-commercial hydrocarbons</td>
</tr>
</tbody>
</table>
## Planned exploration 2H 2007

<table>
<thead>
<tr>
<th>Well Name</th>
<th>Location</th>
<th>Title</th>
<th>Target</th>
<th>% Equity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lady Nora</td>
<td>Carnarvon</td>
<td>WA-28-P</td>
<td>Gas</td>
<td>15.78</td>
<td>Drilling</td>
</tr>
<tr>
<td>Ixion-1*</td>
<td>Carnarvon</td>
<td>WA-370-P</td>
<td>Gas</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Snarf-1*</td>
<td>Browse</td>
<td>WA-275-P</td>
<td>Gas</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Belicoso-1*</td>
<td>Carnarvon</td>
<td>WA-347-P</td>
<td>Gas</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Calthorpe-1*</td>
<td>Carnarvon</td>
<td>WA-271-P</td>
<td>Oil</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Norbil-1</td>
<td>Carnarvon</td>
<td>WA-1-P</td>
<td>Gas</td>
<td>45.94</td>
<td></td>
</tr>
<tr>
<td>Glenridding-1</td>
<td>Exmouth</td>
<td>WA-32-L</td>
<td>Oil</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>Libya</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1-NC209</td>
<td>Sirte</td>
<td>NC209</td>
<td>Oil &amp; Gas</td>
<td>-</td>
<td>Drilling</td>
</tr>
<tr>
<td>A1-NC207</td>
<td>Sirte</td>
<td>NC207</td>
<td>Oil &amp; Gas</td>
<td>-</td>
<td></td>
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<tr>
<td>A1-53-2</td>
<td>Offshore</td>
<td>53-2</td>
<td>Oil &amp; Gas</td>
<td>-</td>
<td>Dry hole</td>
</tr>
<tr>
<td>A1-52-4</td>
<td>Offshore</td>
<td>53-4</td>
<td>Oil &amp; Gas</td>
<td>-</td>
<td>Dry hole</td>
</tr>
<tr>
<td>2 wells</td>
<td>Onshore</td>
<td>EPSA III</td>
<td>Oil &amp; Gas</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corona Del Mar</td>
<td>GoM</td>
<td>GC949</td>
<td>Oil</td>
<td>~13^</td>
<td>Rig on site</td>
</tr>
<tr>
<td>Terrebonne</td>
<td>GoM</td>
<td>GC452</td>
<td>Oil</td>
<td>~40^</td>
<td>After Corona DM</td>
</tr>
</tbody>
</table>

* Top holes drilled during first half 2007. Rig is planned to return to drill bottom holes later in 2007 / early 2008.

^ Revenue interest