

**WOODSIDE PETROLEUM LTD.**  
**AND ITS CONTROLLED ENTITIES**

**ABN 55 004 898 962**

**CONCISE FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2003**

The financial statements and other specific disclosures have been derived from Woodside Petroleum Ltd. and its controlled entities' ("Economic Entity") Full Financial Report for the year. Other information included in the Concise Financial Report is consistent with the Economic Entity'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 Economic Entity as the Full Financial Report.

A copy of the Economic Entity's 2003 Full Financial Report, including the independent audit report, is available to all shareholders, and will be sent to shareholders without charge upon request. The 2003 Full Financial Report can be requested by telephone (Australia: 1300 557 010, Overseas: (61) 39615 5970) and by Internet at [www.woodside.com.au](http://www.woodside.com.au).

**WOODSIDE PETROLEUM LTD. AND ITS CONTROLLED ENTITIES  
CONCISE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

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**STATEMENT OF FINANCIAL PERFORMANCE**

For the year ended 31 December 2003

	Notes	Economic Entity	
		2003 \$000	2002 \$000
Revenues from oil & gas operations		2,059,282	2,240,603
Cost of sales		(799,849)	(946,966)
Gross profit		1,259,433	1,293,637
Other revenues from ordinary activities		152,398	96,110
Share of associates' net profits/(losses)		(5,859)	(6,306)
Borrowing costs expensed		(54,036)	(78,635)
Other expenses from ordinary activities		(524,008)	(1,237,077)
<b>Profit from ordinary activities before Income Tax</b>		827,928	67,729
Income Tax attributable to ordinary activities		(301,243)	(159,721)
<b>Net Profit/(Loss) attributable to members of Woodside Petroleum Ltd.</b>	3	526,685	(91,992)
Basic and diluted earnings per share (cents)	4	79.0	(13.8)
Dividend per share (cents/share)	5 (b)	46.0	62.0

The statement of financial performance is to be read in conjunction with the discussion and analysis on page 4 of this Report and the notes to the Concise Financial Report set out on pages 9 to 14 of this Report.

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**DISCUSSION AND ANALYSIS OF THE STATEMENT OF FINANCIAL PERFORMANCE**

**Overview**

Woodside's 2003 underlying financial performance declined by 19.9% due principally to lower oil volumes and increased exploration expense. In 2002 the adoption of a revised accounting policy for exploration and evaluation (E & E) costs and a write-down of the carrying value of Woodside's investment in Oil Search Limited significantly affected the reported results (see note 3).

	<b>2003</b>	<b>2002</b>
	\$000	\$000
<b>Net Profit After Tax – Before Significant Items</b>	526,685	657,792
(less)/plus Significant Items		
Opening balance impact of change to Successful Efforts approach to Exploration and Evaluation accounting	-	(643,739)
Write-down in value of investment in Oil Search Limited	-	(106,045)
<b>Reported Net Profit/(Loss) After Tax</b>	526,685	(91,992)

Issues that affected the Economic Entity's financial performance in the period were:

**Revenue from oil & gas operations** Lower sales volumes reduced revenue by \$56.3 million, resulting predominantly from natural field decline on the Laminaria project, this was partially offset by increased LNG, Natural Gas and North West Shelf condensate sales. The average realised oil price in 2003 was US\$27.62 per barrel compared with US\$21.93 in 2002, increasing revenues by A\$226.6 million. However the appreciation of the Australian dollar against the US dollar decreased revenue by A\$344.0 million with an average A\$/US\$ exchange rate in 2003 of 0.6523 compared with 0.5444 in 2002.

**Cost of sales** Production costs declined by \$45.6 million largely as a result of reduced Laminaria operating costs and the effect of the appreciation of the Australian dollar on hedging of operating costs. PRRT expense decreased by \$82.0 million during the year as a result of lower Laminaria sales and a refund received from the ATO relating to the clarification of technical amendments to the PRRT legislation. Depreciation and amortisation decreased by \$52.7 million mainly due to the decline in Laminaria production.

**Other revenues from ordinary activities** Appreciation of the Australian dollar resulted in a decrease in interest income on the Greater Sunrise settlement receivable of \$4.8 million.

**Borrowing costs expensed** Lower average debt levels, lower interest rates and the appreciation of the Australian dollar have combined to reduce these costs by \$23.8 million.

**Other expenses from ordinary activities** After eliminating the effects of the 2002 significant items these costs have increased by \$143.3 million. The main factors contributing to this increase were exploration expense and amortisation of exploration permit acquisition costs during the year up by \$129.3 million and foreign currency losses up by \$18.7 million due to the appreciation of the A\$/US\$ exchange rate.

**Income Tax attributable to ordinary activities** The effective tax rate, after eliminating 2002 significant items, has increased to 36.38% in 2003 from 33.30% in 2002 mainly due to the effect of non deductible foreign exploration expenditure.

Key metrics

Return on equity (net profit attributable to the members of Woodside Petroleum Ltd. on total equity) increased from -4.0% to 21.7% due to the significant items incurred in 2002 (see note 3). Adjusting for significant items, return on equity decreased from 28.4% to 21.7%.

**WOODSIDE PETROLEUM LTD. AND ITS CONTROLLED ENTITIES**  
**CONCISE FINANCIAL REPORT**

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2003

	Note	Economic Entity	
		2003 \$000	2002 \$000
<b>CURRENT ASSETS</b>			
Cash assets		177,601	155,352
Receivables		260,878	298,361
Inventories		14,007	39,381
Other financial assets		73,123	102,516
Other assets		11,342	20,894
<b>TOTAL CURRENT ASSETS</b>		<b>536,951</b>	<b>616,504</b>
<b>NON CURRENT ASSETS</b>			
Receivables		307,252	347,016
Inventories		18,264	12,364
Equity accounted investments		9,096	29,666
Other financial assets		106,034	146,756
Exploration & evaluation		653,518	556,019
Oil & gas properties		2,985,154	2,866,808
Other plant and equipment		137,910	79,277
Deferred tax assets		649	649
Other assets		27,471	355,509
<b>TOTAL NON CURRENT ASSETS</b>		<b>4,245,348</b>	<b>4,394,064</b>
<b>TOTAL ASSETS</b>		<b>4,782,299</b>	<b>5,010,568</b>
<b>CURRENT LIABILITIES</b>			
Payables		335,783	317,032
Current tax liabilities		100,992	105,152
Provisions		55,064	56,848
Other liabilities		86,747	117,746
<b>TOTAL CURRENT LIABILITIES</b>		<b>578,586</b>	<b>596,778</b>
<b>NON CURRENT LIABILITIES</b>			
Interest bearing liabilities		1,068,376	1,429,580
Deferred tax liabilities		455,090	473,309
Provisions		156,552	123,345
Other liabilities		90,164	67,174
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,770,182</b>	<b>2,093,408</b>
<b>TOTAL LIABILITIES</b>		<b>2,348,768</b>	<b>2,690,186</b>
<b>NET ASSETS</b>		<b>2,433,531</b>	<b>2,320,382</b>
<b>EQUITY</b>			
Contributed equity		706,491	706,491
Reserves		-	-
Retained profits	6	1,727,040	1,613,891
<b>TOTAL EQUITY</b>		<b>2,433,531</b>	<b>2,320,382</b>

The statement of financial position is to be read in conjunction with the discussion and analysis on page 6 of this Report and the notes to the Concise Financial Report set out on pages 9 to 14 of this Report.

**WOODSIDE PETROLEUM LTD. AND ITS CONTROLLED ENTITIES  
CONCISE FINANCIAL REPORT**

**DISCUSSION AND ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION**

**Overview**

The Economic Entity's net assets increased by 4.9% to \$2,433.5 million over the year.

Issues that affected the Economic Entity's financial position in the period were:

**Assets**

- Receivables (Non-Current) - \$40.0 million reduction due to effect of appreciation of Australian dollar against the US dollar on the Greater Sunrise deferred settlement of proceeds.
- Other financial assets (Current & Non-Current) – \$46.4 million reduction representing the written down value of the investment in Oil Search which was sold during the year and deferred costs on open hedges which after accounting for the increases in oil prices, the appreciation of the A\$/US\$ exchange rate and the lower level of hedging have reduced by \$16.0 million.
- Exploration and evaluation – Additions of \$97.8 million relating to evaluation activity in previously discovered areas. Net acquisition cost additions of \$46.0 million after amortisation. Net exploration costs written off of \$46.2 million.
- Oil and gas properties – Significant additions during the period included \$105.2 million in relation to the Train 4 Project, \$70.9 million in relation to the Enfield project, \$46.6 million in relation to the Second Trunkline Expansion Project, \$31.1 million in relation to the Ohanet project and \$12.0 million in relation to the Goodwyn Low Pressure Train Project. Offsetting these additions was amortisation of \$223.1 million.
- Other plant and equipment – Significant additions during the period included \$57.0 million in relation to the new corporate office fitout.
- Other assets - Deferred exchange fluctuation on US\$ borrowings changed from a \$332.5 million unrealised loss to a \$20.4 million unrealised gain due to the appreciation of the A\$/US\$ exchange rate. Accordingly the balance is now reported in Other liabilities (Non-Current) as a deferred gain.

**Liabilities**

- Interest bearing liabilities – \$356.9 million reduction in the A\$ value of US\$ debt due to the appreciation of the A\$/US\$ exchange rate and a net loan repayment of US\$10 million. During the year a US\$250 million 10 year bond was issued, maturing in 2013. The proceeds received from this issue were used to repay the bilateral loans outstanding at that date.
- Provisions (Non-Current) – Increased due to ongoing provision for restoration obligations of \$29.5 million.
- Other liabilities (Non-Current) – Deferred exchange fluctuation on US\$ borrowings balance now \$20.4 million gain (as per Other assets).

**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 decreased from 35.5% in 2002 to 26.8% in the current period. The company has substantial long term undrawn financing facilities totalling \$902 million for any long or short term funding requirements.

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**STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2003

	<b>Economic Entity</b>	
	<b>2003</b>	<b>2002</b>
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	2,123,110	2,388,888
Interest received	12,112	9,472
Dividends received	12,150	9,183
Payments to suppliers and employees	(333,556)	(488,092)
Borrowing costs paid (net of capitalised amounts)	(66,725)	(79,839)
Management and other fees	44,095	52,050
Royalty, Excise and PRRT payments	(271,388)	(373,688)
Income tax/GST paid	(316,925)	(311,123)
<b>Net Cash from Operating Activities</b>	<b>1,202,873</b>	<b>1,206,851</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital and exploration expenditure	(812,104)	(691,255)
Proceeds from sale of investments	62,179	2,195
Proceeds from sale of exploration and evaluation	9,089	3,039
Proceeds from sale of oil and gas properties	1,580	1,514
Payments for investments in other entities	(1,000)	(9,950)
Advances to employees relating to share plan	(23,434)	(50,586)
Repayments from employees relating to share plan	23,006	15,128
<b>Net Cash used in Investing Activities</b>	<b>(740,684)</b>	<b>(729,915)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	1,190,901	364,327
Repayment of borrowings	(1,195,177)	(434,162)
Advances(to)/from other entities	-	32,653
Dividends paid	(413,333)	(446,667)
Debt establishment costs paid	(1,153)	-
<b>Net Cash used in Financing Activities</b>	<b>(418,762)</b>	<b>(483,849)</b>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<b>43,427</b>	<b>(6,913)</b>
<b>CASH AT BEGINNING OF FINANCIAL YEAR</b>	<b>155,352</b>	<b>160,556</b>
Effects of exchange rate changes on the balances of cash held in foreign currencies	(21,178)	1,709
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>177,601</b>	<b>155,352</b>

The statement of cash flows is to be read in conjunction with the discussion and analysis on page 8 of this Report and the notes of the Concise Financial Report set out on pages 9 to 14 of this Report.

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**DISCUSSION AND ANALYSIS OF THE STATEMENT OF CASH FLOWS**

**Overview**

Cashflows from operations in the period provided sufficient funds to meet all requirements for investing activities, repayment of debt and the interim dividend.

Issues that affected the Economic Entity's cash flows in the period were:

**Cash flows from operating activities**

- Lower receipts from customers are mainly due to the decline in revenues and the draw on prepaid gas balances by customers (unearned revenues).
- Lower PRRT payments due to lower Laminaria sales and a refund received from the ATO in relation to clarification of technical amendments to the PRRT legislation. Lower excise payments as a result of the decline in relevant sales revenues.

**Cash flows used in investing activities**

- Increased exploration and evaluation expenditure in 2003, in addition to oil and gas property expenditure on a number of projects (LNG Train 4, Enfield, Second Trunkline, Ohanet and Goodwyn Low Pressure Train).
- Proceeds received from sale of investments represents the proceeds on the sale of the investment in Oil Search Limited.

**Cash flows used in financing activities**

- During the year a US\$250 million ten year bond was issued, the proceeds of which were used to repay the bilaterals outstanding at that date and a net loan repayment of US\$10 million was made, compared with a net repayment of US\$40 million in 2002.
- Dividend payments were slightly lower in 2003.



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**1. PREPARATION OF CONCISE FINANCIAL REPORT**

The Concise Financial Report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 1039 Concise Financial Reports and applicable Urgent Issues Group Consensus Views. The financial statements and specific disclosures required by AASB 1039 have been derived from the Economic Entity's Full Financial Report for the financial year. Other information included in the Concise Financial Report is consistent with the Economic Entity'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 Economic Entity as the Full Financial Report.

The accounting policies are consistent with those of the previous year except as described below.

**2. CHANGES IN ACCOUNTING POLICIES**

**Provisions**

***Employee benefits***

***(i) Change in accounting policy regarding employee benefit provisions***

*Description of and Reason for Change*

The economic entity has adopted the revised Accounting Standard AASB 1028 "Employee Benefits", which has resulted in a change in the accounting policy for the measurement of employee benefit liabilities. Previously, the economic entity measured the provision for employee benefits based on remuneration rates applicable as at the reporting date. In accordance with the requirements of the revised Standard, the provision for the employee benefits is now measured based on the remuneration rates expected to be paid when the liability is settled.

*Financial Effect of Change*

The effect of the revised policy has been to increase employee benefit liabilities at the beginning of the year by \$676 thousand, decrease opening consolidated retained profits by \$203 thousand and increase receivables by \$473 thousand. In addition, current year profits have decreased by \$19 thousand due to an increase in the employee benefits expense. Current provisions at 31 December 2003 have also increased by \$429 thousand and non-current provisions have increased by \$311 thousand as a result of the change in accounting policy.

***(ii) Revised Policy***

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages and salaries, annual leave, long service leave and the provision of interest free loans under the Woodside Employee Share Plan. Liabilities arising in respect of wages and salaries, annual leave, sick leave (regardless of whether they are expected to be settled within 12 months) and other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the end of the reporting period.

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

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

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employees is included in determining the remuneration of relevant employees as disclosed in the Economic Entity's Full Financial Report.

**2. CHANGES IN ACCOUNTING POLICIES (Continued)**

**Provisions (Continued)**

**(ii) Revised Policy (Continued)**

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

		<b>Economic Entity</b>	
		<b>2003</b>	<b>2002</b>
		\$000	\$000
<b>3.</b>	<b>SPECIFIC ITEMS WITHIN PROFIT FROM ORDINARY ACTIVITIES</b>		
	Profit from ordinary activities after income tax, <i>includes</i> the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity.		
	<b>Individually significant items</b>		
(i)	Adoption of revised exploration and evaluation policy		
	Opening balance adjustment		
	Exploration & Evaluation	-	(386,356)
	Oil & Gas Properties		
	Projects in Development	-	(235,094)
	Producing Projects	-	(191,078)
		<hr/>	<hr/>
		-	(812,528)
	Applicable income tax benefit	-	168,789
		<hr/>	<hr/>
		-	(643,739)
(ii)	Impact of revised exploration and evaluation policy on 2002 performance		
	Oil & Gas Property, Depreciation/Amortisation – transferred exploration and evaluation	-	51,362
	Exploration expense current year	-	(126,445)
	Exploration expense - amortisation licence acquisition costs	-	(1,715)
		<hr/>	<hr/>
		-	(76,798)
	Applicable income tax benefit	-	5,186
		<hr/>	<hr/>
		-	(71,612)
(iii)	Diminution in value of investment in Oil Search Limited	-	(106,045)
	Applicable income tax benefit	-	-
		<hr/>	<hr/>
		-	(106,045)

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**4. EARNINGS PER SHARE**

**Economic Entity**

**2003**                      **2002**  
\$000                              \$000

Basic earnings per share and diluted earnings per share are identical.

Earnings/(loss) used in calculating basic and diluted earnings per share	526,685	(91,992)
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Weighted average number of shares on issue used in calculating basic and diluted earnings per share	666,666,667	666,666,667
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Basic earnings/(loss) per share (cents)	79.0	(13.8)
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**5. DIVIDENDS**

**(a)** Dividends recognised in the current year by the Company are:

	Cents per share	Total amount \$'000	Date of payment	Tax rate for franking credit	Percentage franked
<b>2003</b>					
2002 Final - ordinary	41.0	273,333	21/3/2003	30%	100%
2003 Interim – ordinary	21.0	<u>140,000</u>	5/9/2003	30%	100%
Total franked amount		<u>413,333</u>			
<b>2002</b>					
2002 Interim – ordinary	21.0	<u>140,000</u>	5/9/2002	30%	100%
Total franked amount		<u>140,000</u>			

No unfranked dividends have been declared or paid during the year.

**(b)** Summary of dividends in relation to reported periods

Interim dividend 21.0 cents (2002: 21.0 cents) (declared and paid)	140,000	140,000
Final dividend		
Declared February 2003 : 41 cents	-	273,333
Declared February 2004 : 25 cents	(Note 8) 166,667	-
	<u>306,667</u>	<u>413,333</u>
Dividend in respect of financial year	46 cents	62 cents

**Economic Entity**

**2003**                      **2002**  
\$000                              \$000

**6. RETAINED PROFITS**

**Movements in retained profits**

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Balance at beginning of year	1,613,891	1,763,976
Adjustment arising from adoption of revised accounting standard AASB 1028 Employee Benefits – refer Note 2	(203)	-
Net profit / (loss) attributable to members of Woodside Petroleum Ltd.	526,685	(91,992)
Aggregate of amounts transferred from the capital profits reserve	-	81,907
Dividends provided for or paid	(413,333)	(140,000)
<b>Balance at end of year</b>	<b>1,727,040</b>	<b>1,613,891</b>

**7. SEGMENT REPORTING**

**(a) Business Segments**

The Economic Entity has the following reportable segments.

**North West Shelf Ventures**

Exploration, evaluation, development, production and sale of LNG, Domgas, Condensate, LPG and Crude Oil from the North West Shelf Venture.

**Oil Business Unit**

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

**Group and Unallocated**

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

**(b) Geographical Segments**

The Economic Entity's divisions operate in two main geographical segments. These segments are derived on the basis of revenue from oil and gas operations and the location of the customer providing that revenue.

**Australia**

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

**Asia**

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

**Other**

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

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## 7. SEGMENT REPORTING (Continued)

### Primary Reporting - Business Segments

	North West Shelf Ventures		Oil Business Unit		Group and Unallocated		Consolidated	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000	2003 \$000	2002 \$000	2003 \$000	2002 \$000
<b>Revenue</b>								
Revenue from oil & gas operations	1,498,897	1,466,739	551,935	773,864	8,450	-	2,059,282	2,240,603
<b>Cost of Sales</b>								
Production costs	(106,160)	(123,548)	(68,352)	(65,309)	(795)	-	(175,307)	(188,857)
Royalties, Excise and PRRT	(185,552)	(190,980)	(95,406)	(162,201)	-	-	(280,958)	(353,181)
Shipping and marketing	(79,946)	(106,058)	(11,044)	(972)	-	-	(90,990)	(107,030)
Depreciation and amortisation	(102,654)	(113,794)	(115,176)	(162,019)	(5,288)	-	(223,118)	(275,813)
Restoration provision	(23,127)	(14,104)	(6,349)	(7,981)	-	-	(29,476)	(22,085)
Total cost of sales	(497,439)	(548,484)	(296,327)	(398,482)	(6,083)	-	(799,849)	(946,966)
<b>Gross Profit</b>	1,001,458	918,255	255,608	375,382	2,367	-	1,259,433	1,293,637
Other revenue	19,783	3,732	3,904	7,868	128,711	84,510	152,398	96,110
Share of net profit of equity accounted associates	-	-	-	-	(5,859)	(6,306)	(5,859)	(6,306)
Borrowing costs expensed	2,030	(602)	(32)	-	(56,034)	(78,033)	(54,036)	(78,635)
Other expenses from ordinary activities	(30,888)	(103,377)	(60,631)	(291,187)	(432,489)	(842,513)	(524,008)	(1,237,077)
<b>Segment result</b>	992,383	818,008	198,849	92,063	(363,304)	(842,342)	827,928	67,729
<b>Income tax expense</b>							(301,243)	(159,721)
<b>Net profit / (loss)</b>							526,685	(91,992)
<b>Segment Assets</b>	2,842,718	2,524,445	853,007	560,843	1,086,574	1,925,280	4,782,299	5,010,568
<b>Segment Liabilities</b>	763,216	385,823	500,766	314,830	1,084,786	1,989,533	2,348,768	2,690,186
<b>Other segment information</b>								
Associates & other investments	-	-	-	-	59,070	129,448	59,070	129,448
Acquisition of oil & gas properties and other non-current assets (excluding exploration)	243,374	161,670	127,998	124,817	144,724	195,581	516,096	482,068
Non-cash expenses other than depreciation and amortisation	91,838	73,143	37,949	351,165	207,279	826,653	337,066	1,250,961

### Secondary Reporting – Geographical Segments

	Australia		Asia		Other		Consolidated	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000	2003 \$000	2002 \$000	2003 \$000	2002 \$000
<b>Segment Revenue (by</b>								

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location of customer)	460,191	296,416	1,439,620	1,690,976	159,471	253,211	2,059,282	2,240,603
<b>Segment Assets</b>	<b>4,196,297</b>	<b>4,145,221</b>	<b>116,123</b>	<b>233,877</b>	<b>469,879</b>	<b>631,470</b>	<b>4,782,299</b>	<b>5,010,568</b>
<b>Other Segment Information</b>								
Acquisition of oil & gas properties and other non-current assets	440,799	338,515	-	-	75,297	143,553	516,096	482,068

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Notes to and forming part of the Concise Financial Report for the year ended 31 December 2003

**8. EVENTS SUBSEQUENT TO BALANCE DATE**

**Dividends**

Since the reporting date, the Directors have declared a fully franked dividend of 25 cents (2002: 41 cents), payable in March 2004. The amount of this dividend will be \$166,666,667 (2002: \$273,333,333). 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.

**China Equity Sale**

The North West Shelf participants and CNOOC Limited (a listed subsidiary of China National Offshore Oil Corporation) announced on 16 May 2003 the formalisation of agreements to provide for CNOOC subsidiary CNOOC NWS Private Ltd. to acquire an interest in the NWS Venture titles and to secure rights to use NWS Venture infrastructure to process gas. Regulatory and other approvals required to complete these agreements remain outstanding at year end.

Subsequent to year end, CNOOC has, in relation to these agreements, paid US\$80.5 million to Woodside but the agreements remain conditional with an anticipated completion in the first half of 2004. Accordingly this transaction has not been recognised in these financial statements. US\$53 million of the payment is a deposit of 90% of the purchase consideration which will be recognised upon completion together with attributable costs, US\$27.5 million is a portion of the tariff for future gas processing services which will be recognised over the 25 year period of supply. In the event that the agreements are not completed these amounts are refundable to CNOOC.

**Acquisition of AGIP Mauritania BV**

On 13 January 2004, Woodside concluded the acquisition of AGIP Mauritania BV from ENI, this transaction included the pro rata sale of interests among the other Joint Venturers. AGIP Mauritania BV held a 35% interest in the Mauritanian PSC Area A and PSC Area B both of which are operated by Woodside. The net cost to Woodside, after the pro rata allocation to joint venturers on 30 January 2004, will be US\$33.4 million, plus Woodside's share of adjustments for activities after an effective date of 1 August 2003 totalling US\$19.4 million. Woodside's interest in the two PSC Areas after the transaction is 53.846%. There is also a further three US\$5 million contingent payments that may be incurred if certain milestones are reached. Woodside's share of these is about US\$8 million.

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**DIRECTORS' DECLARATION**

In the opinion of the Directors of Woodside Petroleum Ltd. the accompanying Concise Financial Report of the Economic Entity, comprising Woodside Petroleum Ltd. and its controlled entities for the year ended 31 December 2003, set out on pages 4 to 15:

- (a) has been derived from or is consistent with the full financial report for the financial year; and
- (b) complies with Accounting Standard AASB 1039 Concise Financial Reports.

Dated at Perth this 18th day of February 2004.

Signed in accordance with a resolution of the Directors:

Charles Goode AC  
Chairman



**WOODSIDE PETROLEUM LTD. AND ITS CONTROLLED ENTITIES  
CONCISE FINANCIAL REPORT**

**INDEPENDENT AUDIT REPORT ON CONCISE FINANCIAL REPORT**

Independent audit report to members of Woodside Petroleum Ltd.

**Scope**

*The concise financial report and directors' responsibility*

The concise financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the consolidated entity for the year ended 31 December 2003. 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 on it 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 2003. Our audit report on the full financial report was signed on [insert date], 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 have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. 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 Ltd. complies with Accounting Standard AASB 1039 "Concise Financial Reports".

Ernst & Young

J P Dowling

Partner

Perth

Date: 18 February 2004