ASX ANNOUNCEMENT
(ASX: WPL)

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WOODSIDE REPORTS RECORD NET PROFIT of A$1,084 MILLION

HIGHLIGHTS

- *Underlying net profit after tax of A$650.9 million was 23.6% higher than that of 2003.*
- *Underlying net profit after tax of A$650.9 million was boosted by significant items to provide a record reported profit of A$1083.6 million. Significant profit items were recorded for the sale of Enfield equity to Mitsui and of North West Shelf equity to CNOOC, which were only partially reduced by items related to the adoption of tax consolidation.*
- *Production of 56.2 million barrels of oil equivalent (MMboe) was lower by 0.5% compared to the 2004 production target of 56.5MMboe (as stated in Q3 2004).*
- *Net operating cash flow of A$1318.1 million was 9.6% higher than 2003 (A$1202.9 million).*
- *A final dividend of 32 cents per share fully franked will be paid, resulting in a total dividend for 2004 of 59 cents per share, fully franked (46 cents in 2003).*

FINANCIAL RESULTS

Woodside's 2004 underlying net profit after tax of A$650.9 million was 23.6% higher than the comparable underlying profit in 2003 largely due to higher product prices. The 2004 underlying net profit after tax provided a higher earnings per share of 97.6 cents compared to 79.0 cents per share in 2003.

The reported after tax profit provided a record earnings per share of 162.5 cents, significantly higher than the 79.0 cents per share of 2003.

The result was boosted by profits on significant items (post tax) from the sale of 40% equity in Enfield (WA-271-P, WA-28-L) of A$431 million and the sale of North West Shelf equity to CNOOC of A$73.5 million (Woodside share). These significant items were only partially reduced by A$71.7 million due to the adoption of a tax consolidation regime.

The effective tax rate (excluding significant items) of 32.7% for 2004 was lower compared to 36.4% for 2003, mainly due to reductions in non-deductible foreign exploration expenditure.

A copy of Woodside's Financial Report and analyst presentation will be available on the company's web site (www.woodside.com.au) by 2:00pm (AEDT).

All amounts are in A$M unless otherwise stated.

	2004 A$Million	2003 A$Million	Variance %
Production volume (MMboe)	56.2	60.7[(1)]	(7.4)
Sales volume (MMboe)	55.5	60.6[(1)]	(8.4)
Oil & Gas Revenues	2119.1	2018.5	5.0
LNG shipping revenue	39.5	40.8	(3.2)
Total revenue from oil/gas operations	2158.6	2059.3	4.8
EBITDAX (pre-significant items)	1525.8	1385.8	10.1
Exploration & evaluation expensed	(255.5)	(295.5)	(13.5)
EBIT (pre-significant items)	993.5	854.2	16.3
NPAT (pre-significant items)	**650.9**	**526.7**	**23.6**
Significant items (post tax)			
Sale of 40% Enfield (WA-271P, WA-28L)	430.97	-	n.m. [(2)]
Sale of NWS equity to CNOOC	73.48	-	n.m.
Tax consolidation	(71.72)	-	n.m.
Reported Profit (post-significant items)	**1083.6**	**526.7**	**105.7**
Total dividend (c.p.s. applicable to full year)	59	46	28.3
Effective tax rate (pre-significant items %)	32.7	36.4	(10.2)
Net Operating Cash Flow	1318.1	1202.9	9.6
Gearing (%)	8.5	26.8	(68.3)
Long term debt (US$M)	800	800	0

(1) 2003 production was recalculated to align with generally accepted industry practice whereby condensate and oil is reported on a volumetric basis of 1barrel =1 barrel of oil equivalent

(2) n.m. = not meaningful

PRODUCTION and SALES

Start-up of the NWS Venture's LNG Train 4 and successful completion of the Legendre North-5H infill well made a positive contribution to Woodside's 2004 production of 56.2 MMboe, marginally lower (0.5%) than the target of 56.5 MMboe that was stated in Q3 2004.

Total production in 2004 was 7.4% lower than for 2003. However, if the adverse impact of the ongoing suspension of operations at BHP Billiton's Hot Briquetted Iron Plant (~1.9 MMboe) and the adjustment of the Ohanet Algerian Risk Sharing Contract barrels due to the high oil price environment (~1 MMboe) are excluded, the 2004 production would have been 59.05MMboe, just 2.7% lower than that of 2003 and 1.8% higher than the original 58MMboe target that was set at the start of 2004.

The revenue from oil and gas operations of A$2158.6 million was up by 4.8% due to stronger product prices. The average Oil WTI price of US$41.39 per barrel for 2004 was 33.6% higher than that of 2003 (US$30.99 per barrel).

LIFTING COSTS

Gas lifting costs increased slightly by 3.7% to A$66.4 million. The gas lifting cost per barrel of oil equivalent at A$1.66/boe was marginally higher than that of last year (2003 A$1.59/boe excluding Ohanet).

Oil lifting costs decreased by 5.5% to A$63.8 million mainly due to Laminaria production cost reductions and US$ Legendre production costs benefiting from higher AUD/USD exchange rate. The unit cost/boe increased to A$4.27/boe (2003 A$3.44/boe) with a 23.8% decline in oil volumes outweighing the benefits of the cost reductions.

EXPLORATION

14 exploration wells were drilled during 2004 of which two were considered successful (Tevet, Midway) with commerciality yet to be advised for five other wells. 20 exploration wells were drilled in 2003.

The 2004 expensed exploration amount of A$247.2 million was lower than the A$281.9 million in 2003. The lower expense was largely a result of a lower overall exploration spend.

ROYALTIES, EXCISE and PRRT CHARGES

Royalties and excise payments of A$268.6 million were higher by 25.5%, primarily due to the Legendre field starting to pay excise in June 2004. Petroleum Resource Rent Tax (PRRT) of A$47.5 million was 29% lower due to the lower Laminaria production.

US$ DEBT UNCHANGED, GEARING LOWER

Interest bearing debt at the end of 2004 was US$800 million in the form of three ten year US$ bonds, unchanged from 2003. Gearing (net debt/net debt + equity) at the end of the year decreased to 8.5% compared with 26.8% at the end of 2003 largely due to the high cash balances on hand at the end of 2004. Cash balances reflect a year of high oil prices and include the proceeds of Woodside's divestments. Gearing is expected to increase as approved growth projects progress.

DEPRECIATION, AMORTISATION and RESTORATION

Depreciation, amortisation and restoration increased by 13.3% to A$286.2 million mainly due to the reassessment of the useful life of specific offshore assets including the impact of the Goodwyn low pressure train project.

FULLY FRANKED DIVIDEND DECLARED

The Board has approved the payment of a final dividend of 32 cents per share (fully franked). In addition to the interim dividend of 27 cents per share (fully franked), a total dividend of 59 cents per share for 2004 was achieved, up from the 46 cents per share (fully franked) for 2003.

The dividend of 59 cents per share for 2004 represents a payout ratio of 60.4% on the underlying profit before significant items. In 2003, the comparative payout ratio was 58.2%. The final dividend of 32 cents per share will be paid on 23 March 2005 to shareholders registered on 3 March 2005.

PROVED and PROBABLE RESERVES

New reserve bookings of 82.2 MMboe (Proved plus Probable) substantially exceeded annual production.

The three-year rolling average reserves replacement ratio[2] (RRR) remains healthy at 144% (Proved plus Probable). Over the past six years reserves additions originating from Woodside's own exploration efforts have consistently provided a solid RRR of between 140% and 190%.

[2] *[RRR= the reserves change during the year, before deduction of production, divided by production during the year]*.

Reserves after divestments

Divestment of 124.2 MMboe (Enfield, NWS Venture) plus production and other changes resulted in final Proved plus Probable reserves of 1293.9 MMboe as at 31 December 2004, 9.7 MMboe lower than that of 2003. Proved Reserves were similarly affected by divestment of 95.0 MMboe, resulting in a closing balance of 950.2 MMboe, 29.6 MMboe lower than that of 2003.

2004 HIGHLIGHTS

- **Record annual LNG production** of 9.29mtpa (gross), up 14.2% over that of 2003, was achieved with the start-up of Train 4 in the second half of 2004. A record 156 LNG cargoes, 12.2% more than in 2003, were shipped by the venture.
- **Record annual LNG and gas revenue** of A$729 million (up 3.1% from 2003).
- **A 15 year milestone of reliable LNG supply** to Japan was achieved by the North West Shelf Venture, delivering more than 1,600 LNG cargoes without missing a single delivery.
- **A second trunkline** from the offshore fields to the Karratha Onshore Gas Plant was completed, enhancing the North West Shelf supply capacity and operational reliability.
- **A ninth LNG ship** (Northwest Swan) was commissioned to service North West Shelf LNG shipping.
- **LNG Train 4** was completed, lifting name-plate processing capacity of the Karratha gas processing plant by 56% to 11.7mtpa.
- **LNG marketing.** The North West Shelf Venture finalised sales and purchase agreements for LNG with Kansai Electric (0.5mtpa in 2009 to 2014, 0.925mtpa in 2015 to 2023) and Chubu Electric Power Company (0.6mtpa in 2009 over 15yrs).

- **China LNG.** The North West Shelf Venture formalised agreements to provide China with at least 3.3 million tonnes of LNG each year for 25 years. Under the agreements CNOOC receives around 5.3% equity in reserves sufficient to support the LNG supply plus the right to access (but not own equity in) the infrastructure that processes the gas to LNG.
- **California LNG**. Woodside (USA) Energy Inc. agreed in principle to develop the proposed Clearwater Port, LNG import terminal off California. Involvement in Clearwater Port represents a further step in Woodside's strategy of securing markets for its Australian gas reserves and assists California to secure a long-term, clean, and reliable energy source.
- **Achieved 20-year milestone of NW Shelf domestic gas supply** to Western Australia.
- **Gas marketing.** Gas sales agreements were signed with Western Power Corporation (up to 700PJ of North West Shelf gas), TXU Electricity Ltd (Woodside share up to 30PJ a year of Otway Thylacine-Geographe gas for more than 10 years) and Alcan Gove Pty Ltd (800PJ of Northern Territory Blacktip gas).
- **Three major projects were approved** for development at the Chinguetti oil, Thylacine-Geographe gas and Enfield oil fields. All are on track to contribute to production in 2006.
- Woodside **realised early Enfield value** and shared project risk by selling 40% of the project (contained in permits WA-271-P, WA-28-L) to Mitsui for US$464.5M.
- **Offshore Mauritania exploration drilling** has yielded a discovery at Tevét while appraisal drilling on Tiof and development drilling at Chinguetti continued. The Chinguetti project is advancing within the expanded Phase I US$625M budget and is on schedule for start-up by March 2006.
- **Woodside's Mauritanian equity increased** from 35% to 53.846% in February 2004 with the successful acquisition of Agip Mauritania BV. Agip's equity was pro-rata shared among Joint Venture parties. In November the Mauritanian Government exercised its right to participate in 12% of a defined area around the Chinguetti field, reducing Woodside's equity within this area to 47.383%.
- **Ohanet production.** The first full year of production from Woodside's 15% equity in the Algerian Ohanet project contributed to Woodside's condensate and LPG revenues.
- **A new African country entry** was secured in prospective deepwater exploration acreage in Sierra Leone. In Kenya, Woodside reduced its interests from 7 to 3 permits.
- In **Northern Iraq**, Woodside Energy (N.A.) signed a study agreement as a first step to evaluate potential opportunities to the east of the Kirkuk oil field.
- In the **United States of America** the Neptune oil field was successfully appraised with Neptune-7 and a small gas field was discovered at Midway.

<u>2005 OPERATING OBJECTIVES</u>

- Efforts will continue to maximise production and to further reduce operating costs. Opportunities for infill drilling on our Australian oil fields will be pursued.
- Assuming that BHPB's HBI plant remains shut-in for the full-year, our 2005 production target is for a similar level to the production of 2004 (i.e. 56MMboe). Under normal circumstances the HBI plant would take around 3.6MMboe (Woodside share).
- As part of Woodside's "Investment in Growth", 5 to 7 projects are to be considered for final development approval in 2005 (i.e. Blacktip, Angel, Train 5, Neptune, Perseus-1B and possibly Stybarrow and Midway).
- LNG customers for Woodside's various gas projects will be pursued in the Asian and North American markets. Appraisal work on the Browse gas resource is planned.
- The African business unit activity will increase with development planning, appraisal drilling plus further exploration drilling in Mauritania, exploration drilling in Libya, Kenya and possibly the Canary Islands plus geological-geophysical activities in Mauritania, Libya, Algeria, Sierra Leone and Liberia.
- In early 2005, Woodside (operator 55%) successfully won four offshore exploration blocks in Libya's first open-bidding round. The five-year work program for the new Sirte Basin blocks includes 6,500km of 2-D and 1,000km of 3-D seismic plus four exploration wells. Previously in 2003 Woodside was awarded five onshore exploration blocks in the Sirte and one exploration block in the Murzuq Basins.
- Gulf of Mexico activity is expected to lift after forming an alliance with Explore Enterprise in early 2005.
- Our exploration program of 23 exploration wells in Australia, Africa and the Gulf of Mexico will seek to increase our long-term growth portfolio.

The Woodside Petroleum Ltd. Annual General Meeting will be held on Tuesday 19th April 2005.