

# ASX ANNOUNCEMENT

(ASX: WPL)

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## MEDIA

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## SECOND QUARTER REPORT FOR PERIOD ENDED 30 JUNE 2005

### **Key Points**

#### **Production volume**

- The June quarter production volume of 15.8MMboe was 11.7% higher than the previous quarter, representing Woodside's highest level of quarterly production since Q3 2002.
- North West Shelf Venture production grew with higher customer demand (domestic gas), increased capacity (LNG) and improved deliverability.
- Laminaria-Corallina oil production was boosted by increased equity following Woodside's purchase of a 16.67% interest in production licence AC/L5 from Shell.
- The Mutineer-Exeter field came on-line at the end of March 2005 and contributed over 0.5MMboe to production for the quarter.
- Q2 2005 production was 11.4% higher than the previous corresponding period and production of 29.9MMboe in 1H 2005 was 4.9% higher than 1H 2004.
- Woodside's production target for 2005 has now been revised upward to be at least 58MMboe.

#### **Sales Volume**

- Q2 2005 sales volume of 15.7MMboe was 9.6% higher than the previous quarter and 16.2% higher compared to the previous corresponding period.

#### **Revenue**

- Quarterly sales revenue of A\$661.6M was higher than that of the previous quarter by 16.0% and higher than the previous corresponding period by 40%. A record first-half revenue of A\$1,231.9M was 30.0% higher than the previous corresponding period. These increases are a result of increased production and higher commodity prices.

#### **Activities**

- The Chinguetti, Otway and Enfield projects are on track to meet their individual schedules for start-up during 2006. The Otway and Enfield projects are progressing within budget while the Chinguetti costs could be of the order of 10% higher than budget.
- In June 2005 the final investment decision was taken for the North West Shelf Venture Phase V expansion. LNG capacity will lift to around 16mtpa with first LNG cargoes from Train 5 planned for Q4 2008.
- A final investment decision was also taken for the Neptune oil-gas field development in the deepwater Gulf of Mexico (USA). First production is planned for late 2007.
- During the quarter the significant new gas discovery at Pluto in offshore Western Australia established a stabilised gas flow rate of 46.5MMscfg per day. An appraisal well is being drilled on the field during July/August 2005.
- Activity in the Woodside-operated Browse Basin permits will increase in the second half of 2005. Acquisition of 3D seismic surveys plus the drilling of three appraisal wells will better define the substantial gas resource that is intended for LNG markets.
- In 2H 2005 exploration drilling in Mauritania will resume.

## PRODUCTION SUMMARY

The company's share of production and sales for the quarter ended 30 June 2005 was:

		Q2 2005	Q1 2005	Q2 2004	6 months 2005	6 months 2004
DOMESTIC GAS	Deliveries (av.tj/day)	303	281	293	292	293
LIQUEFIED NATURAL GAS (LNG)	Production (t)	490,251	460,952	342,142	951,203	659,754
	Sales Delivered (t)	490,574	464,117	311,434	954,691	636,092
	Cargoes Delivered	50	49	33	99	67
NWS CONDENSATE	Production (bbls)	2,230,517	2,076,605	2,306,583	4,307,122	4,603,750
	Sales (bbls) <sup>1</sup>	2,248,266	2,105,206	2,347,094	4,353,472	4,648,900
COSSACK OIL	Production (bbls)	1,570,659	1,535,093	1,357,347	3,105,752	2,876,569
	Sales (bbls) <sup>1</sup>	1,623,556	1,523,790	1,362,169	3,147,346	2,910,656
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	33,147	32,284	32,955	65,431	62,539
	Sales (t) <sup>1</sup>	33,899	34,211	31,162	68,110	61,361
LAMINARIA OIL <sup>2</sup>	Production (bbls)	1,312,734	847,845	1,435,785	2,160,579	3,102,044
	Sales (bbls) <sup>1</sup>	1,333,119	846,203	1,079,469	2,179,322	2,787,338
LEGENDRE OIL	Production (bbls)	429,652	623,196	836,752	1,052,848	1,672,446
	Sales (bbls) <sup>1</sup>	284,816	695,070	801,626	979,886	1,570,248
MUTINEER - EXETER OIL	Production (bbls)	536,513	1,141	-	537,654	-
	Sales (bbls)	478,726	-	-	478,726	-
<b>Sub Total</b>	<b>Production (boe)#</b>	<b>15,230,675</b>	<b>13,589,113</b>	<b>13,615,457</b>	<b>28,819,788</b>	<b>27,357,337</b>
	<b>Sales (boe)#</b>	<b>15,111,126</b>	<b>13,761,526</b>	<b>12,919,127</b>	<b>28,872,652</b>	<b>26,741,656</b>

### Derived Volumes<sup>3</sup>

OHANET CONDENSATE ENTITLEMENT	Production (bbls)	340,769	330,496	342,369	671,265	728,244
	Sales (bbls)	340,769	330,496	342,369	671,265	728,244
OHANET (LPG) ENTITLEMENT	Production (t)	27,747	26,910	27,877	54,657	57,316
	Sales (t)	27,747	26,910	27,877	54,657	57,316
<b>Sub Total</b>	<b>Production (boe)#</b>	<b>567,950</b>	<b>550,824</b>	<b>570,615</b>	<b>1,118,774</b>	<b>1,197,524</b>
	<b>Sales (boe)#</b>	<b>567,950</b>	<b>550,824</b>	<b>570,615</b>	<b>1,118,774</b>	<b>1,197,524</b>

<b>TOTAL</b>	<b>Production (boe)#</b>	<b>15,798,625</b>	<b>14,139,937</b>	<b>14,186,072</b>	<b>29,938,562</b>	<b>28,554,861</b>
	<b>Sales (boe)#</b>	<b>15,679,076</b>	<b>14,312,350</b>	<b>13,489,742</b>	<b>29,991,426</b>	<b>27,939,180</b>

1 Woodside has adopted an entitlement method of recognising sales, commencing 1 January 2005. Prior year comparatives have been restated, in accordance with Australian equivalents to International Financial Reporting Standards, to reflect the sales volumes that would have been disclosed had this policy been in place during the prior quarters. Under this method any under or over lift in sales volumes for the period is adjusted to reflect the Company's proportionate share of total venture sales. Previously, sales were accounted for on a 'physical' basis, with no allowance being made for under or over lifting. Prior period sales volumes have been amended subsequent to the March 2005 ASX quarterly report due to finalisation of the implementation of the new methodology.

2 Q1 2005 production and sales volumes include Woodside's additional interest in the Laminaria-Corallina production licence following Woodside's acquisition of Shell's 16.67% interest in AC/L5, effective 11 March 2005.

3 Derived volumes have been calculated using a 10 year long-term average oil price (currently budgeted by Woodside at US\$24/bbl pre-tax). Prior period comparatives have been restated accordingly.

# Conversion Factors: boe = barrel of oil equivalent. (t) = Tonne (bbl) = Barrel

Product	Factor	Conversion Factors*
Domestic Gas	1tj =	163.6 boe
Liquefied Natural Gas (LNG)	1 tonne =	8.9055 boe
Condensate	1 bbl =	1.000 boe
Oil	1 bbl =	1.000 boe
Liquefied Petroleum Gas LPG	1 tonne =	8.1876 boe

\* minor changes to some conversion factors can occur over time due to gradual changes in the process stream.

# PRODUCTION ACTIVITIES

## AUSTRALIA

### • North West Shelf

- **Domestic Gas:** Production of 606 TJ per day (Woodside share: 303 TJ per day) was increased from the 562 TJ per day produced in the previous quarter, due to higher customer demand.
- **LNG:** Production at 32,324 tonnes per day (Woodside share: 5,387 tonnes per day) was higher than the previous quarter. During the quarter a successful 20-day shutdown occurred at LNG Train 4 to effect repairs to the main cryogenic heat exchanger. LNG production was higher than the previous corresponding period due to the start up of LNG Train 4 in Q3 2004.
- **Condensate:** Production at 104,329 bbl per day (Woodside share: 24,511 bbl per day) was higher than the previous quarter due to higher system availability and strong reservoir performance. Production was lower than the previous corresponding period due to the planned cessation of reinjection compression at the Goodwyn platform in June 2004.
- **Cossack Pioneer oil:** Production at 103,560 bbl per day (Woodside share: 17,260 bbl per day) was higher than the previous quarter due to the reinstatement of the Cossack-4 well after completion of repair work in mid-March. Production was above the previous corresponding period due to the tie-in of Wanaea-8 and Lambert-6 infill wells in December 2004.
- Wanaea-1 and Wanaea-7 were shut-in for sub-sea equipment repairs on 15 June 2005 with a decrease in production of 40,000 bbl per day (Woodside share: 6,667 bbl per day). Wanaea-1 and Wanaea-7 are planned for reinstatement in Q4 2005.
- **LPG:** Production of 2,186 tonnes per day (Woodside share: 364 tonnes per day) was slightly higher than the previous quarter.

### • Laminaria and Corallina oil

- Woodside acquired an additional 16.67% interest in the Laminaria-Corallina production licence AC/L5 from Shell, effective 11 March 2005.
- Combined production was higher than the previous quarter at 21,932 bbl per day (Woodside share 14,426 bbl per day) following the successful workover of the Laminaria-5 well in May 2005 and reinstatement of Laminaria-8 production on 5 April 2005. Laminaria-2 is expected to be back on-line in early 2006. The Corallina field continued producing at full rates over the quarter.
- An appraisal well was drilled in the Laminaria field during the quarter. The results of this well will be used to assist in the maturation of potential infill well opportunities.

### • Legendre

- Production at 10,277 bbl per day (Woodside share 4,721 bbl per day) was lower than the previous quarter due to natural field decline and a planned maintenance shutdown in May 2005.

### • Mutineer-Exeter

- Following first production from the Santos-operated Mutineer Exeter fields on 29 March 2005, production at the end of the quarter was approximately 88,500 bbl per day (Woodside share: 7,257 bbl per day).

## AFRICA

### • Ohanet

- The Ohanet Joint Venture received their full revenue entitlement of US\$13.6m for the three months from April to June 2005 which equates to 340,769 barrels of condensate and 27,747 tonnes of LPG.

## **DEVELOPMENT ACTIVITIES**

### **AUSTRALIA**

- **North West Shelf Venture**

- **Phase V expansion project:** The Final Investment Decision (FID) was taken in June 2005. An Engineering, Procurement and Construction management (EPCm) Contract has been awarded to the Foster Wheeler WorleyParsons Joint Venture and engineering and procurement activities are progressing according to plan. Site works are planned to commence in July 2005.
- **Perseus over Goodwyn project:** Engineering and procurement activities are progressing well and the project is within budget and on schedule for a 1H 2007 start-up. The first consignment of corrosion resistant alloy line pipe has been loaded out for shipment to the pipe coating yard in Indonesia. The topsides preparatory tie-in work was successfully completed during the scheduled Goodwyn platform shutdown in June 2005.
- **Goodwyn A Low Pressure Train project:** Work is progressing towards a revised start-up in 2H 2006. The revision is due to the limitations of performing modifications while the platform maintains live operations. All fabrication work is now complete and offshore construction works are approximately 80% complete.

- **Otway Gas Project**

- The project remains within budget and on schedule for a mid-2006 start-up. Work is progressing on the onshore gas plant with earthworks now complete, civil works are well advanced and erection of structural steel work is underway.
- Coating of line pipe is nearing completion and the first consignment is currently en-route to Portland, Victoria for load out onto the pipelay vessel which is scheduled to arrive at site late October 2005.
- Fabrication of the production platform is progressing on schedule for an August 2005 load-out.

- **Enfield Project**

- The project remains within budget and on schedule to meet a Q4 2006 start-up. The final production well has been perforated and preparation is underway for subsea tree installation. The FPSO vessel '*Nganhurra*' was successfully launched at Samsung Heavy Industries fabrication yard in Korea on 2 April 2005 and fabrication of topsides process modules is progressing to schedule.

- **Blacktip**

- A notice from Alcan Gove Pty Ltd was received, terminating the gas sales agreement between the Blacktip joint venturers and Alcan.

### **AFRICA**

- **Mauritania - Chinguetti Project**

- The Chinguetti project remains on schedule for first oil in Q1 2006. Good progress has been achieved on the drilling/completions activities with installation of the first subsea equipment scheduled for Q3 2005. The hull conversion is progressing to schedule in the Keppel Shipyard, Singapore and the turret mooring system was successfully installed on the '*Berge Helene*' FPSO in June 2005. Integration of mooring system and process modules is underway.
- Largely due to changes in the scope of drilling operations, the Chinguetti project costs could be in the order of 10% higher than the US\$625M budget.

### **UNITED STATES of AMERICA**

- **Neptune Project**

- FID was achieved for the Neptune oil and gas development at the end of the quarter. Neptune could come on-line in late 2007, initially through seven subsea wells tied to a stand-alone platform, with a design capacity to produce up to 50,000 barrels of oil a day and 50 million cubic feet of gas a day.

- **Midway Project**

- During Q2 2005 Woodside Energy USA (Inc) achieved FID for production equipment and flowlines for the Midway-1 well. Tieback to a nearby production facility is expected in 2H 2005.

## EXPLORATION ACTIVITIES

Exploration or appraisal wells drilled during Q2 2005 were:

Well Name	Basin/ Area	Target	Woodside's Interest (%)	Spud Date	Total Well Depth^ (metres)	Remarks
<b>AUSTRALIA</b>						
Halladale-1 DW1** (Location Black Watch)	Otway, VIC/P 37(v)	Gas	62.50	22 March	1,918	Gas discovery, commerciality to be determined
Halladale-1 DW2** (Location Halladale)	Otway, VIC/P 37(v)	Gas	62.50	07 April	1,941	Gas discovery, commerciality to be determined
Halladale-1 DW3** (Location Halladale)	Otway, VIC/P 37(v)	Gas	62.50	22 April	1,969	Successful appraisal
Petalonia North-1	Bonaparte, AC/P8	Oil	66.67	10 June	3,920 <sup>#</sup>	Drilling at end of quarter

\*\* Origin Energy Limited is Operator of the permit with drilling operations managed by Woodside Energy Ltd.

# Proposed total depth.

^ Reported depths referenced to the rig rotary table.

- **Halladale wells**

- Three wells were drilled from the same surface location in the Otway Basin permit VIC/P37(v), approximately 4 kilometres from shore and 24 kilometres west of the coastal township of Port Campbell.
- **Halladale-1 DW1** was drilled to test the Black Watch prospect. The well was deviated to the south and intersected a gross gas-bearing interval of 59 metres (true vertical thickness) in the Waarre Formation. **Halladale-1 DW2** was drilled to test the Halladale prospect and was deviated to the north and intersected a gross gas-bearing interval of 21 metres (true vertical thickness), also in the Waarre Formation. The appraisal well, **Halladale-1 DW-3**, was drilled deviated to the northeast, to obtain aquifer pressures in the Waarre Formation down-flank from the Halladale gas accumulation. All wells have been plugged and abandoned as planned with commerciality of the discoveries to be determined.
- The wells were drilled by the 'Ocean Patriot' semi-submersible rig.

- **Petalonia North-1**

- The **Petalonia North-1** exploration well, located in the Timor Sea permit AC/P 8 is approximately 10 kilometres southwest of the Laminaria Oil Field and 570 kilometres northwest of Darwin. The well was drilling at end of quarter. Subsequently, the well reached a total depth of 3,848 metres and was plugged and abandoned without encountering significant hydrocarbons.
- The well was drilled by the 'Atwood Eagle' semi-submersible drill rig.

Seismic surveys conducted during Q2 2005 were:

Location	Survey name	Type	3D (sq km full fold) 2D (line km full fold)
<b>AFRICA</b>			
Libya	NC208/209	3D	732 - completed
Libya	NC210	2D	3,310 – in progress
Libya	NC205	3D	1,355 – in progress
<b>AUSTRALIA</b>			
Exmouth	HCA04A-3D*	3D	714 (WA-255-P only) – in progress

\* Not operated by Woodside.

Planned Q3 2005 exploration and appraisal wells:

Well Name, Country	Basin/ Area	Target	Woodside's Interest (%)	Water Depth (metres)	Proposed Total Depth^ (metres)	Remarks
<b>AFRICA</b>						
Sotto-1, Mauritania	PSC A	Oil	53.85	286	3,100	Exploration, ~ 40km south of Chinguetti
Colin-1, Mauritania	PSC A	Oil	53.85	280	2,250	Exploration, ~ 60km south of Chinguetti
Espadon-1, Mauritania	PSC B	Oil	53.85	1677	3,300	Exploration, ~ 15km west of Tiof
<b>AUSTRALIA</b>						
Taj-1, Australia	Carnarvon, WA-20-L	Oil	45.94	55	3,050	Exploration, ~ 3.5kms east of Ocean Legend production facility at Legendre
Brecknock-2, Australia	Browse, WA-32-R	Gas	50.00	570	4,000	Appraisal, ~ 3.5km west of Brecknock-1
Calliance-1, Australia	Browse, WA-28-R	Gas	25.00	574	4,000	Exploratory -appraisal, ~ 12km NW of Brecknock South -1
Pluto-2, Australia	Carnarvon, WA-350-P	Gas	100.0	367	3,300	Appraisal, ~ 8.5km south of Pluto-1 gas discovery

**PERMITS AND LICENCES**

Permits acquired or disposed of and licences awarded or relinquished during the quarter (some transactions may be subject to government and regulatory approval):

Location	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
<b>AUSTRALIA</b>				
Grt Australian Bight	EPP 28,29,30,31	(10)	90	Equity swap
Carnarvon	WA-297-P	(25.2)	25.17	Farm down
Carnarvon	WA-269-P	(30)	50	Farm down
<b>NORTH AMERICA</b>				
GoM	G15942 / GB732; G15943 / GB733; G15948 / GB821; G15949 / GB823	50	50	Equity transfer
GoM	G19271 / AC73; G19279 / AC117	8.75	25	Equity transfer
GoM	G21236 / WR37; G21237 / WR81; G21240 / WR123	(33.33)	0	Relinquishment
GoM	G21759 / MC449	(25)	0	Relinquishment
<b>AFRICA</b>				
Kenya	Kenya Blocks L-5, L-7	10	50	Equity swap

## SALES REVENUE AND EXPENDITURE

Woodside's sales revenue and exploration, evaluation and capital expenditure for the quarter were:

	Q2 2005	Q1 2005	Q2 2004	6 months 2005	6 months 2004
<b>Sales Revenue (A\$ millions)</b>					
<u>NWS</u> Domgas & LNG <sup>1,2</sup>	223.0	213.6	156.9	436.6	317.0
Condensate <sup>1</sup>	153.0	141.6	118.4	294.6	217.7
Cossack Oil <sup>1</sup>	110.1	99.1	72.9	209.2	145.3
Liquefied Petroleum Gas	16.4	16.9	11.4	33.3	21.9
<u>Laminaria Oil</u> <sup>1</sup>	86.9	40.7	51.5	127.6	127.4
<u>Legendre Oil</u> <sup>1</sup>	23.9	41.5	42.9	65.4	76.6
<u>Mutineer Exeter Oil</u> <sup>1</sup>	30.5	-	-	30.5	-
<u>Ohanet</u> Condensate	10.7	10.1	11.6	20.8	24.6
Liquefied Petroleum Gas	7.1	6.8	7.7	13.9	15.8
<b>Total</b>	<b>661.6</b>	<b>570.3</b>	<b>473.3<sup>3</sup></b>	<b>1,231.9</b>	<b>946.3<sup>3</sup></b>
<b>Exploration and Evaluation Expenditure (A\$ millions)</b>					
Exploration					
Expensed	32.9	44.5	62.5	77.4	102.3
Capitalised <sup>4</sup>	51.3	3.4	(15.2)	54.7	(21.0)
Evaluation					
Expensed	27.8	-	-	27.8	-
Capitalised	17.9	37.7	27.5	55.6	49.1
<b>Total</b>	<b>129.9</b>	<b>85.6</b>	<b>74.8</b>	<b>215.5</b>	<b>130.4</b>
<b>Capital Expenditure (A\$ millions)</b>					
Oil & Gas Properties <sup>5,6</sup>	252.2	339.6 <sup>7</sup>	153.3	591.8	245.9
Other Property, Plant & Equipment	0.5	0.1	2.2	0.6	6.2
<b>Total</b>	<b>252.7</b>	<b>339.7</b>	<b>155.5</b>	<b>592.4</b>	<b>252.1</b>

<sup>1</sup> Woodside has adopted an entitlement method of recognising sales, commencing 1 January 2005. Prior quarter comparatives have been restated, in accordance with Australian equivalents to International Financial Reporting Standards, to reflect the sales that would have been disclosed had this policy been in place during the prior quarters. Under this method any under or over lift in sales volumes for the period is adjusted to reflect the Company's proportionate share of total venture sales. Previously, sales were accounted for on a 'physical' basis, with no allowance being made for under or over lifting.

<sup>2</sup> Sales revenue excludes realised gains on embedded derivatives

<sup>3</sup> LNG ship charter revenue that was previously disclosed as revenue in 2004 is now directly offset against LNG shipping expense.

<sup>4</sup> Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of amortisation of permit acquisition costs and well costs reclassified to expense on finalisation of well results.

<sup>5</sup> Projects which have achieved Final Investment Decision result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil & Gas Properties. The table above does not reflect the impact of such transfers. The impact of the transfers will be reflected in the full-year financial report.

<sup>6</sup> 2004 quarter comparatives have been adjusted to reflect revised capitalised borrowing costs determined in the transition to the Australian equivalent of International Financial Reporting Standards.

<sup>7</sup> Q1 2005 Oil & Gas Properties capital expenditure has been restated to include an additional A\$99.0M to recognise the acquisition of additional interests in the Laminaria-Corallina project following Woodside's acquisition of Shell's 16.67% interest in AC/L5, effective 11 March 2005.