

ASX ANNOUNCEMENT



Woodside Petroleum Ltd.

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FOURTH QUARTER REPORT FOR PERIOD ENDED 31 DECEMBER 2007

Comparative performance at a glance					
Quarterly comparison		Q4 2007	Q3 2007	Difference	Change %
Production	MMboe	18.0	17.6	+0.4	+2%
Sales	MMboe	17.9	17.1	+0.8	+5%
Revenue	A\$ million	1,171	964	+207	+21%
Corresponding period		Q4 2007	Q4 2006		
Production	MMboe	18.0	19.0	-1.0	-5%
Sales	MMboe	17.9	20.0	-2.1	-11%
Revenue	A\$ million	1,171	1,098	+73	+7%
Full Year comparison		2007	2006		
Production	MMboe	70.6	67.9	+2.7	+4%
Sales	MMboe	69.7	67.7	+2.0	+3%
Revenue	A\$ million	4,004	3,810	+194	+5%

Key Points

Increased Q4 production and sales revenue compared to previous quarter (Q3 2007):

- Production increased largely due to the start-up of Stybarrow. Enfield also provided improved production.
- Sales revenue was up 21% with higher commodity prices and increased production, outweighing adverse AUD/USD exchange rate movement.

Increased Q4 sales revenue compared to previous corresponding period (Q4 2006):

- A 7% increase in sales revenue was achieved through increased production of higher value products and stronger commodity prices, which outweighed an overall decrease in production due to natural field decline and ongoing repairs at Corallina and Mutineer-Exeter.

Record full-year production and revenue:

- A 5% increase in sales revenue resulted from both higher production and commodity prices.

Activities

- In November a Key Terms Agreement was signed with CPC Corporation Taiwan for the potential sale of 2 to 3 million tonnes per annum of Browse LNG for a period of 15 to 20 years.
- In November new production commenced from the Eskdale-Stybarrow oil fields in offshore WA.
- The sale of Woodside's Mauritanian interests was completed on 25 December. A review of Woodside's other interests in Africa continues.

Outlook - 2008 production

The production target for 2008 is 80 to 86MMboe. Increased production is expected to come from a full-year of production at Stybarrow, Q1 ramp-up of Otway plus the start-up of projects at Neptune (late Q1), Vincent (Q3), Angel (Q3) and NWSV LNG Train 5 (Q4).

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Production Summary

The company's share of production and sales for the quarter ended 31 December 2007 was:

		Q4 2007	Q3 2007	Q4 2006	12 months 2007	12 months 2006
NWSV PIPELINE NATURAL GAS	Deliveries (av.TJ/d)	277	274	261	274	260
NWSV LIQUEFIED NATURAL GAS (LNG)	Production (t)	507,194	488,939	521,233	1,953,467	1,961,169
	Sales Delivered (t)	504,160	462,809	540,257	1,917,757	1,943,604
	Cargoes Delivered	54	50	57	206	205
NWSV CONDENSATE	Production (bbl)	2,066,214	2,068,282	2,141,933	8,033,675	7,970,965
	Sales (bbl)	1,955,033	2,275,571	2,316,295	7,847,352	7,972,567
COSSACK OIL	Production (bbl)	1,133,731	1,125,004	1,343,005	4,713,605	4,837,819
	Sales (bbl)	1,189,777	1,060,374	1,271,180	4,724,367	4,804,851
NWSV LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	36,418	37,499	38,176	142,969	141,896
	Sales (t)	35,408	35,201	42,824	142,358	140,990
LAMINARIA-CORALLINA OIL	Production (bbl)	255,695	1,155,565	1,474,579	3,444,911	5,058,919
	Sales (bbl)	580,545	900,964	1,379,909	3,732,598	5,243,630
LEGENDRE OIL*	Production (bbl)	-	-	276,747	198,936	941,589
	Sales (bbl)	-	-	495,151	-	1,066,507
MUTINEER – EXETER OIL	Production (bbl)	112,351	213,475	331,408	910,845	1,201,634
	Sales (bbl)	137,540	202,471	365,008	913,941	1,211,968
ENFIELD OIL	Production (bbl)	2,773,288	2,533,148	2,202,025	10,260,657	4,419,007
	Sales (bbl)	2,669,077	2,538,566	2,398,682	10,225,426	4,137,781
STYBARROW OIL	Production (bbl)	1,017,621	-	-	1,017,621	-
	Sales (bbl)	777,673	-	-	777,673	-
OTWAY PIPELINE NATURAL GAS	Production (TJ)	53	102	-	155	-
	Sales (TJ)	53	102	-	155	-
GULF OF MEXICO PIPELINE NATURAL GAS	Production (MMBtu) ³	3,575,981	3,462,499	4,367,671	13,904,475	13,454,055
	Sales (MMBtu) ³	3,575,981	3,462,499	4,367,671	13,904,475	13,454,055
GULF OF MEXICO CONDENSATE	Production (bbl) ³	40,884	33,056	74,490	189,806	269,490
	Sales (bbl) ³	40,884	33,056	74,490	189,806	269,490
GULF OF MEXICO OIL	Production (bbl) ³	3,611	3,781	3,138	15,299	11,037
	Sales (bbl) ³	3,611	3,781	3,138	15,299	11,037
CHINGUETTI OIL (PSC) *	Production (bbl) ²	418,100	468,208	863,732	2,192,753	4,431,724
	Sales (bbl) ²	377,435	373,036	1,178,053	1,990,775	4,336,615
OHANET CONDENSATE ENTITLEMENT (RSC)	Production (bbl) ¹	340,177	345,369	370,186	1,363,883	1,396,940
	Sales (bbl) ¹	340,177	345,369	370,186	1,363,883	1,396,940
OHANET LPG ENTITLEMENT (RSC)	Production (t) ¹	27,699	28,121	30,142	111,053	113,744
	Sales (t) ¹	27,699	28,121	30,142	111,053	113,744
TOTAL	Production (boe) #	18,003,756	17,577,272	18,967,708	70,613,997	67,914,752
	Sales (boe) #	17,869,910	17,113,057	19,982,705	69,721,472	67,661,627

1 RSC derived volumes have been calculated using the 10 year oil price at the time of initial production .

2 PSC volumes have been calculated using provisional pricing for the quarter in accordance with the terms of the Production Sharing Contract with the Islamic Republic of Mauritania.

3 Gulf of Mexico production and sales volumes are net of royalties.

Conversion Factors (see page 8).

* Legendre sale was completed in Q1 2007, Chinguetti (Mauritania) sale was completed in Q4 2007.

Sales Revenue and Expenditure

The company's share of sales revenue and exploration, evaluation and capital expenditure for the quarter was:

<i>Amounts in A\$ million</i>		Q4 2007	Q3 2007	Q4 2006	12 months 2007	12 months 2006
Sales Revenue						
NWSV & Otway	Pipeline Natural Gas	72.3	69.4	65.9	270.7	241.7
NWSV	LNG	223.9 ⁴	167.4	232.3	737.8	815.0
	Condensate	201.3	194.0	183.5	688.2	678.1
	Cossack Oil	128.4	95.1	99.3	431.4	428.8
	Liquefied Petroleum Gas	32.7	24.4	27.8	109.2	100.0
Laminaria	Oil	60.4	82.7	107.9	327.4	437.1
Legendre	Oil	-	-	36.0	4.9	91.0
Mutineer Exeter	Oil	4.1	18.9	33.6	72.6	119.2
Enfield	Oil	274.8	230.3	177.2	901.1	333.5
Stybarrow	Oil	75.1	-	-	75.1	-
Ohanet	Condensate	9.2	10.0	11.4	39.2	44.5
	Liquefied Petroleum Gas	6.1	6.6	7.7	26.1	29.7
Gulf of Mexico	Pipeline Natural Gas ¹	39.7	29.3	33.5	140.5	132.4
	Condensate ¹	4.1	3.1	5.5	16.1	23.6
	Oil ¹	0.3	0.4	0.1	1.2	0.9
Chinguetti	Oil	38.7	32.7	76.1	162.9	334.9
Total		1,171.1	964.3	1,097.8	4,004.4	3,810.4
Exploration and Evaluation Expense						
	Exploration Expensed	147.7	76.6	94.7	410.2	308.9
	Permit Amortisation	23.3	28.9	32.6	94.8	82.9
	Evaluation Expensed	15.4	(0.1)	18.4	19.0	30.2
Total		186.4	105.4	145.7	524.0	422.0
Capital Expenditure						
	Exploration Capitalised ^{2,3}	8.8	19.6	(29.4)	77.1	140.8 ⁵
	Evaluation Capitalised ³	74.7	27.4	80.1	455.9	358.3
	Oil & Gas Properties ³	767.4	648.3	392.1	2,297.9	1,427.3
	Other Property, Plant & Equipment	14.9	10.6	5.4	43.8	20.8
Total		865.8	705.9	448.2	2,874.7	1,947.2

1 Gulf of Mexico revenue has been reported net of royalties and net of any realised gain/loss on hedges that are recognised in the Income Statement.

2 Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.

3 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.

4 Prices for NWSV LNG cargoes delivered into Japan relate to the average monthly price paid for a number of crude oil types imported into Japan. Current NWSV contracts detail how LNG prices will be calculated over a specified range of oil prices.

As the oil price has continued to increase over time, the price received for the Japanese basket of crudes has moved above the oil price range specified in NWSV LNG price formulae. Consequently the NWSV is negotiating 'price out of the range' LNG prices with regard to these contracts.

A provisional LNG pricing formula has been agreed and will apply during negotiations. This provisional pricing is evident in the higher price received for Q4 2007 LNG cargoes. Pricing arrangements established under renewal LNG contracts (agreed in 2006-2007) will apply from April 2009 onwards and are not impacted by price out of the range discussions.

5 Subsequent to releasing the ASX Q4 2006 Quarterly Report capitalised expenditure with regard to Pomboo and Blackwater wells was expensed following these wells being determined as uncommercial.

Production Activities

AUSTRALIA

- **North West Shelf Venture Gas:**

Pipeline Natural Gas (Domestic Gas): Production of 629 TJ per day (Woodside share: 277 TJ per day) increased from 610 TJ per day (Woodside share: 274 TJ per day) in the previous quarter due to higher customer demand.

LNG: Production of 35,180 tonnes per day (Woodside share: 5,513 tonnes per day) was higher than the previous quarter of 33,701 tonnes per day (Woodside share: 5,315 tonnes per day) due to higher system availability and steady production. Q3 2007 production was affected by a planned shutdown of Train 4 in September.

Condensate: Production of 102,391 bbl per day (Woodside share: 22,459 bbl per day) was lower than the previous quarter of 104,097 bbl per day (Woodside share: 22,481 bbl per day) due to increased water cut and hence lower production from the Yodel reservoir. Woodside's NWSV condensate production for 2008 is expected to be similar to 2007 due to additional contribution from Perseus and Angel with higher gas production following start-up of Train 5. Reduced Yodel production will largely be offset by additional contributions expected from Perseus, Angel and higher gas production following start-up of Train 5.

LPG: Production of 2,488 tonnes per day (Woodside share: 396 tonnes per day) was lower than the previous quarter of 2,552 tonnes per day (Woodside share: 408 tonnes per day) due to lower production from the Yodel reservoir.

Karratha Gas Plant: On 2 January 2008, an electrical fault at the NWSV's Karratha gas plant resulted in a total production shutdown. Pipeline natural gas production was restored on 4 January 2008 and LNG production commenced progressive ramp up. Full LNG production was restored on 13 January. Condensate and LPG production were restored progressively with the ramp up of LNG production, and steady production was achieved on 13 January. The shut down deferred production of approximately 0.5MMboe (Woodside share).

- **North West Shelf Venture Oil:**

Cossack Pioneer: Production of 73,939 bbl per day (Woodside share: 12,323 bbl per day) was slightly higher than the previous quarter of 73,370 bbl per day (Woodside share: 12,228 bbl per day) due to higher facility availability during the quarter (following the 12 day planned maintenance shutdown in Q3) partially offset by natural field decline. Tropical cyclone activity resulted in a shut-in from 29 December 2007 until 4 January 2008. There was no oil production for this period.

- **Laminaria and Corallina:**

Combined production of 4,603 bbl per day (Woodside share: 2,779 bbl per day) was lower than the previous quarter of 19,425 bbl per day (Woodside share: 12,560 bbl per day) due to a gas leak in the Corallina riser as reported in Q3 2007. The repairs are scheduled to be completed by Q3 2008. In the meantime, production is continuing from the Laminaria field.

- **Mutineer-Exeter:**

Production of 14,890 bbl per day (Woodside share: 1,221 bbl per day) was lower than the previous quarter of 28,297 bbl per day (Woodside share: 2,320 bbl per day). The fields are currently producing at reduced rates of approximately 5,000 bbl per day due to electrical damage which has affected the sub-sea pumps. Operator Santos anticipates that repairs will be completed by April 2008.

- **Enfield:**

Production of 50,241 bbl per day (Woodside share: 30,144 bbl per day) was higher than the previous quarter of 45,890 bbl per day (Woodside share: 27,534 bbl per day) due to the return to production in late September of ENA-03L. The production well ENA-01 was shut-in on 3 January due to sand cumulation in the well stream. Laboratory and analytical analysis will determine whether production can resume or if an intervention will be required to mitigate sand production. The field is currently producing at about 30,000 bbl per day.

- **Stybarrow:**
The Stybarrow FPSO commenced production from the Eskdale field on 17 November and from the Stybarrow field on 23 November. Since start-up to the end of the quarter, average production of 45,228 bbl per day (Woodside share: 22,614 bbl per day) was achieved.
- **Otway:**
Production of 101 TJ of gas (Woodside share: 53 TJ) was lower than the previous quarter of 198 TJ of gas (Woodside share: 102 TJ) due to commissioning issues. The plant has been shut in since October and production is expected to resume in late January 2008.

AFRICA

- **Mauritania - Chinguetti:**
Gross production of 1,049,264 bbl was achieved for the quarter, which was lower than the previous quarter of 1,224,708 bbl due to natural field decline. Woodside's entitlement of 418,100 bbl is determined in accordance with the terms of the Production Sharing Contract.

The sale of Woodside's Mauritanian interests, completed on 25 December, included all of Woodside's onshore and offshore producing, development, and exploration interests in Mauritania. Woodside received A\$518.3 million on the disposal of the Mauritanian interests and will record a book loss in the order of A\$230 million.
- **Algeria - Ohanet:**
Woodside's share of the revenue entitlement received by the Ohanet Joint Venture was US\$13.6 million for the three months from October to December 2007 which equates to 340,177 bbl of condensate and 27,699 tonnes of LPG. These derived volumes were calculated using the 10 year oil price at the time of initial production.

UNITED STATES

- **Gulf of Mexico:**
Woodside's share of production during the quarter was 44,495 bbl of liquids and 3,575,981 MMBtu of gas. These volumes were produced from 19 fields in the Gulf of Mexico during Q4 2007.

At the end of Q4 2007 Gulf of Mexico production was approximately 38.4 MMcfg per day and 678 bbl of liquids per day.

Development Activities

AUSTRALIA

- **North West Shelf Venture:**
LNG Phase V Expansion Project: Karratha based construction and commissioning activities are progressing well and will continue in 2008 with the first LNG shipment on schedule by Q4 2008.

Perseus over Goodwyn Project: Three of the four wells achieved stable gas production during Q4 2007. The fourth well was successfully drilled, completed and perforated during Q4 2007. First production from this well is expected in Q1 2008.

Angel Project: The jacket and pile installation work has been successfully completed. Flowline installation work has commenced. The project is progressing well towards a Q3 2008 start-up.
- **Vincent Oil Project:** The project is progressing towards a Q3 2008 start-up with the potential for some wells to be online before that date. The final topsides module has been lifted onto the FPSO at the Keppel shipyard. Installation and hook-up of the mooring buoy has commenced at the Vincent field. A third multilateral oil producer well in Drill Centre A was successfully completed and the top holes of the four producers in Drill Centre B have been drilled.
- **Pluto:** The Commonwealth Minister for the Environment and Water Resources granted the Pluto LNG Project environmental approval on 12 October. This approval was the last of the key State and Federal environmental and heritage approvals required for the project to proceed. The Premier of Western Australia, Alan Carpenter, marked the official commencement of construction of the Burrup LNG Park with a ceremony on site on 23 November.

Dredging commenced on schedule in late November and a number of major offshore and onshore contracts were awarded, including the Engineering Procurement Construction Management to Foster Wheeler WorleyParsons.

- **Browse:** On 19 November 2007 a Key Terms Agreement was signed with CPC Corporation Taiwan for the potential sale of 2 to 3 million tonnes per annum of LNG for a period of 15 to 20 years.

During 2007 three appraisal wells were successfully drilled. To date nine appraisal wells have been drilled out of an anticipated total of up to 14.

Feasibility studies on development options are ongoing.

- **Sunrise:** Reprocessing of seismic data and sub-surface studies continue. Feasibility studies on the various development concepts are also ongoing in order to work towards a preliminary development plan.

UNITED STATES – Gulf of Mexico

- **Gulf of Mexico Deep Water Projects:**

Neptune (Atwater Valley; Net Revenue Interest - 17.5%): Operator (BHP Biliton) advises commissioning work is progressing towards first oil in late Q1 2008.

Power Play (Garden Banks Net Revenue Interest - 15.5%): First production is estimated for Q3 2008.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q4 2007 were:

Well Name	Basin/ Area	Target	Woodside's Interest (%)	Spud Date	Water Depth (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Belicoso-1	Carnarvon, WA-347-P	Gas	90.00 ⁴	01/11/2007	1,446	2,573	Unsuccessful
Norbil-1	Carnarvon, WA-1-P	Gas	45.94	25/10/2007	65	3,774	Unsuccessful
Ixion-1	Carnarvon, WA-370-P	Gas	50.00	09/04/2007	1,335	3,103 ¹	Tophole drilled Q2 2007. Drilling operations temporarily suspended pending rig repairs.
Torosa-4	Browse, WA-30-R	Gas	50.00	23/06/2007	467	4,433	Appraisal ³
Xena-2	Carnarvon, WA-34-L	Gas	90.00 ⁴	16/12/2007	193	3,590 ¹	Gas appraisal, currently drilling
AFRICA							
B1-NC209	Libya, Sirte Basin	Oil	45.00	07/08/2007	Onshore	4,640	Temporarily abandoned
A2-NC209	Libya, Sirte Basin	Oil	45.00	22/12/2007	Onshore	4,150 ¹	Appraisal well currently drilling
A1-NC207	Libya, Sirte Basin	Oil	45.00	15/12/2007	Onshore	2,368 ¹	Drilling at the end of the quarter.
UNITED STATES							
Corona Del Mar-1	GoM, GC949	Oil	14.25	22/08/2007	1,636	8,314	Suspended ⁵
Terrebonne-1	GoM, GC452	Oil	39.60	02/11/2007	829	8,104	Unsuccessful

1 Proposed total depth.

2 Reported depths referenced to the rig rotary table.

3 A single well-test was conducted at a maximum flow-rate of 47 MMscfd, constrained by surface facilities.

4 Tokyo Gas and Kansai Electric have agreed to each acquire a 5% interest WA-350-P, the Pluto production licence WA-34-L and WA-347-P

5 Well suspended with oil shows pending consideration of an up dip sidetrack.

Geophysical surveys conducted during Q4 2007 were:

Location	Survey name	Type	3D (sq km full fold) 2D (line km full fold) CSEM (receiver line length)
AUSTRALIA			
WA-275-P, WA-28-R, WA-31-R, WA-32-R, WA-29-R	Calliance 3D MSS	3D	387 km (survey size 970 km)
WA-396-P, WA-397-P	Rosewall 3D MSS	3D	577 km (survey size 1,187 km)
WA-5-L	Tidepole 3D MSS (multi-azimuth)	3D	Mobilised (survey size 220 km)
WA-30R, TR-5	Maxima 3D MSS	3D	345 km (completed)
AFRICA			
Libya, NC206	Tocra Land	3D	200 km (completed)
Mauritania, Taoudenni	Taoudenni	Aero-Gravity	12,691 km (completed)

Exploration or appraisal wells planned to commence in Q1 2008:

Well Name	Basin / Area	Target	Woodside's Interest (%)	Water Depth (metres)	Proposed Total Depth ¹ (metres)	Remarks
AUSTRALIA						
Snarf-1	Browse, WA-275-P	Gas	25.00	1,433	4,100	Exploration – re-entry to drill well to total depth
Xena-3	Carnarvon, WA-34-L	Gas	90.00 ²	193	3,590	Gas appraisal, side-track of Xena-2
Calthorpe-1	Exmouth, WA-271-P	Oil	60.00	824	2,090	Exploration – re-entry to drill well to total depth
AFRICA						
A1-NC208	Libya, Sirte Basin	Oil	45.00	onshore	3,135	Exploration

¹ Reported depths referenced to the rig rotary table

² Tokyo Gas and Kansai Electric have agreed to each acquire a 5% interest in WA-350-P and WA-34-L Pluto production licence.

PERMITS AND LICENCES:

Key changes to permit and licence holdings during the quarter are noted below (some transactions may be subject to government and regulatory approval).

- **Sunrise**

Renewal of Sunrise retention lease NT/RL 2 (Woodside equity 35%) to November 2012.

- **Mauritania**

Woodside has exited Mauritania following the sale of its interests in Woodside Mauritania Pty Ltd and WEL Mauritania B.V. to PETRONAS Australia Pty Limited.

- **Gulf of Mexico**

The following lease blocks have been exited: G19541/KC287; G19271 / AC73; G19279 / AC117; G19182 / GB818; G19196 / GB860; G19219 / GB943; G19220 / GB944; G19434 / AC946; G24315 / MU752; G24319 / MU769; G24386 / GAA176; G24318 / MU768; G21239 / WR121; G20273 / WR122 and G16716 / GC246.

The following lease blocks were acquired: G31227 / KC267; G31238 / KC400; G31215 / KC141; G31245 / KC454; G31250 / KC498; G31740 / GC625; G31230 / KC312; G31231 / KC313 and G31245 / KC454.

- **Duntroon Sub-Basin (Great Australian Bight)**

Woodside has relinquished its 90% interest in EPP 28, EPP 29 and EPP 30 permits.

Conversion Factors

(boe) = barrel of oil equivalent (TJ)= Terajoules (t) = tonne (bbl) = barrel (MMBtu) = Million British Thermal Units

(MMcfcg) = million cubic feet of gas (Bcf) = billion cubic feet of gas (kt) = thousand tonnes

Product	Factor	Conversion Factors*
Australian Pipeline Natural 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
Gulf of Mexico Pipeline Natural Gas	1 MMBtu =	0.1724 boe

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