

Business Development

Commitment to Growth

19 November 2003

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Disclaimer and Important Notice

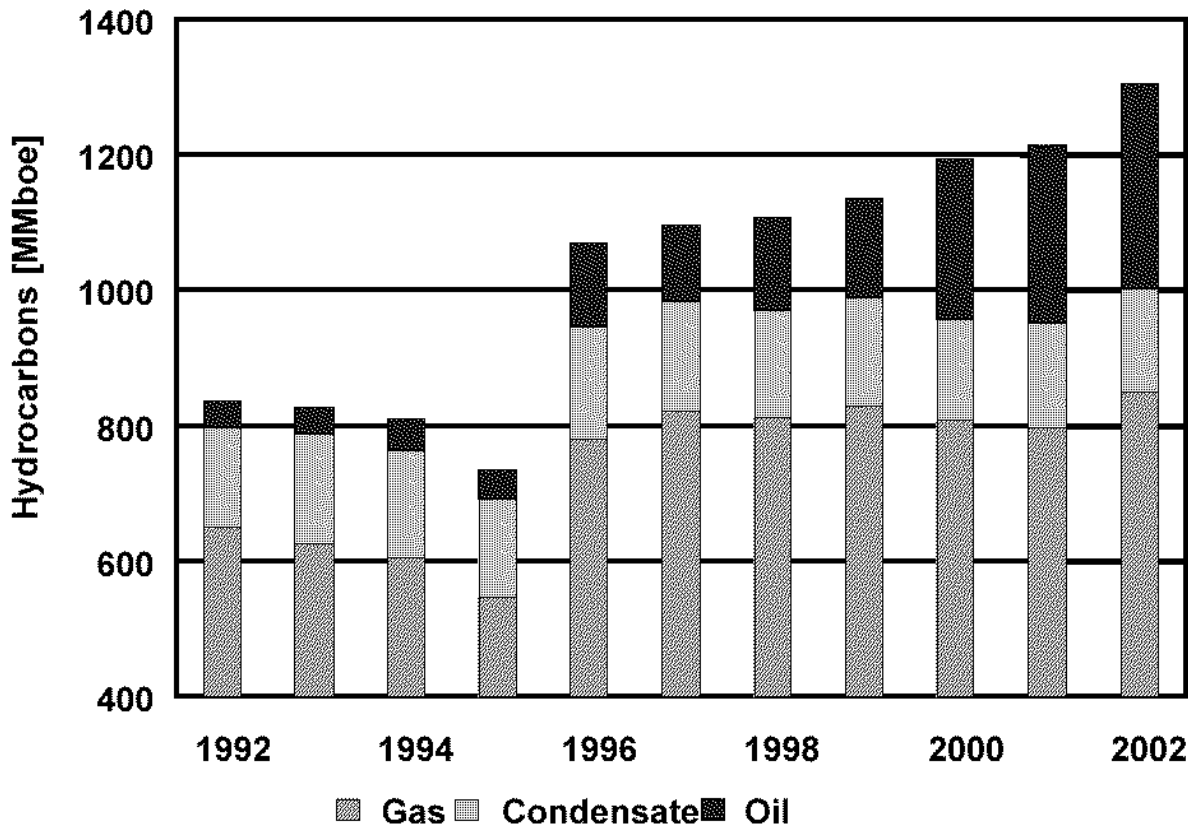
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All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Presentation Outline

- 1) Growth Track Record
- 2) Peer Group Analysis
- 3) Business Development Strategy
- 4) Funding Capability

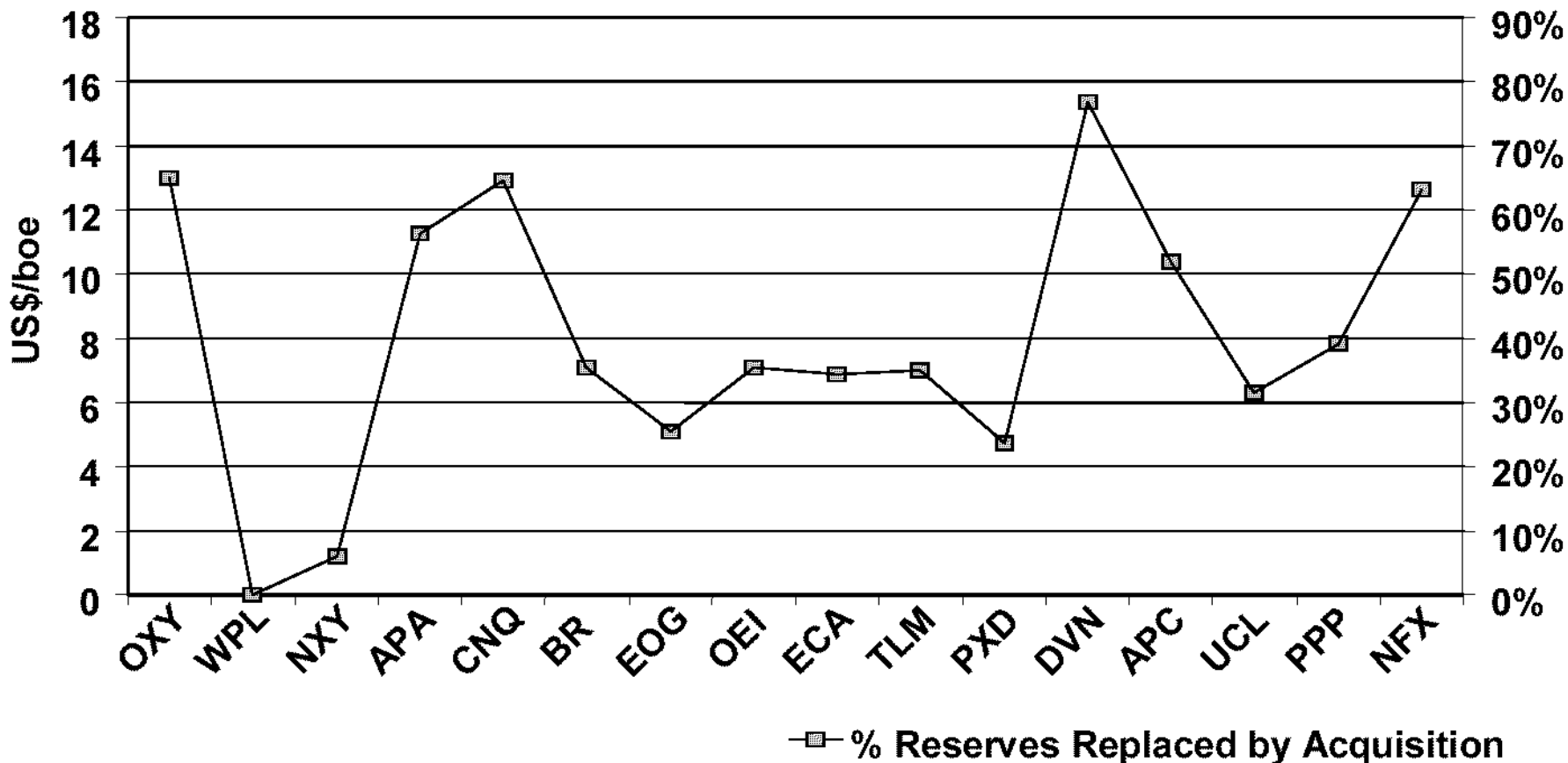
Woodside Reserve Growth



- Woodside has been able to deliver outstanding growth through exploration success
- and continues to evaluate acquisition opportunities
- Acquisitions can add value through the leverage of our skills base in new areas
- Can also acquire new competencies that can be used in existing business

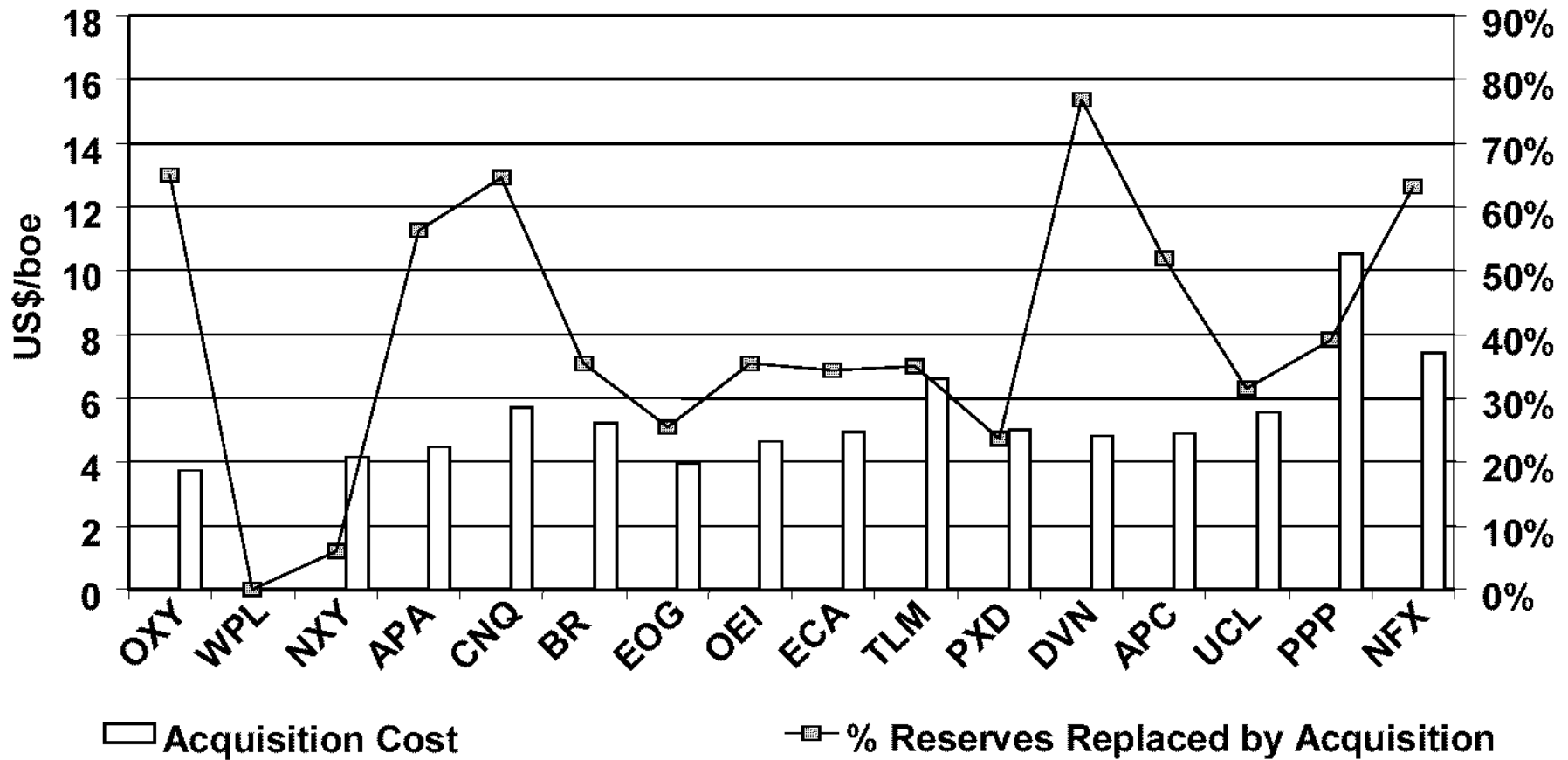
Business Development – Peer Group Analysis

Reserve Replacement Analysis - 5yr Average



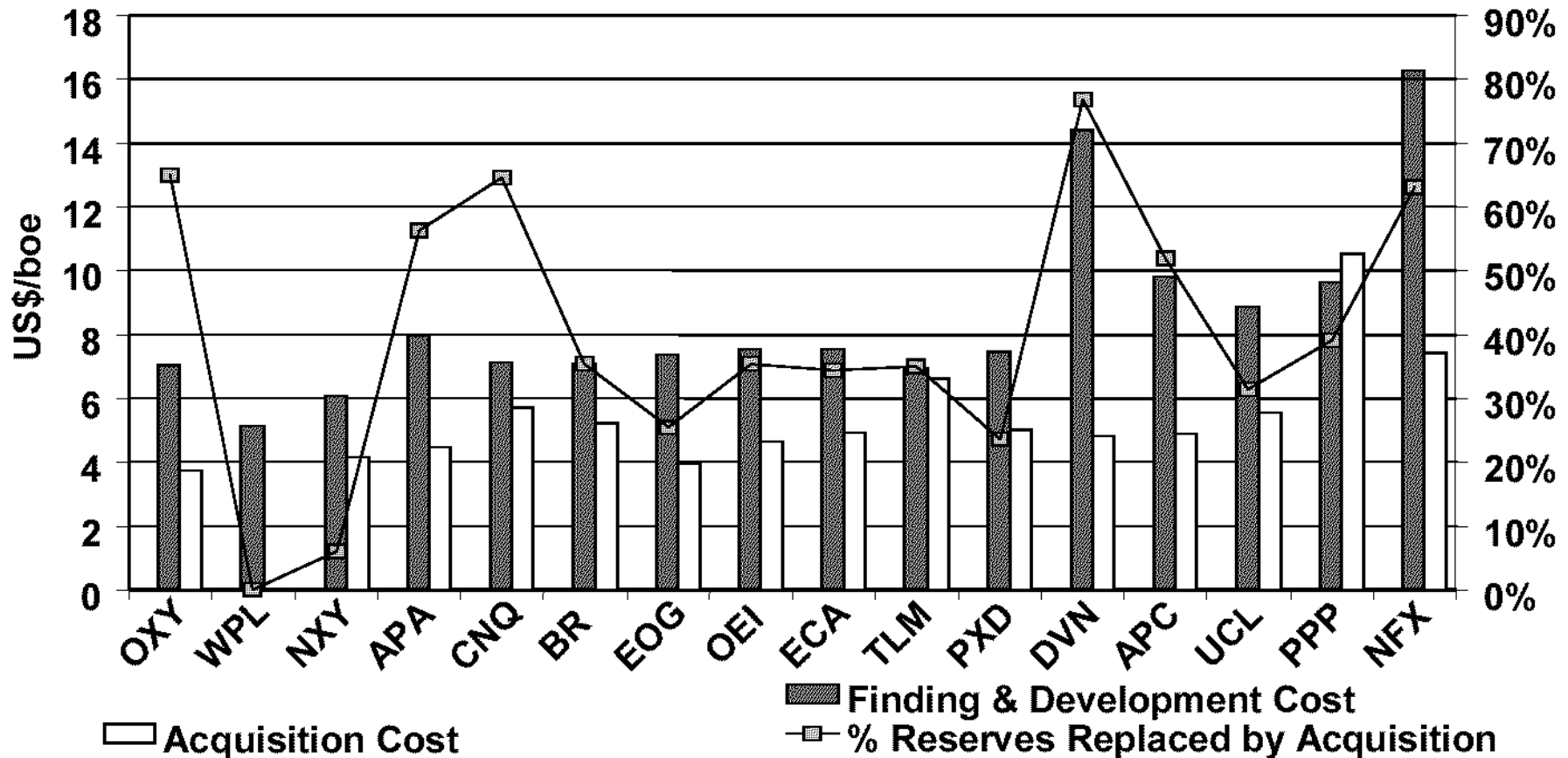
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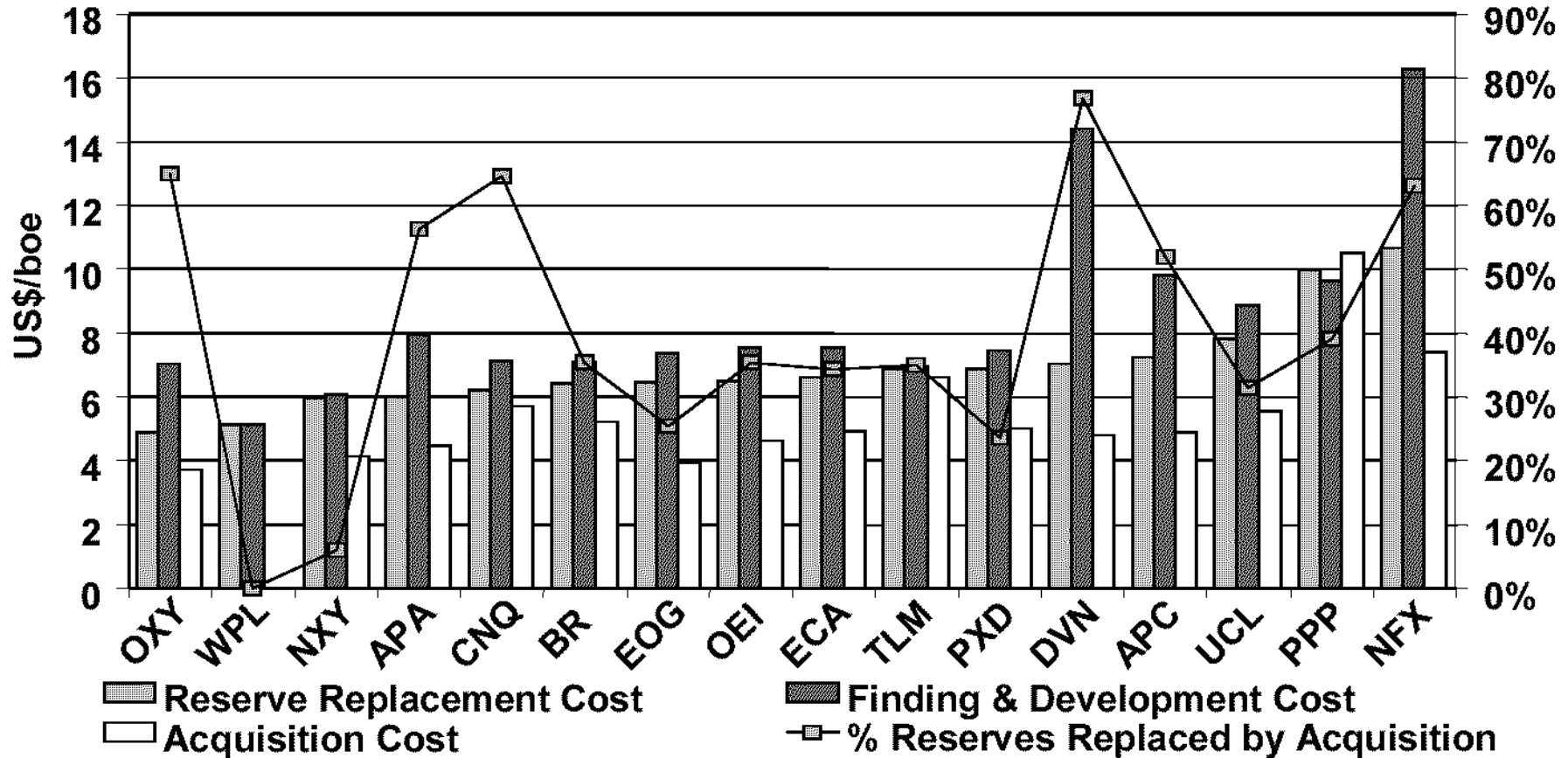
Business Development – Peer Group Analysis

Reserve Replacement Analysis - 5yr Average



Business Development – Peer Group Analysis

Reserve Replacement Analysis - 5yr Average



- Acquisitions can be more cost effective than Exploration and Development.
- Acquisitions provide a valuable tool to complement exploration, provided a disciplined, value based approach is taken.

Horizon 3 - Business Development : Drivers

Value Focused

- Only value accretive, strategically sound acquisition opportunities will be acted upon.

Leverage Competencies

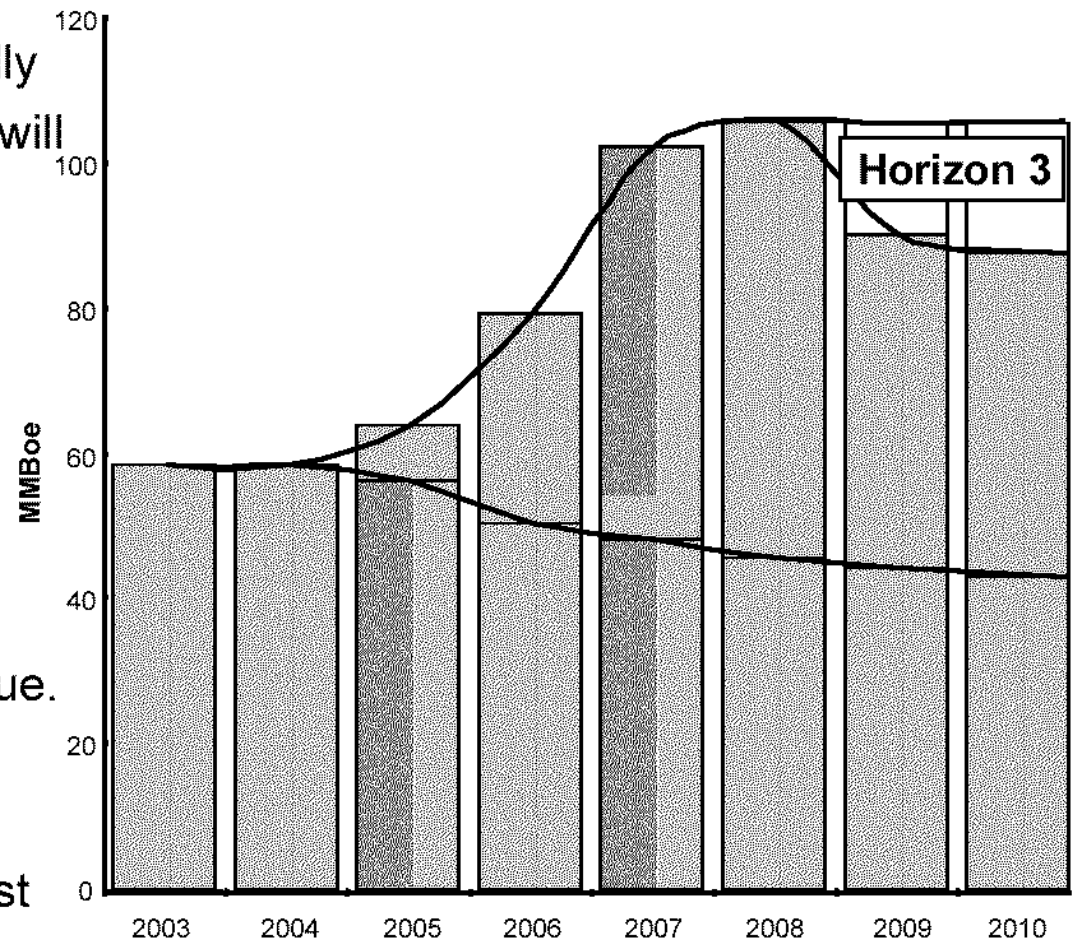
- Woodside seeks to leverage its skill base in FPSO and Deep Water Operations, Gas Processing, Marketing, and Exploration to create further value.

Synergistic

- Focus areas. Either reduced cost base because of proximity to existing operations or building

 capability.

WOODSIDE



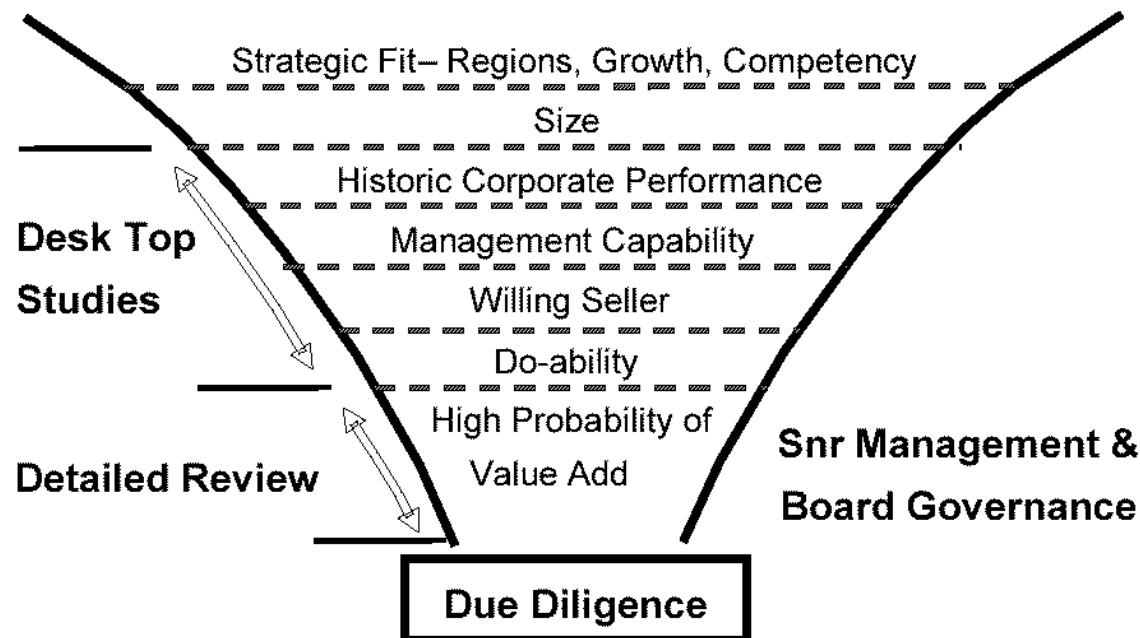
Horizon 3 - Business Development : Process

Disciplined

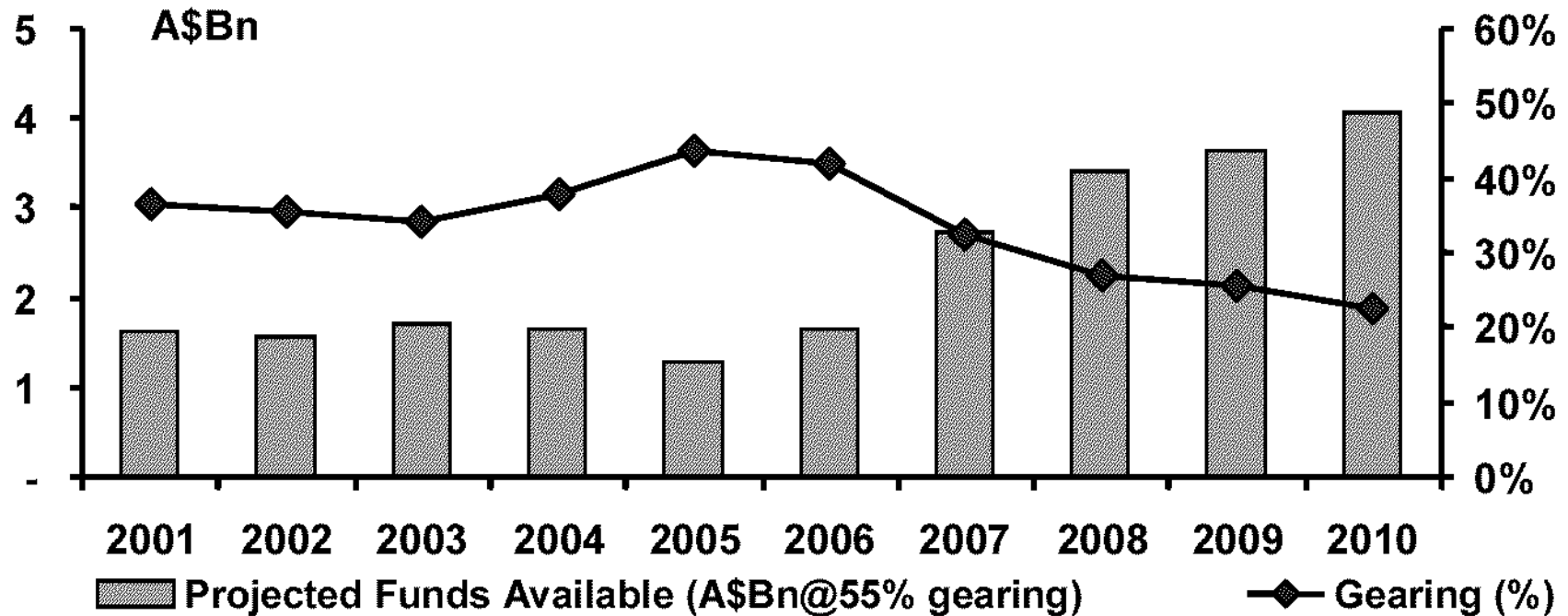
- Woodside uses strict financial criteria based on long term commodity prices. Stress tests also ensure only economically robust projects are taken forward.

Capability

- Woodside uses an experienced, due diligence team, backed by expert technical and commercial consultants providing specialised expertise, where required.



Woodside Funding Capability



* Note: Strong cashflow can support project development while not exceeding gearing of 55%. Green bars show cumulative funding in each year after financing existing business, ongoing exploration and defined projects (NWS Train 5, Sunrise, Otway, Enfield Area, Chinguetti, Egret, Mutineer Exeter, Kuda Tasi / Jahal and Blacktip). Projection does not include development scenarios for New Ventures. Projection is based on following oil price assumptions: 2003 US\$30.61, 2004 US\$26.00, 2005 US\$25.00, 2006 US\$25.00, and 2007 onwards US\$22.00. A\$/US\$ Exchange rate: 2003 \$0.64, 2004 \$0.63, 2005 \$0.62, 2006 \$0.61, and 2007 onwards \$0.64.

* Assumes dividend payout ratio of 60%.

* Calculations reflect "Successful Efforts" exploration accounting policy.

Horizon 3 - Business Development : Summary

- **Strong financial capabilities with robust financial ratios**
- **Disciplined approach to portfolio management**
- **All opportunities are screened against hurdle rates to compete for capital**
- **With a large development portfolio, Woodside doesn't need to acquire right now – but the capability to acquire adds another growth dimension**
- **Continue to screen and evaluate opportunities to provide further growth options**

Appendix

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Company Ticker Information

OXY	Occidental Petroleum Corp	ECA	EnCana Corp
WPL	Woodside Petroleum Ltd	TLM	Talisman Energy Inc
NXY	Nexen Inc	PXD	Pioneer Natural Resources Co
APA	Apache Corp	DVN	Devon Energy Corp
CNQ	Canadian Natural Resources	APC	Anadarko Petroleum Corp
BR	Burlington Resources Inc	UCL	Unocal Corp
EOG	EOG Resources Inc	PPP	Pogo Producing Co
OEI	Ocean Energy Inc	NFX	Newfield Exploration Co

Refer slides 4-7