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WOODSIDE

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WOODSIDE RESERVES STATEMENT

31 DECEMBER 2005

HIGHLIGHTS:

- *New Reserve[1] bookings of 35.5 MMboe (Proved[2] plus Probable[3]) and positive revisions of previous estimates (7.6 MMboe net) helped replace 73% of 2005 production.*
- *Proved plus Probable Reserves of 1,243.8 MMboe were 50.1 MMboe lower than 2004 as a result of acquisitions and divestments of -34.5 MMboe (net) plus production and other changes.*
- *Proved Reserves were similarly affected by acquisitions and divestments of -29.8 MMboe (net), resulting in a closing balance of 899.6 MMboe, 50.9 MMboe lower than 2004.*
- *The three year rolling average Proved plus Probable Organic Reserves Replacement Ratio, ie excluding acquisitions and divestments, was 99%. When acquisitions and divestments are included this figure reduces to 65%.*
- *Contingent Resources increased by 577 MMboe to 3,594 MMboe (up 19%) primarily due to addition of the Pluto, Halladale and Black Watch gas discoveries offshore Australia.*
- *About 95% of the company's Proved Reserves have been externally verified within the last four years.*

Woodside Petroleum Ltd. today announced its updated Reserve[1] estimates as at 31 December 2005. The Company's Reserves are based on its operated and non-operated interests primarily in Australia, but also in Africa and the United States of America.

Contingent Resource[4] estimates are also reported and updated for discoveries made or evaluated during 2005, including the Pluto, Halladale and Black Watch gas fields in Australia.

Woodside is an Australian company listed on the Australian Stock Exchange and reports its hydrocarbon resource estimates using definitions and guidelines prepared by the Society of Petroleum Engineers Inc. and the World Petroleum Congresses. Woodside uses a five-year average crude oil price assumption and, where applicable, individual project production sales contract terms or other financial products for the purpose of Reserve estimation. Dry Gas Reserves are reported inclusive of LPG sales products. Unless otherwise stated, all hydrocarbon resource estimates are quoted as net Woodside share.

Woodside employs a number of processes to provide assurance for its Reserves reporting, including Woodside's hydrocarbon Reserves Policy and management process, staff competency standards and training, and a programme of external Reserve audits. The external Reserves audit programme aims to have all major Reserve bookings verified, as a minimum, at least once every four years. Around 95% of Woodside's Proved[2] Reserves have been verified by independent review within the past four years, up from 90% in 2004.

Woodside's Overall Reserves Position

As a result of production, drilling activities, studies, and acquisitions and divestments completed during 2005, Woodside's Proved hydrocarbon Reserves as at 31 December 2005 were 899.6 million barrels of oil equivalent[12] (MMboe), 50.9 MMboe lower than last year. The Proved Reserves represent a reserves-to-production ratio of 15 years at 2005 production rates (17 years at year end 2004). The corresponding Proved plus Probable Reserves were 1243.8 MMboe, 50.1 MMboe lower than last year.

Annual production[5] of 58.7 MMboe was partly replaced by new Reserves bookings for the Stybarrow and Eskdale oil development project in Australia, and the Midway gas field in the United States of America. In addition there were positive revisions in the Wanaea, Lambert, Egret, Exeter/Mutineer and Vincent oil fields and the Echo-Yodel gas field, all in Australia. These additions also helped to partially offset the divestment of Reserves in the Blacktip gas field offshore Northern Australia (60.8 MMboe Proved plus Probable). The Reserves Statement Annual Production differs from production volumes reported in the Company's annual and quarterly reports (59.7 MMboe for 2005) due to differences in the sales product definitions and the "MMboe" conversion factors applied.

Woodside's overall Reserves Replacement Ratio[6] for 2005 was 13% at the Proved level and 15% at the Proved plus Probable level. The Organic[6] annual Reserves Replacement Ratio (which excludes acquisitions and divestments) was 64% at the Proved level and 73% at the Proved plus Probable level. The three-year rolling average Organic Reserves Replacement Ratio at the Proved level was 83% and 99% at the Proved plus Probable level.

Approximately 92% of the Company's Reserves are located within Australia, 5% within Africa and 3% in the United States of America. Dry Gas represents about 66% of total Reserves (on a barrels of oil equivalent basis), with Condensate representing 10% and Oil 24%. About 5% of Woodside's Reserves are associated with Production Sharing Contracts (PSCs) or Risk Sharing Contracts (RSCs) in Africa.

Australia

North West Shelf Venture

Woodside's share of NWS Venture Dry Gas[8] Reserves was 3,153 Bcf Proved and 4,107 Bcf Proved plus Probable. Woodside's share of NWS Venture Condensate[9] Reserves was 78.5 MMbbl Proved and 116.3 MMbbl Proved plus Probable. The reduction in Reserves is primarily due to production, but there were also a number of minor revisions to estimates of Dry Gas and Condensate Ultimate Recovery[7] for the gas fields, based on analysis of reservoir performance data.

Production from the Wanaea, Cossack and Hermes oil fields during 2005 was more than fully offset by positive Reserves revisions in Wanaea, Lambert and Hermes following further multi-disciplinary field studies incorporating results of the Demeter 3D seismic survey, drilling results and updated production information. Oil Reserves attributable to the undeveloped Egret discovery were updated as a result of further development studies. As a result of these activities, Woodside's share of the NWS Venture's Oil Reserves at year end 2005 was 23.5 MMbbl Proved and 42.5 MMbbl Proved plus Probable.

Laminaria and Corallina (AC/L5)

Woodside's share of the combined Oil Reserves of the Laminaria and Corallina development within AC/L5 was 9.6 MMbbl Proved and 18.5 MMbbl Proved plus Probable. Project Ultimate Recovery increased at the Proved level by 3.4 MMbbl and reduced at the Proved plus Probable level by 6.7 MMbbl based on reservoir performance.

Legendre North and South (WA-20-L)

Woodside's share of the combined Oil Reserves of the Legendre North and South development was 0.5 MMbbl Proved and 1.4 MMbbl Proved plus Probable. Project Ultimate Recovery was increased by 0.6 MMbbl at the Proved level and 0.8 MMbbl at the Proved plus Probable level due to the better than expected production performance.

Enfield (WA-28-L)

Woodside's share of the Enfield project Oil Reserves was 57.9 MMbbl Proved and 76.6 MMbbl Proved plus Probable, unchanged from 2004. Development of the field proceeded as planned during 2005 and production is scheduled to start fourth quarter 2006.

Vincent (WA-28-L)

Oil Reserves attributable to the Vincent discovery were revised during 2005 following further multi-disciplinary field development studies. As a result, Woodside's share of Oil Reserves at year end was reduced by 7.6 MMbbl at the Proved level to 24.0 MMbbl and increased by 0.6 MMbbl at the Proved plus Probable level to 43.8 MMbbl.

Mutineer and Exeter (WA-26-L and WA-27-L)

Production from both fields commenced in March 2005. Ultimate Recovery estimates for both fields were revised upwards during the year based on reservoir performance and at year end Woodside's share of the combined Oil Reserves was 2.7 MMbbl Proved and 5.1 MMbbl Proved plus Probable.

Thylacine and Geographe (T/L2 and VIC/L23)

Woodside's share of Dry Gas Reserves for the Thylacine-Geographe gas project was unchanged at year end, with 294 Bcf Proved and 450 Bcf Proved plus Probable. Woodside's share of Condensate[9] Reserves was 3.8 MMbbl Proved and 6.0 MMbbl Proved plus Probable. Development activities proceeded as planned during 2005 and production is scheduled to start mid 2006.

Stybarrow and Eskdale (WA-255-P)

Technical studies and commercial negotiations to mature the Stybarrow and Eskdale oil project culminated in formal sanction of the project by Woodside in November 2005. Consequently, field development planning reached a sufficient level of maturity to support the first reporting of Reserves, with Woodside's share of the combined field Oil Reserves being 27.0 MMbbl Proved and 35.2 MMbbl Proved plus Probable. The fields are expected to start production during 2008.

Africa

Chinguetti (Mauritania)

Woodside's share of the Chinguetti field development Oil Reserves was 33.4 MMbbl Proved and 50.7 MMbbl Proved plus Probable, unchanged from 2004. The field is governed by a Production Sharing Contract ('PSC') with the Government of Mauritania and Woodside's share of Reserves was determined in accordance with this contract. The booking of Reserves under these circumstances is recognised international practice and based upon the 'economic interest' approach whereby entitlement is calculated as the ratio of Woodside's share of pre-tax cashflow divided by total project pre-tax cashflow. For Chinguetti this yielded an economic interest of approximately 41%. First oil is expected in February 2006.

Ohanet (Algeria)

Woodside has a 15% interest in the Ohanet project in Algeria (operated by BHP Billiton) which is governed by a Risk Services Contract ('RSC') with Algeria's national oil company, Sonatrach. In this contract participants agreed to develop several gas fields, provide gathering infrastructure and install a gas processing plant in return for the opportunity for cost recovery with a maximum return taken from the sale of gas-liquid by-products (LPG and Condensate). Woodside does not have any share in the sales gas delivered from the development.

As with PSC's, Reserves associated with Woodside's interest in the Ohanet RSC are reported in accordance with the economic interest approach. Woodside has estimated equivalent Reserves volumes that reflect the value of this asset, using a five year average Condensate price and an LPG price consistent with other Woodside Reserves estimations. Higher prices should not be applied to these volumes to estimate their value, as the Risk Service Contract specifies a maximum return.

LPG has been categorised as Dry Gas[8] Reserves, consistent with Woodside Reserve definitions. Again, this does not imply any Woodside interest in the sales gas. The resulting Woodside share of Dry Gas Reserves is estimated to be 8 Bcf Proved and Proved plus Probable. Woodside's share of Proved and Proved plus Probable Condensate Reserves is 5.7 MMbbl. The revision in Reserves at both levels reflects higher five year average product price assumptions as well as revised project costs and production from the field.

United States of America

Neptune (Gulf of Mexico Deep Water)

Woodside share of the Neptune oil field development project Reserves, in the Gulf of Mexico, was revised as a result of further technical and commercial analysis. Woodside share of Reserves, net of royalty, was 13.0 MMbbl Oil and 8 Bcf Dry Gas Proved, and 19.7 MMbbl Oil and 12 Bcf Dry Gas Proved plus Probable. The development project, sanctioned in June 2005, is proceeding as planned and is expected to begin production in late 2007.

Gryphon Exploration Company and Midway (Gulf of Mexico Shelf Area)

In August 2005 Woodside acquired the Gryphon Exploration Company in the United States of America. The hydrocarbon assets associated with this company comprise twenty two fields in the shelf area of the Gulf of Mexico, predominantly gas, either already in production or currently under development. In addition, successful production testing of the Midway discovery well early in 2005 demonstrated the commerciality of this gas accumulation and development of the field via a single well is proceeding with first production expected first quarter 2006. At year end 2005 Woodside's share of these assets' Reserves was 63 Bcf of Dry Gas, 0.9 MMbbl Condensate and 0.5 MMbbl Oil Proved, and 95 Bcf Dry Gas, 1.7 MMbbl Condensate and 1.0 MMbbl Oil Proved plus Probable.

Contingent Resources

Contingent Resources are those quantities of hydrocarbon which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be technically mature and/or commercially viable. All Contingent Resource volumes are reported at the 'Best Estimate' confidence level, net Woodside share. Gas estimates have been rounded to the nearest 100 Bcf and liquids to the nearest 1 MMbbl, appropriate for the current level of technical and/or commercial immaturity, and large volumetric uncertainty ranges associated with this type of estimate.

At 31 December 2005 Woodside's share of Contingent Resources was 3595 MMboe, based primarily on the estimated recoverable hydrocarbon volumes associated with the following key assets:

- Torosa (formerly 'Scott Reef'), Calliance (formerly 'Brecknock South') and Brecknock – 9,600 Bcf of Dry Gas and 145 MMbbl of Condensate, reflecting a small positive revision in the Condensate estimate as a result of further appraisal drilling and development studies during 2005.
- Pluto - A preliminary estimate of 3,600 Bcf Dry Gas and 42 MMbbl Condensate was booked following confirmation of the Pluto discovery in April 2005 and subsequent appraisal drilling and studies during the year. The estimate does not incorporate the results of the recent Pluto-3 appraisal well, which is part of an ongoing appraisal programme.
- Sunrise and Troubadour – 2,900 Bcf Dry Gas and 123 MMbbl Condensate, unchanged from 2004 estimates. Development of these fields continues to depend on confirmation of legal and fiscal agreements between the Governments of Australia and Timor Leste, and securing a market for the gas.
- Tiof, Banda and Tevet (Mauritania) – 500 Bcf Dry Gas, 3 MMbbl Condensate 131 MMbbl Oil remained unchanged from 2004, based upon an economic interest of 40%. Appraisal studies continued.
- Vincent, Laverda, Stybarrow and Eskdale – Combined Contingent Resource volume of 42 MMbbl Oil and 1 MMbbl Condensate, reflecting the transfer of a portion of the Stybarrow and Eskdale volumes to Reserves as well as revision of the Vincent estimate.
- NWS Venture – 300 Bcf Dry Gas, 17 MMbbl Condensate and 18 MMbbl Oil, a small reduction overall from 2004 due to further development studies and estimate revisions.

RESERVES OVERVIEW

(as at 31 December 2005)

WOODSIDE

'PROVED' AND 'PROVED PLUS PROBABLE' RESERVES (million barrels of oil equivalent, Woodside share, as at 31 December 2005)								
Reserves Category	**Year end 2004**	**Annual Prod.[5]**	**Changes**	**Year end 2005**	**2005 RRR[6]**	**Organic 2005 RRR[6]**	**Three Year RRR[6]**	**Organic Three Year RRR[6]**
Proved[2]	950.5	-58.7	7.8	899.6	13%	64%	55%	83%
Proved plus Probable[3]	1,293.9	-58.7	8.6	1,243.8	15%	73%	65%	99%

'PROVED PLUS PROBABLE' RESERVES ANNUAL RECONCILIATION BY PRODUCT (Woodside share, as at 31 December 2005)				
	Dry Gas[8] (Bcf)	**Condensate[9] (MMbbl)**	**Oil (MMbbl)**	**Total (MMboe[12])**
Reserves (at 31 December 2004)	**5,114**	**138.0**	**258.8**	**1,293.9**
Improved Recovery[13]	-	-	-	-
Revisions of previous estimates[14]	3	1.4	5.8	7.6
Extensions and Discoveries[15]	2	0.0	35.2	35.5
Acquisitions and divestments	-242	-0.3	8.2	-34.5
Annual Production[5]	-205	-9.4	-13.5	-58.7
Reserves (at 31 December 2005)	**4,672**	**129.7**	**294.5**	**1,243.8**

'PROVED PLUS PROBABLE' RESERVES SUMMARY BY PROJECT (Woodside share, as at 31 December 2005)				
Project	**Dry Gas[8] (Bcf)**	**Condensate[9] (MMbbl)**	**Oil (MMbbl)**	**Total (MMboe[12])**
NWS Venture	4,107	116.3	42.5	879.2
Thylacine and Geographe	450	6.0	–	84.9
Enfield	–	–	76.6	76.6
Chinguetti (Mauritania)	–	–	50.7	50.7
Vincent	–	–	43.8	43.8
Stybarrow and Eskdale	–	–	35.2	35.2
Neptune (USA)	12	–	19.7	21.8
Gulf of Mexico Shelf Area	95	1.7	1.0	19.5
Laminaria and Corallina	–	–	18.5	18.5
Ohanet (Algeria)	8	5.7	–	7.1
Exeter and Mutineer	–	–	5.1	5.1
Legendre	–	–	1.4	1.4
Total	**4,672**	**129.7**	**294.5**	**1,243.8**

CONTINGENT RESOURCE OVERVIEW

(as at 31 December 2005)

WOODSIDE

CONTINGENT RESOURCE ANNUAL RECONCILIATION BY PRODUCT* (Woodside share, as at 31 December 2005)			
	Dry Gas[8] (Bcf)	**Condensate[9] (MMbbl)**	**Oil (MMbbl)**
Contingent Resources (at 31 December 2004)	**14,000**	**289**	**265**
Transfers to Reserves Category	0	2	-38
Revisions of previous estimates[14] & rounding	100	4	-15
Extensions and Discoveries[15]	3600	43	–
Acquisitions and divestments	-300	-2	–
Contingent Resources (at 31 December 2005)	**17,400**	**336**	**212**

* Gas estimates have been rounded to the nearest 100 Bcf and liquids to the nearest 1 MMbbl, appropriate for the current level of technical and/or commercial immaturity, and large volumetric uncertainty ranges associated with this type of estimate.

MAJOR CONTINGENT RESOURCE PROJECTS* (Woodside share, as at 31 December 2005)			
Field(s)	**Dry Gas[8] (Bcf)**	**Condensate[9] (MMbbl)**	**Oil (MMbbl)**
Torosa, Calliance and Brecknock	9,600	145	–
Pluto	3,600	42	–
Sunrise and Troubadour	2,900	123	–
Tiof, Tevet and Banda (Mauritania)	500	3	131
Vincent, Laverda, Stybarrow and Eskdale	–	1	42
NWS Venture	300	17	18
Other[16] and rounding	500	5	21
Total (by product)	**17,400**	**336**	**212**
Total (MMboe)	**3,594**		

* Gas estimates have been rounded to the nearest 100 Bcf and liquids to the nearest 1 MMbbl, appropriate for the current level of technical and/or commercial immaturity, and large volumetric uncertainty ranges associated with this type of estimate.

Notes:

1 "Reserves" are estimated volumes that have been demonstrated to be producible from known resources in which the Company has a material interest from a given date forward, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs. Woodside reports Reserves net of the upstream (offshore) gas required for production, processing and transportation to the customer (fuel and flare gas).

2 "Proved Reserves" are those Reserves which analysis of geological and engineering data suggests, to a high degree of certainty (90% confidence), are recoverable. There is relatively little risk associated with these Reserves.

3 "Probable Reserves" are those Reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. There is at least a 50% probability that the quantities actually recovered will exceed the sum of estimated Proved plus Probable Reserves.

4 "Contingent Resources" are those volumes associated with a hydrocarbon discovery for which implementation cannot be shown with sufficient confidence to be technically sound or commercially viable, but which could mature based on reasonable assumptions about the success of additional data gathering, improved reservoir management, a maturing technology from current research, relaxations in the market constraints and/or terms and conditions for implementing such a project. In general there is a large degree of uncertainty associated with these volumetric estimates and they should not be assumed to necessarily represent future Reserves bookings.

5 "Annual Production" means the volumes of Dry Gas, Condensate and Oil (see Notes 8 and 9) produced during the year and converted to "MMboe" (see Note 12) for the specific purpose of Reserves reconciliation and the calculation of Annual Reserves Replacement Ratios. The Reserves Statement Annual Production differs from production volumes reported in the Company's annual and quarterly reports (59.7 MMboe for 2005) due to differences in the sales product definitions and the "MMboe" conversion factors applied.

6 The term "Reserves Replacement Ratio" means Reserves change during the year, before the deduction of production, divided by production during the year. The term "Three-year Reserves Replacement Ratio" means Reserves change over the three years, before the deduction of production for that period, divided by production during the same period. The term "Organic annual Reserves Replacement Ratio" means Reserves change during the year, before the deduction of production and adjustment for acquisition and sales, divided by production during the year.

7 The term "Ultimate Recovery" means resource volumes which will ultimately be economically produced and equals production to date plus Reserves plus future own use offshore fuel and flare.

8 "Dry Gas" is defined as "C4 minus" hydrocarbon components plus inerts. These volumes include LPG (propane and butane) Reserves.

9 "Condensate" is defined as "C5 plus" hydrocarbon components for NWS Venture and Otway Basin fields, but is sales product for the Ohanet project.

10 "Bcf" means Billions (10^9) of standard cubic feet of gas.

11 "MMbbl" means millions (10^6) of standard barrels of oil and condensate.

12 "MMboe" means millions (10^6) of barrels of oil equivalent. In common with international practice, Dry Gas volumes are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5,700 standard cubic feet of Dry Gas per 1 barrel of oil equivalent. Volumes of Oil and Condensate are both converted from MMbbl to MMboe on a 1:1 ratio.

13 Reserves changes resulting from the application of improved recovery techniques and technologies.

14 Revisions representing changes in previous estimates of Reserves or Contingent Resources, either upward or downward, resulting from new information normally obtained from development drilling and production history or resulting from a change in economic factors.

15 Additions to Reserves or Contingent Resources that result from (1) increased areal extensions of previously discovered fields demonstrated to exist subsequent to the original discovery, and (2) discovery of Reserves in new fields or new reservoirs in old fields.

16 Includes Laminaria, Corallina, Legendre North and South, Enfield, Mutineer/Exeter, Chinguetti, Kipper, Uramu, Thylacine, Geographe, Jahal, Kuda Tasi, Halladale, Black Watch and Neptune.

The information contained in this Reserves Statement has been compiled by Mr Roland Hamp, a full-time employee of the Company. Mr Hamp's qualifications include a Master of Engineering (Petroleum Engineering) degree from Imperial College, University of London, England and more than 18 years of relevant experience. Mr Hamp has consented in writing to the inclusion of this information in this report.