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WOODSIDE

Pluto Project Approval

Don Voelte, Managing Director and CEO
Perth
27 July 2007

Woodside's Board has today given approval for the development of the Pluto Liquefied natural Gas (LNG) Project, the largest single investment by one company in Australia's resources sector.

The decision to proceed with the Pluto project represents the most significant step in Western Australia's gas industry, since the initial development of the Woodside-operated North West Shelf in the 1980s.

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

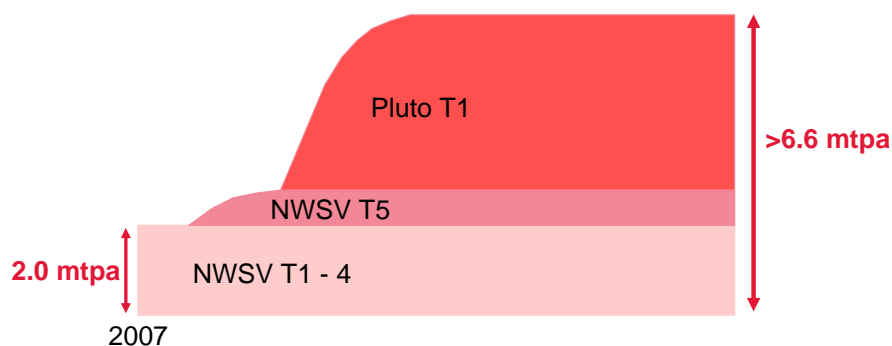
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Delivering on our promises....



Pluto, with NWSV T5, will more than triple our current LNG equity production



And take Woodside into the league of top, independent global LNG operators by capacity

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Woodside – operator of NWSV

- Delivered 2300 cargoes of LNG since 1989
- Train 4 added to NWSV in 2004
- Train 5 to be operating by late next year.
- Current equity share LNG : 2mtpa

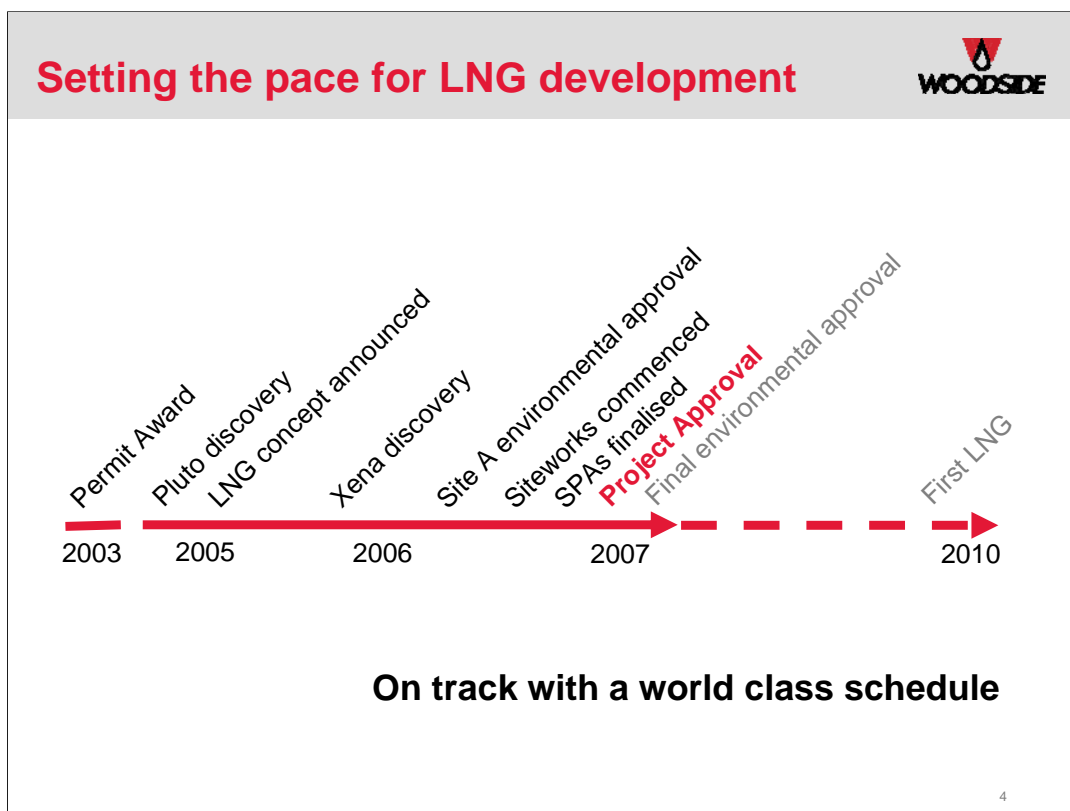
After Train 5 and Pluto, Woodside's equity share will be >6.6mtpa.

100% equity has provided a high degree of agility for Woodside to progress Pluto development.

Pluto LNG Train 1:

- will produce LNG from Pluto and Xena gas
- is a robust project that will deliver shareholder value and excellent growth opportunities.
- will produce a competitive rate of return and significant net free cash flow.

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Woodside is delivering on its promise that project sanction would occur two years after we discovered the Pluto gas field.

The timeline of achievements includes:

- Permit (WA-350-P) awarded December 2003
- 100% Woodside owned discovery April 2005
- Xena discovered September 2006
- Site works started for the LNG tank site (Site A) January 2007
- Project Approval July 2007

Combined resources of Pluto and Xena upgraded to 5 Tcf (4.4 Tcf Pluto, 0.6 Tcf Xena).

Following today's approval we are on track for world-class delivery of LNG by late 2010.

Expenditure from drilling Pluto-1 to the end of July 2007 is forecast to be around \$800 million. This covers exploration, appraisal, studies, front-end- engineering and procurement of some long lead items.

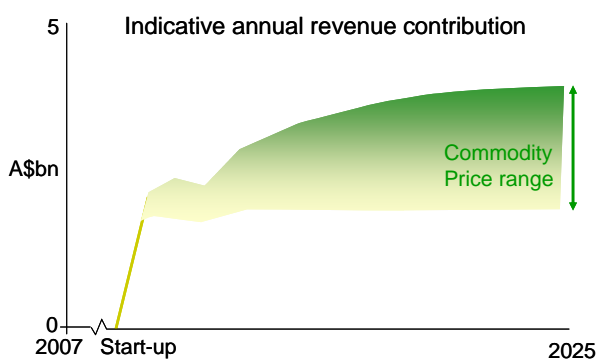
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Delivering value for shareholders...



Stand-alone Pluto delivers...

- An LNG Train 1 plus infrastructure for up to \$11.2 billion
 - With later spend identified for Xena, compression, new wells
- 4.8 mtpa capacity (100% utilisation, expected production 4.3 mtpa), backed by 15 year contracts for up to 3.75 mtpa
 - Spare capacity to spot market or further contracts
- Revenue >\$2 billion pa*
- Opex of ~\$4-5/boe
- IRR between 10 - 15%



Pluto LNG Train 1 and foundation infrastructure delivers a robust stand-alone project.

Expect to spend up to \$11.2 billion building Train 1 and associated Burrup Park infrastructure from this point forwards.

Beyond that there will be additional costs associated with tying in Xena, later compression and possibly some further development wells.

Train 1 will have a 100% capacity of 4.8 mtpa. With realistic utilisation rates, production from the plant will be around 4.3 mtpa for export.

Project underpinned by an integrated package of:

- LNG Sale and Purchase Agreements
- project equity agreements with Tokyo Gas and Kansai Electric (5% equity each)
- and shipping arrangements.
 - Tokyo Gas and Kansai Electric will each construct and operate an LNG ship.
 - Woodside will lease an additional new build ship to transport LNG to Japan.
 - Further shipping requirements are being evaluated.

The initial contracts run for 15 years, however, the seller has an option to extend for a further 5 years.

The chart illustrates revenue potential at oil prices over the range of US\$20 to US\$80 per barrel (indicative only).

The LNG pricing formulae provide significant downside protection at lower oil prices and additional value capture at higher oil prices.

This package provides commercial certainty, ensuring a competitive rate of return for the foundation project, regardless of the potential for future expansion.

Delivering value for WA and Australia



The Pluto project will contribute:

- Up to 3000 jobs during construction
- ~300 jobs during operations
- Significant opportunities for local businesses.
- >50% of the approved \$11.2 billion funding will be spent in Australia

Environmental approval for 12 mtpa LNG and 4 mtpa domgas capacity at Burrup LNG Park would enable a two train development.

This could generate:

- >\$28 billion to WA's economy
- ~\$8.5 billion revenue to Australian governments

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Pluto will play an important role in meeting strong demand for clean energy.

In building the foundation infrastructure, we expect to create :

- up to 3000 jobs during construction;
- ~300 jobs during operations;
- as well as significant opportunities for local businesses.

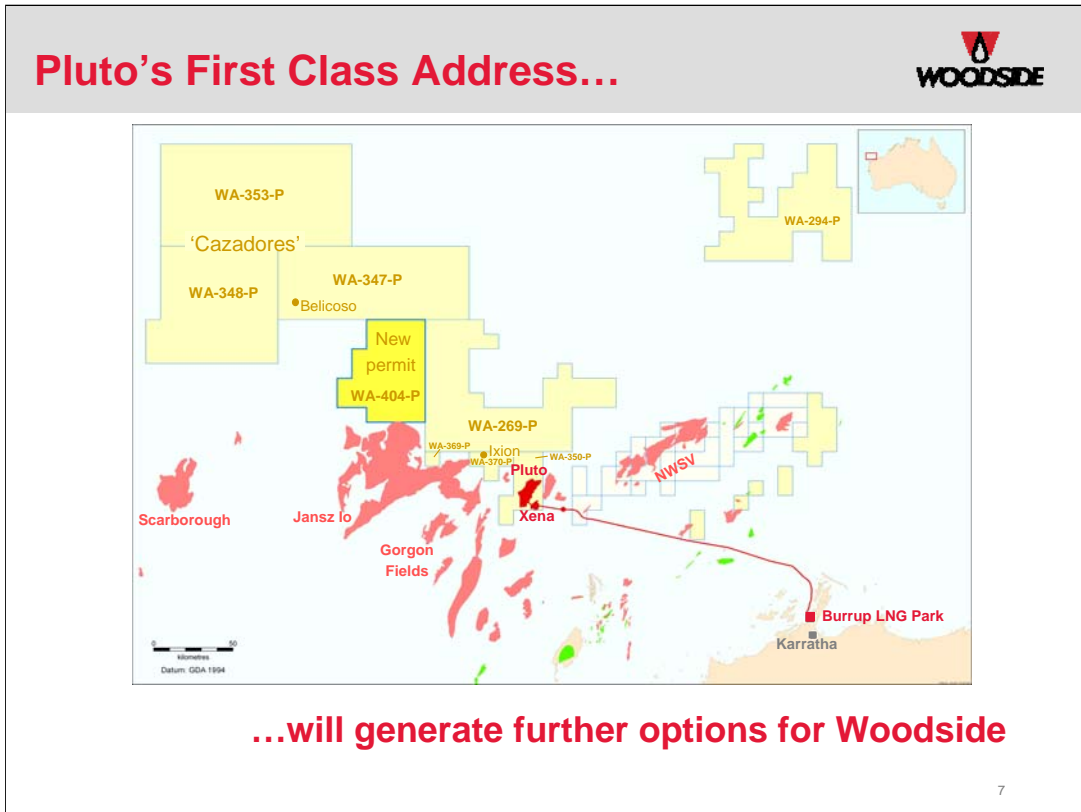
More than half of the estimated capex will be spent in Australia;

We have sought environmental approval for 12 mtpa processing capacity in the Burrup LNG Park.

Pluto Train 1 is just the first step.

Beyond, there is the potential for significant upside value to be created from future expansion.

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Pluto is surrounded by gas fields, the majority of which are yet to be developed. Last year's discovery of Xena proved there is opportunity for new discoveries.

Woodside has significant exploration acreage to the north and north-west of Pluto.

Top holes of both Ixion and Belicoso drilled. Bottom hole sections to be drilled before year end.

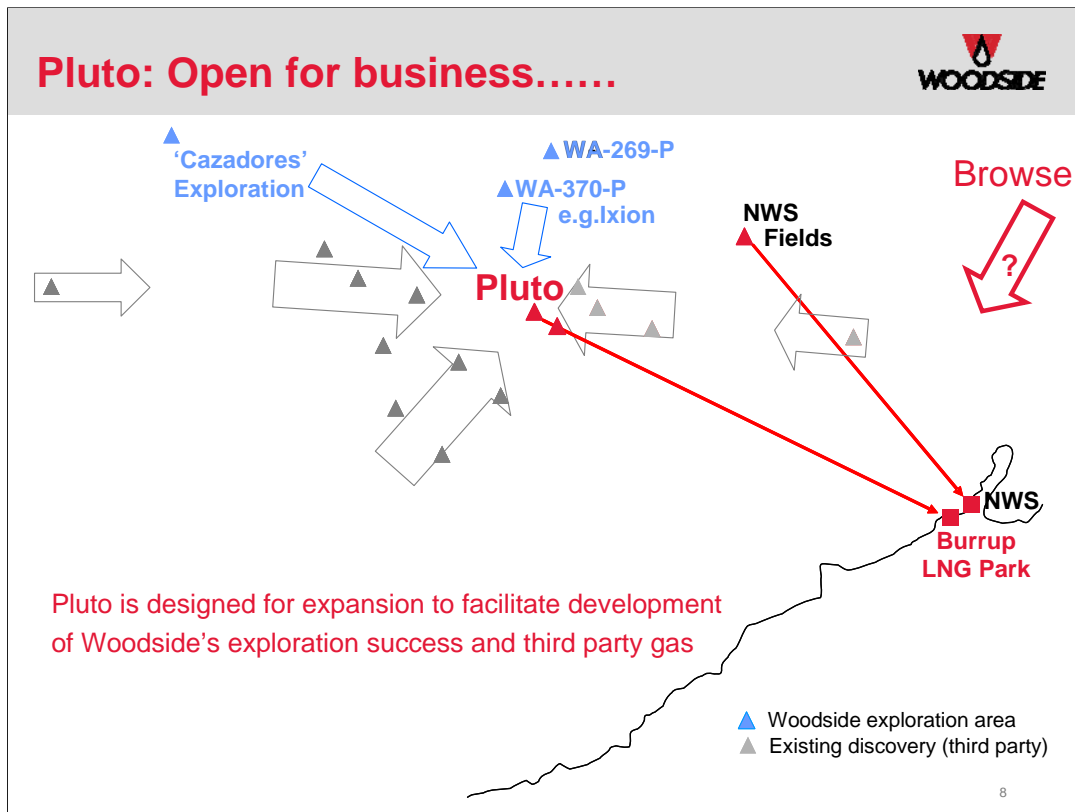
- Ixion** prospect (WA-370-P, Awarded Jan 2006)
 - Proposed depth 3013 metres; Water depth ~1335 metres.

- Belicoso** prospect (WA-347-P one of the **Cazadores** blocks (with WA-348 & 353-P awarded in 2003 and 2004)
 - 1446 metres of water; expect to drill 2550 metres to target.

If gas is discovered at Ixion (0.5 – 1Tcf) and / or Belicoso (1 – 1.5 Tcf),

- tie-back to Pluto is possible and;
- could open up other adjacent opportunities.

Woodside continues to grow its portfolio in this prospective area. Awarded new permit WA-404-P on 26 July 2007, due west of WA-269-P.



The centre-piece of the Pluto gas project will be the development of the Burrup LNG Park, just south of the existing North West Shelf Venture on the Burrup Peninsula.

LNG Park to operate as an open-access facility, available to process gas owned by third parties.

The gas aggregation concept could even apply to Browse.

Of today's approved funding, about A\$300 million is committed to facilitate future expansion for additional Woodside or third party gas.

Woodside's Board has also given approval to begin feasibility studies on expansion of the LNG facilities, through the addition of a second and third train, plus a domestic gas facility to supply the West Australian market.

Pluto provides first mover advantage for a suite of growth opportunities.