

WOODSIDE PETROLEUM LTD

34th Annual General Meeting

Presentation to Shareholders

on

EXECUTIVE INCENTIVE PLAN

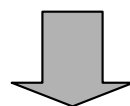
19 April 2005

Why is Woodside proposing a new plan?

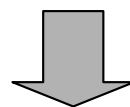
- ❑ The Woodside Board wants the level of executive incentives linked to the **creation of sustainable shareholder value**.
- ❑ The Woodside Board wants to incentivise executives on a **short and long term** basis, subject to achieving challenging performance measures.

How will the Board manage and drive business performance?

BUSINESS PLAN
(Approved annually by the Board)



Managing Director / Chief Executive Officer
PERFORMANCE AGREEMENT



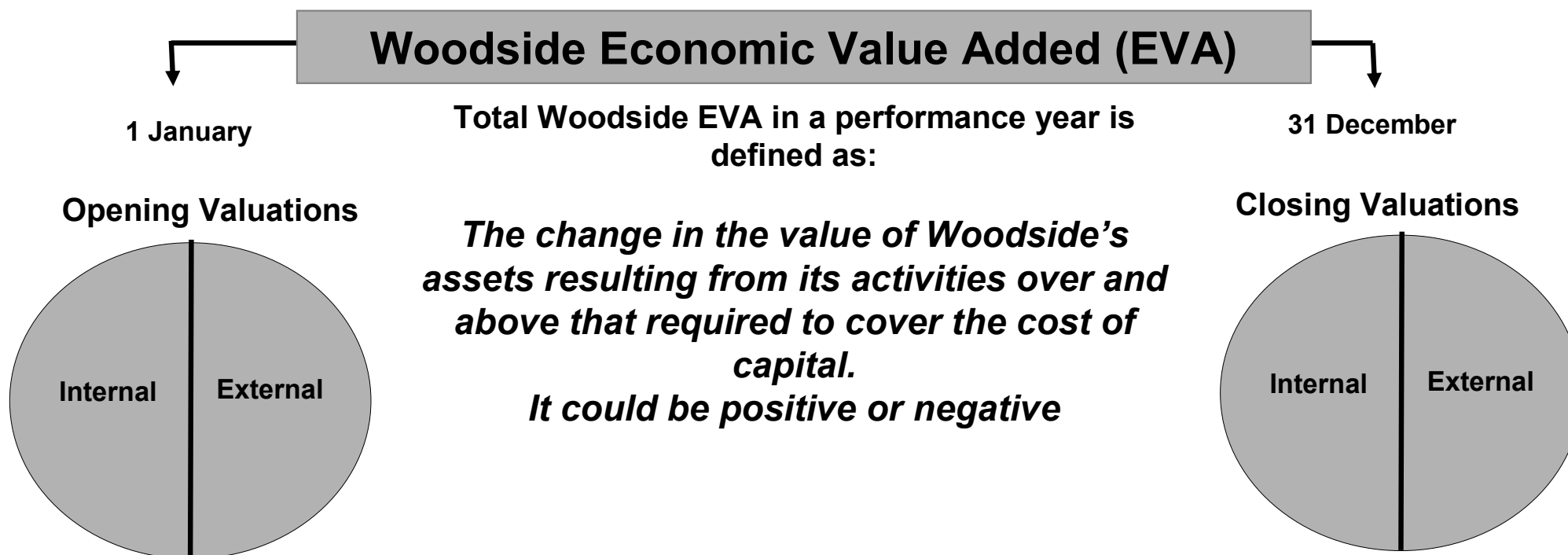
**EXECUTIVE
PERFORMANCE
AGREEMENT**

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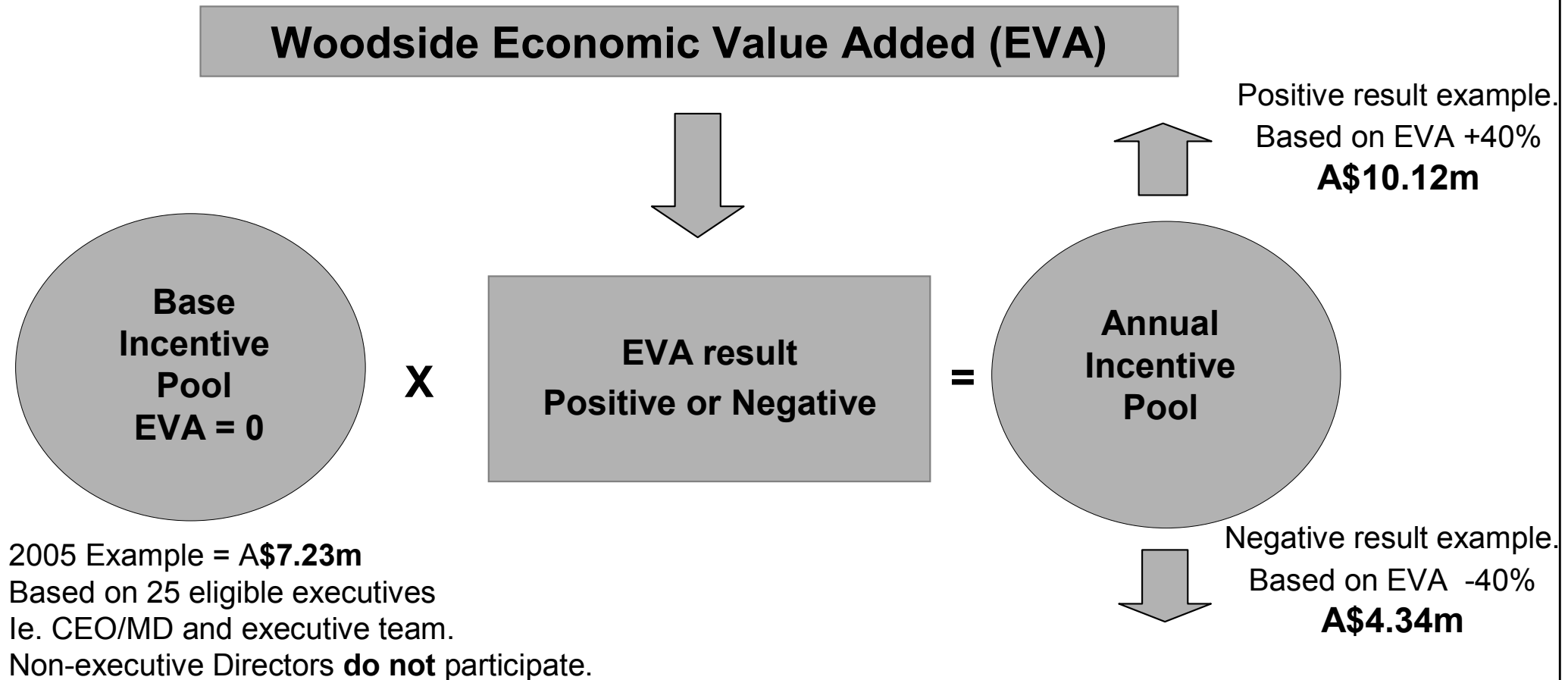
**EXECUTIVE
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What is the measure of Performance?



How will the Annual Incentive Pool be determined?



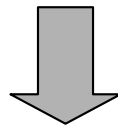
Example incentive allocation

EVA 0

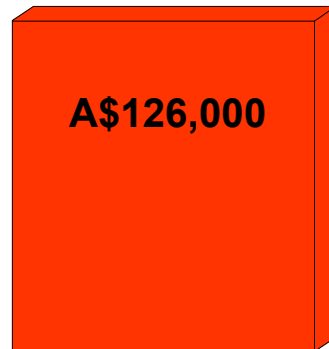
Assuming Fixed Annual Reward = A\$420,000

Variable Annual Reward of 75% = A\$315,000

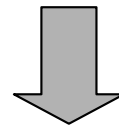
Cash



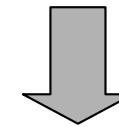
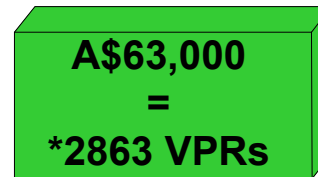
40%



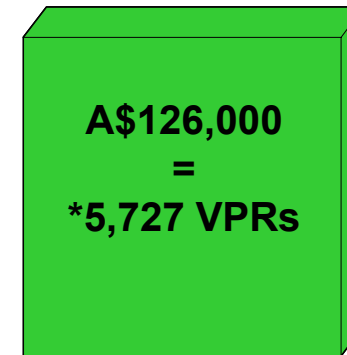
Variable Pay Rights



20%
Time-tested



40%
TSR-tested



TSR Hurdle Rate:
Determined by Board with
reference to Company's
Cost of Equity Capital.

Will be disclosed in Annual
Report.

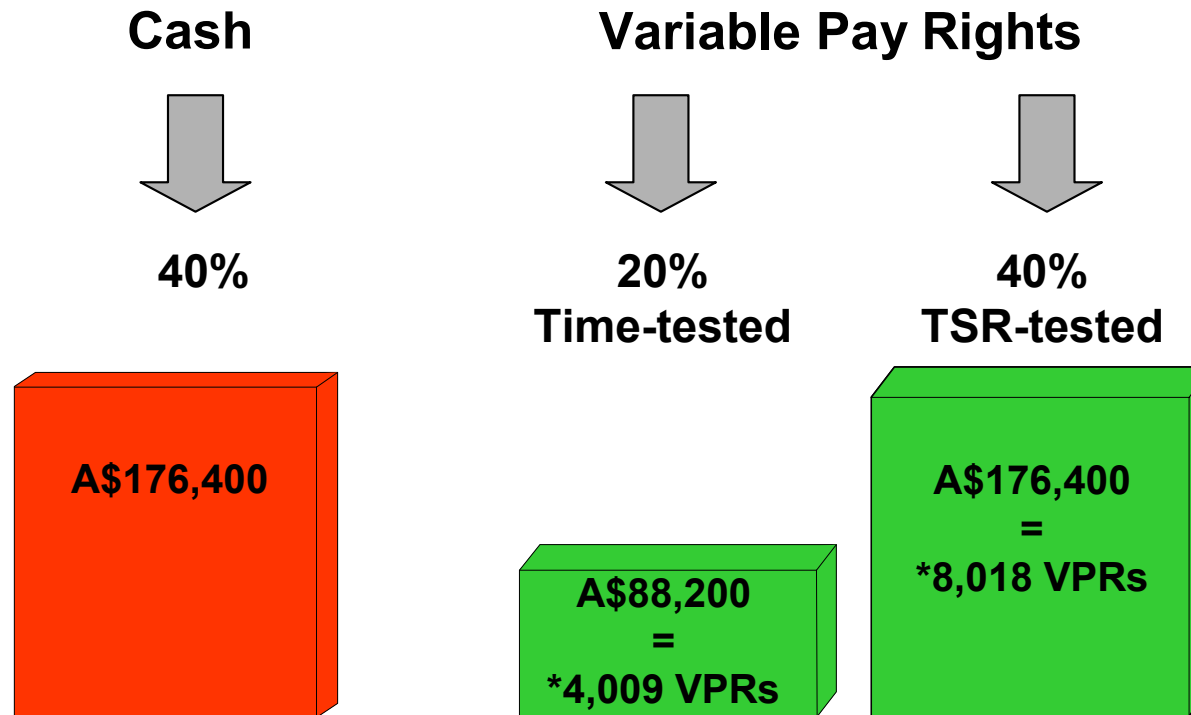
*Assuming a share price of A\$22

Example incentive allocation

Positive Result EVA +40%

Assuming Fixed Annual Reward = A\$420,000

Variable Annual Reward of 105% = A\$441,000



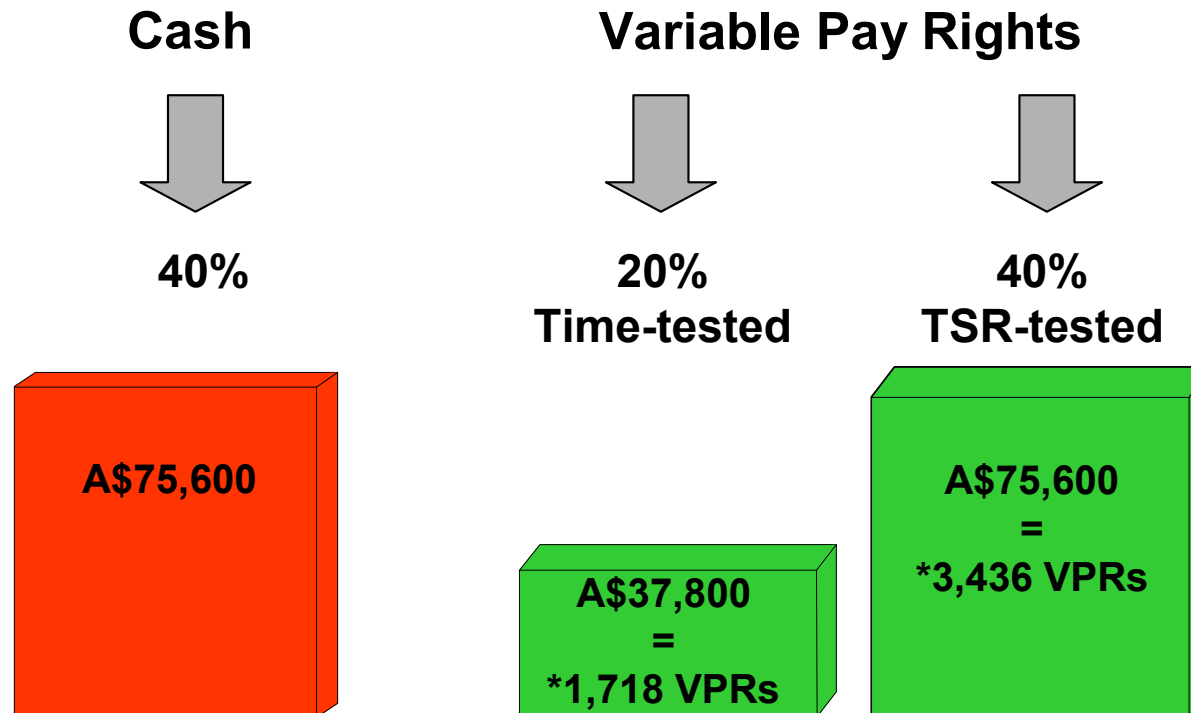
*Assuming a share price of A\$22

Example incentive allocation

Negative Result EVA – 40%

Assuming Fixed Annual Reward = A\$420,000

Variable Annual Reward of 45% = A\$189,000



*Assuming a share price of A\$22