

1. OBJECTIVES

The maturation of Woodside's discovered petroleum resources from appraisal studies through to development and production is core to the company's purpose and market value. As such, Woodside will implement processes, standards and controls to provide reliable petroleum resource estimates, consistent with current industry best practice, so as to enable effective business management and communication of the company's reserves to all clients and stakeholders. Within this policy, the term resource refers to both technically mature and commercially viable reserves and less mature contingent resources.

2. POLICY

Woodside achieves these objectives by:

- Preparing, maintaining and reconciling estimates of Woodside's discovered petroleum resources, together with supporting documentation, in compliance with ASX Listing Rules, other relevant statutory requirements and Woodside's Hydrocarbon Resource Inventory Management (HRIM) process.
- Publicly reporting Woodside's estimated reserves as and when required:
 - normally once a year in the form of the Annual Reserves Statement published in conjunction with the company's Annual Report;
 - when there are material resource revisions, in compliance with Woodside's Continuous Disclosure and Market Communications Policy. When considering materiality each case is reviewed on its own merits. As a guideline, material revisions may include but are not limited to a 5% or greater variation to Woodside's total proved reserves.
- Woodside's HRIM process conforming to resource definitions and guidelines published in the Society of Petroleum Engineers Inc./World Petroleum Congresses/American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) Petroleum Resources Management System (March 2007).
- Training and demonstrating the competency of all staff involved in petroleum resource estimation, management and reporting to be compliant with ASX Listing Rules, Woodside's HRIM process and other relevant statutory requirements.
- Completing internal resource estimate reviews prior to public reporting for all new resource bookings and for all projects or fields for which there has been a material change (provided that nothing in this rule prevents early public reporting of information about a change in order to comply with Woodside's Continuous Disclosure and Market Communications Policy).
- Completing external audits of all material projects or field reserves at least once every four years, with the findings of all such audits reported to the Chief Executive Officer and the Woodside Board. Such audits are to be performed by recognised, independent professional consulting companies that do not have a financial or beneficial interest in the projects or fields being examined.
- Excluding from Woodside's Annual Reserves Statement those resources held indirectly via equity interests in other entities unless that equity interest exceeds 20%, and under those circumstances ensuring that the resource estimates reported are compliant with ASX Listing Rules, Woodside's HRIM process and other relevant statutory requirements.

3. APPLICATION

The Chief Executive Officer is responsible for the implementation of this policy. This responsibility is discharged via the head of Development, the Chief Financial Officer, the head of Internal Audit, and their respective staff.

The Woodside Chief Reservoir Engineer, Woodside Reserves Coordinator and the Woodside Reserves Committee advise management on the compliance of all new resource bookings and material revisions with respect to Woodside's HRIM process

The Woodside Board is responsible for the approval of this policy and verifying its correct implementation.

Revised by the Woodside Petroleum Ltd Board on 7 December 2010.