

## External Auditor Policy

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### 1 POLICY OBJECTIVE

That Woodside's financial reporting is in compliance with applicable standards and reflects a true and fair view of the Company's financial performance and position.

That the External Auditor adds value beyond mere compliance auditing, free from bias, conflict or compromise.

Woodside will implement processes and controls to achieve its objective in accordance with the following policy. The policy should be read in conjunction with the [Audit & Risk Committee Charter](#) and the External Auditor Guidelines.

### 2 POLICY

The Audit and Risk Committee, as a committee of the Woodside Board, is the custodian of the external audit relationship, and makes recommendations to the Board, in relation to the appointment, termination and oversight of the External Auditor.

Woodside requires its External Auditor to review, test and challenge its accounting policies, accounting processes and internal financial controls. Accordingly Woodside appoints as External Auditor an internationally recognised and respected accountancy firm which has access to expert international accounting standards research relevant to the oil and gas industries, demonstrable audit quality control processes and substantial resources to carry out the assignment in Australia and in other relevant jurisdictions.

The External Auditor will not be engaged to provide a service to a member of the Woodside Group if the nature of that service or engagement could reasonably be seen to be in conflict with the role of auditor. A list of services that may/may not be provided by the External Auditor, including the approval process, is set out in the External Auditor Guidelines.

Woodside will seek to maintain the economic independence of its External Auditor by restricting the aggregate level of fees for all services rendered to less than 10% of the External Auditor's engagement office revenue.

Woodside will receive annually from the External Auditor an Auditor's Statement (it being understood that the External Auditor is responsible for the accuracy and completeness of this statement) that discloses all relationships between the External Auditor and Woodside, as set out in the External Auditor Guidelines, and reports on the performance of non-audit activities, rotation of audit partners and staff and the confirmation of auditor independence.

The scope and terms of the annual audit engagement are determined by the Audit and Risk Committee, and reported by the Board to shareholders.

The External Auditor has unfettered access to management, staff, records and company facilities, and is permitted reasonable, agreed time to conduct its audit.

The rules of engagement of the External Auditor, including that the audit will be planned and executed on a 'risk assessment' basis, are expressed in written guidelines which are consistent with this policy and are approved by the Board.

The Audit and Risk Committee assesses the External Auditor's performance each year, and periodically benchmarks the cost and scope of the external audit engagement to ensure that shareholders are well served according to international governance standards.

Clear and concise disclosure to shareholders will be made of Woodside's processes and controls in relation to the External Auditor.

### **3 Application**

The Managing Director will make this policy known and will ensure that resources are available as necessary to support the Audit and Risk Committee in implementing the policy.

*Approved by the Woodside Petroleum Ltd. Board on 15 August 2002.  
Revised by the Woodside Petroleum Ltd. Board on 6 December 2005.  
Revised by the Woodside Petroleum Ltd. Board on 7 December 2006.*