Woodside Petroleum Ltd.
ACN 004 898 962
Woodside Plaza
240 St Georges Terrace
Perth WA 6000
Australia
www.woodside.com.au

ASX Announcement

Tuesday, 19 July 2011

SECOND QUARTER REPORT FOR PERIOD ENDED 30 JUNE 2011

Comparative performance at a glance

Previous quarter		Q2 2011	Q1 2011	Difference	Change %
Production	*MMboe*	16.3	15.6	0.7	4%
Sales	*MMboe*	16.4	15.3	1.1	7%
Revenue	*US$ million*	1,254	998	256	26%
Corresponding quarter, prior year		**Q2 2011**	**Q2 2010**	**Difference**	**Change %**
Production	*MMboe*	16.3	17.5	(1.2)	(7%)
Sales	*MMboe*	16.4	17.3	(0.9)	(5%)
Revenue	*US$ million*	1,254	1,074	180	17%

Production volumes up 4% and sales revenues up 26% compared to Q1 2011

- The increase in production was largely driven by strong LNG operational performance at the North West Shelf (NWS) Project, together with higher volumes from the Vincent Oil field following completion of the planned maintenance outage in Q1 2011.
- Sales revenue was 26% higher, primarily as a result of higher sales volumes from the Laminaria-Corallina, Enfield, Vincent and Stybarrow oil fields, together with increased commodity prices.

Production volumes down 7%, but sales revenues up 17% compared to Q2 2010

- Production volumes were down 7% compared to the corresponding quarter largely due to the planned outage of the NWS oil fields (a consequence of the NWS Oil Redevelopment Project) and oil-field natural decline. This was partially offset by higher volumes from NWS LNG.
- Despite the lower production volumes, sales revenue rose 17% primarily due to improved commodity prices. In addition higher sales volumes were achieved for NWS LNG, Laminaria-Corallina oil and Stybarrow oil.

Activities

- Pluto LNG Foundation Project – As advised on 17 June 2011, Pluto’s first LNG cargo is now estimated for March 2012.
- Pluto Expansion – Exploration drilling at Xeres-1 in WA-34-L discovered gas during the quarter. No decision has been reached on ordering long-lead items (LLIs).
- Browse LNG – An agreement has been reached with Traditional Owners over land access for the development at James Price Point. Front-end engineering and design (FEED) studies continue.
- Sunrise LNG – Woodside is continuing to focus on engagement with the Australian and Timor-Leste governments to obtain in-principle approval of Floating LNG as the development concept for Greater Sunrise gas.
- NWS North Rankin Redevelopment Project – The project remains on budget and on schedule for completion in 2013.
- NWS Oil Redevelopment Project – As advised on 17 June 2011, first oil from the Okha is now scheduled for October 2011.

Production Summary

Woodside's share of production and sales for the quarter ended 30 June 2011 with appropriate comparatives:

		Q2 2011	Q1 2011	Q2 2010	Year to date 2011	Year to date 2010
NWS PIPELINE NATURAL GAS[1,2]	Production(TJ)	20,966	21,158	21,297	42,124	42,457
	Sales (TJ)	20,845	21,158	21,297	42,003	42,457
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	678,250	654,336	582,063	1,332,586	1,243,938
	Sales Delivered (t)	645,340	663,617	591,842	1,308,957	1,236,557
	Cargoes Delivered	66	66	61	132	127
NWS CONDENSATE	Production (bbl)	1,957,361	2,078,061	2,202,810	4,035,422	4,545,087
	Sales (bbl)	1,962,913	2,032,639	2,174,089	3,995,552	4,423,280
NWS OIL	Production (bbl)	0	372,039	906,341	372,039	2,124,803
	Sales (bbl)	127,906	545,203	825,653	673,109	2,135,068
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	31,943	37,275	36,862	69,218	77,161
	Sales (t)	35,753	36,398	34,238	72,151	76,849
LAMINARIA–CORALLINA OIL	Production (bbl)	420,049	483,044	558,103	903,093	1,251,074
	Sales (bbl)	441,755	0	185,907	441,755	749,896
MUTINEER–EXETER OIL	Production (bbl)	31,179	12,649	38,005	43,828	68,728
	Sales (bbl)	15,935	0	52,505	15,935	52,505
ENFIELD OIL	Production (bbl)	1,171,830	919,541	1,627,696	2,091,371	3,331,667
	Sales (bbl)	1,092,506	747,594	1,505,467	1,840,100	3,407,459
STYBARROW OIL	Production (bbl)	1,035,146	861,942	790,397	1,897,088	1,202,205
	Sales (bbl)	996,755	949,398	837,291	1,946,153	1,211,263
VINCENT OIL	Production (bbl)	1,141,318	330,806	1,245,159	1,472,124	2,306,730
	Sales (bbl)	1,440,261	389,947	1,487,633	1,830,208	2,193,453
OTWAY PIPELINE NATURAL GAS[3]	Production (TJ)	0	0	0	0	4,974
	Sales (TJ)	0	0	0	0	4,970
OTWAY CONDENSATE[3]	Production (bbl)	0	0	0	0	58,161
	Sales (bbl)	0	0	0	0	58,287
OTWAY LPG[3]	Production (t)	0	0	0	0	7,018
	Sales (t)	0	0	0	0	7,229
OHANET CONDENSATE ENTITLEMENT (RSC)[4]	Production (bbl)	355,849	336,104	352,850	691,953	679,937
	Sales (bbl)	355,849	336,104	352,850	691,953	679,937
OHANET LPG ENTITLEMENT (RSC)[4]	Production (t)	28,975	27,367	28,730	56,342	55,363
	Sales (t)	28,975	27,367	28,730	56,342	55,363
GULF OF MEXICO PIPELINE NATURAL GAS[5]	Production (MMBtu)	352,002	769,318	1,661,925	1,121,320	3,444,370
	Sales (MMBtu)	352,002	769,318	1,661,925	1,121,320	3,444,370
GULF OF MEXICO CONDENSATE[5]	Production (bbl)	2,331	5,824	12,190	8,155	27,123
	Sales (bbl)	2,331	5,824	12,190	8,155	27,123
GULF OF MEXICO OIL[5]	Production (bbl)	198,397	246,210	272,397	444,607	551,814
	Sales (bbl)	198,397	246,210	272,397	444,607	551,814
Total	**Production (boe)** #	**16,343,053**	15,596,762	17,497,279	**31,939,815**	36,721,301
	Sales (boe) #	**16,382,520**	15,278,932	17,262,916	**31,661,452**	35,996,844

1 Woodside's equity share is 50% of the first 414 TJ per day and 16.67% for all gas produced above this amount.
2 Sales volumes exclude sales of natural pipeline gas to the Woodside operated Pluto project.
3 Sale of Woodside's interest in the Otway Gas project was completed on 16 March 2010.
4 Risk Sharing Contract (RSC) derived volumes have been calculated using the 10 year oil price prevailing at the time of initial production.
5 Gulf of Mexico production and sales volumes are reported net of royalties and reflect the sale of the Shelf properties effective 1 May 2011.
Conversion Factors are identified on page 8.

Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 30 June 2011, with appropriate comparatives:

Amounts in US$ million		Q2 2011	Q1 2011	Q2 2010	Year to date 2011	Year to date 2010
Sales Revenue						
NWS and Otway[1]	Pipeline Natural Gas	86.9[2]	111.6[3]	69.7	198.5	153.0
NWS	LNG	368.0[4]	335.3	376.2[4]	703.3	690.7
	Condensate	230.8	213.5	170.4	444.3	336.5
	Oil	13.4	53.4	63.7	66.8	164.6
	LPG	36.0	33.5	23.4	69.5	54.4
Laminaria-Corallina	Oil	53.6	0.0	16.1	53.6	60.5
Mutineer-Exeter	Oil	2.1	(7.0)[5]	5.3	(4.9)	7.4
Enfield[6]	Oil	132.1	81.6	125.7	213.7	276.1
Stybarrow[6]	Oil	120.1	97.5	71.2	217.6	101.2
Vincent[6]	Oil	172.8	37.8	111.9	210.6	166.3
Otway[1]	Condensate	0	0	0	0	3.5
	LPG	0	0	0	0	5.4
Ohanet	Condensate	8.6	8.1	8.4	16.7	16.3
	LPG	5.7	5.4	5.7	11.1	10.9
Gulf of Mexico[7]	Pipeline Natural Gas	2.3	4.0	8.5	6.3	19.3
	Condensate	0.3	0.5	1.0	0.8	2.1
	Oil	21.4	23.2	19.9	44.6	40.8
Crude Oil Hedging[6]	Gain / (Loss)	0.0	0.0	(3.0)	0.0	(6.7)
	Total	**1,254.1**	998.4	1,074.1	**2,252.5**	2,102.3
Exploration and Evaluation Expense						
Exploration Expensed		160.8	34.6	100.3	195.4	135.7
Permit Amortisation		8.3	6.7	5.2	15.0	10.5
Evaluation Expensed		2.5	0.5	1.5	3.0	2.2
	Total	**171.6**	41.8	107.0	**213.4**	148.4
Capital Expenditure						
Exploration Capitalised[8,9]		21.8	60.0	27.6	81.8	95.8
Evaluation Capitalised[9]		204.3	117.2	102.8	321.5	157.1
Oil and Gas Properties[9]		674.2	510.6	602.6	1,184.8	1,432.5
Other Property, Plant and Equipment		0.1	0.6	12.8	0.7	12.9
	Total	**900.4**	688.4	745.8	**1,588.8**	1,698.3

1 Sale of Woodside's interest in the Otway Gas Project was completed on 16 March 2010.
2 Sales revenue excludes sales of natural pipeline gas to the Woodside operated Pluto project.
3 NWS Pipeline Natural Gas Revenue includes the revenue from a negotiated confidential settlement between the North West Shelf Domestic Gas Joint Venture and Alinta Sales Pty Ltd following the conclusion of the restructure of Alinta Energy Limited.
4 NWS LNG revenue includes the revenue from the settlement of some LNG price negotiations which are held commercial in confidence.
5 The negative sales revenue is due to impact of higher oil price on Woodside's entitlement accounting during the quarter.
6 The Greater Exmouth area zero cost collars (established at Vincent project FID) commenced settling from June 2008 and expired December 2010.
7 Gulf of Mexico revenue is reported net of royalties and reflects the sale of the Shelf properties effective 1 May 2011.
8 Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.
9 Project Final Investment Decisions (FID) result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil & Gas Properties. The table above does not reflect the impact of such transfers.

Production Activities

Field	Woodside share		Full field		Remarks
	Q2 2011	Q1 2011	Q2 2011	Q1 2011	
Australia NWS - Average daily production					
Pipeline gas (TJ)	230	235	554	583	Gas demand was at normal seasonal levels.
LNG (t)	7,453	7,270	47,295	44,634	Higher LNG production due to strong LNG system utilisation despite periods of planned maintenance on LNG 3 and the Goodwyn A platform. During Q3, concurrent shut-downs are scheduled for planned maintenance at LNG 5 (around 35 days) and for the NRA offshore platform (around 20 days).
Condensate (bbl)	21,509	23,090	106,374	110,657	Condensate rates were lower for the quarter due to natural reservoir decline and the planned shut-down of the Goodwyn A platform.
Oil (bbl)	0	4,134	0	12,401	Due to ongoing redevelopment activity NWS oil production was shut-in during the quarter. First oil production from the new facility, the Okha, is expected in October 2011.
LPG (t)	351	414	2,207	2,535	LPG production was lower for the quarter due to the planned shut-down of the Goodwyn A platform.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	4,616	5,367	7,134	8,291	Production was impacted by gas compression outage at the start of the quarter. At the end of the quarter, production was approximately 8,400 bbl/day (Woodside share 5,300 bbl/day).
Mutineer-Exeter Oil (bbl)	343	141	4,183	1,720	Production was higher than the previous quarter which had been adversely impacted by an unplanned shutdown for FPSO maintenance.
Enfield Oil (bbl)	12,877	10,217	21,461	17,028	Production was higher than the previous quarter which had been adversely impacted by high levels of cyclone activity. Before the end of the quarter, the field was producing approximately 26,000 bbl/day (Woodside share 15,600 bbl/day). The facility shut down at the end of the quarter for a planned three week maintenance campaign.
Stybarrow Oil (bbl)	11,375	9,577	22,750	19,154	Production was higher than the previous quarter which was adversely impacted by high levels of cyclone activity. Stybarrow North, which came online in late 2010, continues to perform well.
Vincent Oil (bbl)	12,542	3,676	20,903	6,127	Production was higher than for the previous quarter due to a higher facility uptime and higher rates (oil rates reaching over 34,000 bbl/day with the onset of gas injection in May). Two infill wells are currently being drilled and are expected to come online later in Q3 2011.

Africa

	Q2 2011	Q1 2011	
Algeria – Ohanet	$14.3 million	$13.5 million	Woodside's share of the revenue entitlement received by the Ohanet Joint Venture was $14.3 million for the three months from April to June 2011 which equates to 355,849 bbl of condensate and 28,975 tonnes of LPG. These derived volumes were calculated using the 10 year oil price at the time of initial production.

United States - Woodside share average daily production

	Q2 2011	Q1 2011	
Gas (MMBtu)	3,868	8,547	Gas and condensate production was lower than the previous period due to the divestment of the GOM Shelf properties on 1 May. Net production at the end of the quarter was approximately 1,500 MMBtu/day of gas.
Condensate (bbl)	26	65	
Oil (bbl)	2,178	2,738	Oil production was slightly lower than the previous period due to expected natural field decline. At the end of the quarter, the Neptune field was producing approximately 11,000 bbl/day (Woodside share approximately 1,900 bbl/day) and Powerplay was producing approximately 1,500 bbl/day (Woodside share 240 bbl/day).

Development Activities

Australia

Pluto

Pluto LNG Foundation Project: As advised on 17 June, Woodside has revised the expected cost and schedule of the Pluto LNG Project following its regular review of the progress of the project. The first LNG cargo is now estimated for March 2012.

The revised estimate is expected to result in a A$900 million increase in cost to a total of A$14.9 billion (100% project). This estimate includes arrangements with customers affected by the delay.

Pluto Expansion: Exploration drilling at Xeres-1 in WA-34-L discovered gas during the quarter. The full scope of the appraisal work at the Xeres-1 discovery could not be completed in Q2 due to technical difficulties. A decision on appraisal testing has been deferred until later in 2011.

Successful outcomes from drilling and appraisal work is one part of the business case required to provide the confidence to order long-lead items (LLIs) for an expansion train. No decision has been reached on ordering LLIs.

It is planned to drill the Kelt-1 exploration well and the Noblige-2 appraisal well in Q3 2011.

Discussions continue with third parties regarding the potential to process Carnarvon Basin gas through additional trains at Pluto.

Browse LNG

Woodside successfully executed an agreement with the Goolarabooloo Jabirr Jabirr Native Title claimant group and the Western Australian Government that will enable the establishment of the Browse LNG Precinct. As part of the Native Title Agreement, Woodside and the Western Australian Government have committed to a significant benefits package for Kimberley Indigenous people that will deliver training, employment, business opportunities and other initiatives valued in excess of A$1 billion, subject to a final investment decision.

Front-end engineering and design (FEED) studies are continuing.

Environmental studies and approvals progressed in line with expectations. The public comment period for the Western Australian Government's Strategic Assessment for the Browse LNG Precinct was completed and the Strategic Assessment Report is now being prepared for review by regulators.

Sunrise LNG

Woodside is continuing to focus on engagement with the Australian and Timor-Leste governments to obtain in-principle approval of Floating LNG as the preferred development concept for Greater Sunrise gas. Floating LNG was unanimously selected by the Joint Venture as it develops the fields to the best commercial advantage consistent with good oilfield practice - a requirement of the International Unitisation Agreement between the governments of Timor-Leste and Australia.

North West Shelf

North Rankin Redevelopment Project: Commissioning continues on the North Rankin B (NRB) jacket in Indonesia and the NRB topsides in Korea. The transport barge, for the NRB jacket delivery to the North West Shelf, has arrived in Indonesia with load out scheduled for Q3, 2011. Modifications on North Rankin A for process tie-ins and the south bridge-link continued to plan. The project remains on budget and on schedule for completion in 2013.

North West Shelf Oil Redevelopment Project: The FPSO Okha completed in-shore commissioning and sea trials offshore Singapore in late June 2011 and then commenced its voyage to the field. Subsea refurbishment activities have been delayed by adverse weather conditions and mechanical breakdown of the primary installation vessel and are now forecast to be completed during Q3 2011. As advised on 17 June, first oil from the Okha is now forecast for October 2011.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q2 2011

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth[1] (metres)	Total Well Depth[2] (metres)	Remarks
AUSTRALIA							
Laverda North-1	Exmouth sub-basin,WA-36-R	Oil	60.00	18/12/2010	809	2,230	Appraisal
Laverda North-2	Exmouth sub-basin,WA-36-R	Oil	60.00	18/12/2010	809	2,300	Exploration/ Appraisal[3]
Omar-1	Browse basin, WA-397-P	Gas	50.00	18/03/2011	378	5,229	Exploration, dry hole
Xeres-1/1A[4]	Pluto, WA-34-L	Gas	100.00	27/04/2011	190	3,285	Exploration, gas discovery
Argus-2	Browse basin, AC/RL8	Gas	60.00	2/06/2011	538	5,383[3]	Appraisal, currently drilling

Notes:
1 Water depth measured at lowest astronomical tide (LAT).
2 Reported depths referenced to the rig rotary table.
3 Laverda North-2 discovered a gross interval of 18m of new oil bearing sands. The well was a sidetrack from Laverda North-1.
4 Xeres-1 intersected approximately 51 metres of gross gas within the Triassic target, Xeres-1A top hole drilled to 2,440 metres, but due to technical difficulties was suspended.

Exploration or appraisal wells planned to commence in Q3 2011

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres)[1]	Proposed Total Depth (metres)[2]	Remarks
AUSTRALIA						
Noblige-2	Greater Pluto, WA-404-P	Gas	100.00	1,300	4,623	Appraisal
Kelt-1	Greater Pluto, WA-404-P	Gas	100.00	1,445	4,220	Exploration
Opel-1[3]	Exmouth sub-basin, WA-36-R	Oil	60.00	840	2,050	Exploration bottom hole section
Opel-2[4]	Exmouth sub-basin, WA-36-R	Oil	60.00	840	2,050	Appraisal bottom hole section
Ragnar-1	Exmouth sub-basin, WA-430-P	Gas	70.00	1,160	4,200	Exploration
Seraph-1	Carnarvon basin, WA-3-L	Gas	15.78	82	4,652	Exploration
INTERNATIONAL						
Jujak-1	Block 8/6-1N Ulleong basin Korea	Gas/ Oil	50.00	1,800	3,650	Exploration

Notes:
1 Water depth measured at lowest astronomical tide (LAT).
2 Reported depths referenced to the rig rotary table.
3 Drilling of bottom-hole section of Opel-1 resumed in Q2. The well was suspended due to technical difficulties with re-entry expected in Q3.
4 Opel-2 will be sidetracked from Opel-1.

Geophysical surveys conducted during Q2 2011

Location	Survey name	Type	2D (line km full fold) 3D (km^2 full fold) 4D (km^2 full fold)
AUSTRALIA			
WA-389-P	Movida 3D MSS	3D	29 km^2 out of 1,626 km^2 in Q2 (complete)
WA-396/397-P	Byron 3D MSS	3D	563 km^2 (complete)
AC/P48	Phrixus 3D MSS	3D	510 km^2 (complete)

Permits and Licences

Key changes to permit and licence holdings during the quarter are noted below (some transactions may be subject to government and regulatory approval).

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
AUSTRALIA				
Exmouth Plateau	WA-353-P	(100.00)	0.00	Permit was not renewed at the end of the primary term on 20 June 2011
UNITED STATES				
GOM	MC 347/28002	(100.00)	0.00	Sold
GOM	ST 306/27947; EI 33/27906; EI 40/27907	(100.00)	0.00	Lease Expired
GOM	MC 413/26257	(30.00)	0.00	Relinquished
GOM	GA A39/24376	(1.46)	0.00	Sold
GOM	GA 298/25536	(100.00)	0.00	Sold
GOM	SS 301/10794	(66.67)	0.00	Sold
GOM	HI 52/00508	(50.00)	0.00	Sold
GOM	HI A341/25605	(40.00)	0.00	Sold
GOM	BS 41/21142; HI 119/22246; WC 96/23740	(25.00)	0.00	Sold
GOM	GA 210/25524	(16.67)	0.00	Sold
GOM	WC 116/22513	(1.52)	0.00	Sold
ST TX	MI 839-S/M108379	(3.75)	0.00	Sold
GOM	AT 95/23012	(40.00)	0.00	Lease Expired
GOM	GC 949/23005	(15.00)	0.00	Lease Expired
GOM	MC 803/26273; MC 804/26274	(20.00)	0.00	Equity Transfer
GOM	AT 141/24221; AT 142/25220; AT 96/26363	13.00	23.00	Equity Acquisition

Corporate Activities

Appointment of Chief Executive Officer and Managing Director
Woodside announced on 12 May 2011 that Mr Peter Coleman had been appointed to the position of Chief Executive Officer and Managing Director, effective 30 May 2011. Mr Don Voelte retired as Chief Executive Officer and Managing Director on 29 May 2011.

Appointment of Director
Woodside announced on 18 May 2011 that Dr Christopher Haynes had been appointed as a non-executive director effective 1 June 2011. This appointment followed the resignation of Messrs Din Megat and Ian Robertson, who retired from Woodside at the Annual General Meeting on 20 April 2011.

Treasury
In May, Woodside issued US$700 million in corporate bonds in the United States 144A bond market. The bonds have a 10-year tenor with a coupon of 4.6%. The funds will be used for general corporate purposes including, but not limited to, repayment of some of Woodside's existing debt, which matures in 2011, as well as the funding of our ongoing capital and exploration program.

GOM Shelf Properties Divested
During 1H 2011, Woodside executed a purchase and sale agreement effective 1 May 2011, and subsequently divested all of its Gulf of Mexico shelf properties for cash consideration of US$27.5 million, including the assumption of future plug and abandonment liabilities associated with these properties.

Outlook
As advised on 17 June 2011, Woodside's production target for 2011 is anticipated to range from 62 to 64 million barrels of oil equivalent. The reduction to the previously advised range was driven by schedule changes to the Pluto and NWS Oil Redevelopment projects.

Half-Year Results
Woodside advises that on 17 August 2011 the half-year report (incorporating the Appendix 4D) for the period ending 30 June 2011 and the associated investor briefing slide presentation will be available on Woodside's website at www.woodside.com.au. A webcast briefing including investor/analyst questions will also be available on Woodside's website from 10.00am WST on 17 August 2011.

CONVERSION FACTORS

(boe) = barrel of oil equivalent (TJ) = Terajoules (t) = tonne (bbl) = barrel (MMBtu) = Million British Thermal Units

(MMcfg) = million cubic feet of gas (Bcf) = billion cubic feet of gas (kt) = thousand tonnes

Product	Factor		Conversion Factors*
Australian Pipeline Natural Gas	1TJ	=	163.6 boe
Liquefied Natural Gas (LNG)	1 tonne	=	8.9055 boe
Condensate	1 bbl	=	1.000 boe
Oil	1 bbl	=	1.000 boe
Liquefied Petroleum Gas (LPG)	1 tonne	=	8.1876 boe
Gulf of Mexico Pipeline Natural Gas	1 MMBtu	=	0.1724 boe

** minor changes to some conversion factors can occur over time due to gradual changes in the process stream*

Contacts:

MEDIA

Daniel Clery
W: +61 8 9348 3944
M: +61 467 716 190
E: daniel.clery@woodside.com.au

INVESTORS

Mike Lynn
W: +61 8 9348 4283
M: +61 439 691 592
E: investor@woodside.com.au