

ASX Announcement

Thursday, 19 April 2012

FIRST QUARTER REPORT FOR PERIOD ENDED 31 MARCH 2012

Pluto achieves ready for start up

Woodside achieved key milestones during the quarter, including the commissioning of the Pluto LNG plant with first gas entering the processing train on 22 March. The operations team has assumed control of the plant. Pluto LNG is set to significantly boost Woodside's annual production.

The North West Shelf North Rankin Redevelopment Project also made significant progress during the quarter. The North Rankin B (NRB) topsides were successfully installed, as were the two 100 metre bridges connecting the North Rankin A and B platforms.

Woodside CEO Peter Coleman said these achievements are a clear demonstration of Woodside's ability to deliver complex, large-scale projects.

"The float over of the NRB topsides is one of the world's largest heavy-lifts in open water and a great technical success for Woodside," Mr Coleman said.

"Pluto has safely reached start-up and we look forward to our first LNG cargo. Pluto will add to the solid production base of our foundation projects, which achieved sales revenue of nearly US\$1.2 billion during the quarter. This revenue was achieved despite lower than anticipated production, which was adversely impacted by cyclones. We remain on track to deliver our full-year production target of 73 to 81 MMboe."

Comparative performance at a glance

Corresponding quarter, prior year		Q1 2012	Q1 2011	Change %
Production	MMboe	14.1	15.6	(10%)
Sales	MMboe	14.5	15.3	(5%)
Revenue	US\$ million	1,197	998	20%
Previous quarter		Q1 2012	Q4 2011	Change %
Production	MMboe	14.1	16.6	(15%)
Sales	MMboe	14.5	15.5	(6%)
Revenue	US\$ million	1,197	1,237	(3%)

Key points:

- Sales revenues were up 20% compared to the corresponding quarter in 2011 despite production volumes being 10% lower. The stronger revenues were a result of higher realised prices and timing of cargoes.
- Production was 15% lower than the previous quarter but with higher realised prices and timing of cargoes, revenues were only 3% lower.
- Q1 2012 production of 14.1 MMboe was impacted by planned NRB redevelopment activities and higher than expected cyclone activity in Q1 2012. Tropical cyclones Heidi, Iggy and Lua impacted the Vincent, Enfield, Stybarrow and North West Shelf operations throughout the quarter. In addition, the Q1 2012 production did not have the benefit of the Gulf of Mexico Shelf assets (divested 1 May 2011) or Ohanet production (contract expired 27 October 2011).

Achievements:

- **Pluto LNG:** reached ready for start up status during the quarter with first gas entering the processing train on 22 March.



The Pluto LNG plant and associated infrastructure.

- **North Rankin Redevelopment Project:** the North Rankin B topsides sailed from the Republic of Korea and arrived on location in late March. The topsides were successfully set down on the jacket on 1 April as pictured below.



The North Rankin B topsides on Heerema's H851 barge are carried and set-down into position.

- **North West Shelf Oil:** subsequent to the end of the quarter, start-up of the Okha gas system commenced and the facility is expected to reach steady state production in the order of 30,000 barrels of oil per day.
- **Greater Western Flank Phase 1 Project:** engineering and fabrication of subsea hardware has commenced. The project remains on budget and on schedule for completion in early 2016.
- **North West Shelf marketing:** the North West Shelf LNG sellers and Kyushu Electric Power Company Inc agreed to extend their existing contract by six years out to 2023, providing for the supply of five million tonnes of LNG over the six year period.
- **Vincent Oil Field:** during the quarter the VNB-H7 infill well was drilled and completed. Tieback of the well to the subsea system is expected in Q2 2012.
- **Browse LNG:** on 10 April 2012 the State and Commonwealth Governments approved amendments to the Browse Basin retention leases, which included extending the timetable for readiness for a final investment decision to the first half of 2013.

Production Summary

Woodside's share of production and sales for the quarter ended 31 March 2012 with appropriate comparatives:

		Q1 2012	Q4 2011	Q1 2011	Year to date 2012	Year to date 2011
NORTH WEST SHELF PIPELINE NATURAL GAS ¹	Production (TJ)	20,227	21,367	21,158	20,227	21,158
	Sales (TJ)	20,162 ²	21,077 ²	21,158	20,162 ²	21,158
NORTH WEST SHELF LIQUEFIED NATURAL GAS (LNG)	Production (t)	571,409	601,789	654,336	571,409	654,336
	Sales Delivered (t)	547,100	575,958	663,617	547,100	663,617
	Cargoes Delivered	54	59	66	54	66
NORTH WEST SHELF CONDENSATE	Production (bbl)	1,944,837	2,009,248	2,078,061	1,944,837	2,078,061
	Sales (bbl)	2,147,716	1,962,649	2,032,639	2,147,716	2,032,639
NORTH WEST SHELF OIL	Production (bbl)	582,287	506,100	372,039	582,287	372,039
	Sales (bbl)	627,710	474,834	545,203	627,710	545,203
NORTH WEST SHELF LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	36,303	37,422	37,275	36,303	37,275
	Sales (t)	36,254	34,857	36,398	36,254	36,398
PLUTO CONDENSATE	Production (bbl)	1,113	0	0	1,113	0
	Sales (bbl)	0	0	0	0	0
LAMINARIA-CORALLINA OIL	Production (bbl)	371,864	421,815	483,044	371,864	483,044
	Sales (bbl)	697,232	0	0	697,232	0
MUTINEER-EXETER OIL	Production (bbl)	40,213	61,039	12,649	40,213	12,649
	Sales (bbl)	49,040	53,473	0	49,040	0
ENFIELD OIL	Production (bbl)	807,689	1,083,184	919,541	807,689	919,541
	Sales (bbl)	762,624	1,106,916	747,594	762,624	747,594
STYBARROW OIL	Production (bbl)	616,892	842,445	861,942	616,892	861,942
	Sales (bbl)	551,700	816,348	949,398	551,700	949,398
VINCENT OIL	Production (bbl)	808,455	2,231,370	330,806	808,455	330,806
	Sales (bbl)	998,439	1,997,930	389,947	998,439	389,947
OHANET CONDENSATE ENTITLEMENT (RSC) ³	Production (bbl)	0	36,564	336,104	0	336,104
	Sales (bbl)	0	36,564	336,104	0	336,104
OHANET LPG ENTITLEMENT (RSC) ³	Production (t)	0	2,977	27,367	0	27,367
	Sales (t)	0	2,977	27,367	0	27,367
GULF OF MEXICO PIPELINE NATURAL GAS ⁴	Production (MMBtu)	118,295	110,187	769,318	118,295	769,318
	Sales (MMBtu)	118,295	110,187	769,318	118,295	769,318
GULF OF MEXICO CONDENSATE ⁴	Production (bbl)	167	85	5,824	167	5,824
	Sales (bbl)	167	85	5,824	167	5,824
GULF OF MEXICO OIL ⁴	Production (bbl)	165,403	187,795	246,210	165,403	246,210
	Sales (bbl)	165,403	187,795	246,210	165,403	246,210
Total	Production (boe) #	14,054,370	16,584,286	15,596,762	14,054,370	15,596,762
	Sales (boe) #	14,487,962	15,542,757	15,278,932	14,487,962	15,278,932

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 LNG.

3 The Ohanet Risk Sharing Contract (RSC) expired on 27 October 2011. RSC derived volumes have been calculated using the 10 year oil price prevailing at the time of initial production.

4 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 31 March 2012, with appropriate comparatives:

Amounts in US\$ million		Q1 2012	Q4 2011	Q1 2011	Year to date 2012	Year to date 2011
Sales Revenue						
North West Shelf	Pipeline Natural Gas	86.5 ¹	85.4 ¹	111.6 ²	86.5 ¹	111.6 ²
	LNG	365.6	383.3	335.3	365.6	335.3
	Condensate	243.3	204.7	213.5	243.3	213.5
	Oil	80.6	51.8	53.4	80.6	53.4
	LPG	39.7	28.2	33.5	39.7	33.5
Laminaria-Corallina	Oil	75.8	0.0	0.0	75.8	0.0
Mutineer-Exeter	Oil	3.7	6.6	(7.0) ³	3.7	(7.0) ³
Enfield	Oil	98.2	130.6	81.6	98.2	81.6
Stybarrow	Oil	65.7	96.4	97.5	65.7	97.5
Vincent	Oil	119.5	225.9	37.8	119.5	37.8
Ohanet⁴	Condensate	0	0.9	8.1	0	8.1
	LPG	0	0.6	5.4	0	5.4
Gulf of Mexico⁵	Pipeline Natural Gas	0.5	0.8	4.0	0.5	4.0
	Condensate	0.0	0.0	0.5	0.0	0.5
	Oil	17.8	21.6	23.2	17.8	23.2
Total		1,196.9	1,236.8	998.4	1,196.9	998.4
Exploration and Evaluation Expense						
Exploration Expensed		20.0	263.9 ⁶	34.6	20.0	34.6
Permit Amortisation		6.7	6.7	6.7	6.7	6.7
Evaluation Expensed		1.6	27.6	0.5	1.6	0.5
Total		28.3	298.2	41.8	28.3	41.8
Capital Expenditure						
Exploration Capitalised ^{7,8}		30.1	40.5	60.0	30.1	60.0
Evaluation Capitalised ⁸		106.0	77.6	117.2	106.0	117.2
Oil and Gas Properties ⁸		511.2	772.1	510.6	511.2	510.6
Other Property, Plant and Equipment		0.4	0.0	0.6	0.4	0.6
Total		647.7	890.2	688.4	647.7	688.4

1 Sales revenue excludes sales of natural pipeline gas to the Woodside-operated Pluto LNG.

2 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.

3 The negative sales revenue is due to impact of higher oil price on Woodside's entitlement accounting during the quarter.

4 The Ohanet Risk Sharing Contract (RSC) expired on 27 October 2011.

5 Gulf of Mexico revenue is reported net of royalties and reflects the sale of the Shelf properties effective 1 May 2011.

6 Exploration Expensed includes dry holes and uncommercial wells, seismic and general permit activity. The following wells were expensed in Q4 2011: Alaric-1, Xeres-1/1A, Cadwallon-1 and Genseric-1.

7 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.

8 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		
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Remarks
Australia NWS - Average daily production					
Pipeline gas (TJ)	222	232	506	565	Production was driven by customer demand for the quarter.
LNG (t)	6,279	6,541	38,691	41,985	LNG production was lower than the previous quarter due to planned NR2 project activities and cyclone activity.
Condensate (bbl)	21,372	21,840	100,056	106,903	Condensate production was in line with the previous quarter. The impact of reduced pipeline gas production and cyclone activity was offset by increased production from liquids-rich reservoirs.
Oil (bbl)	6,399	5,501	19,196	16,503	Quarterly production was impacted by ongoing commissioning of compression systems as well as interruptions from cyclone activity. Subsequent to the end of the quarter, start-up of the Okha gas system commenced and the facility is expected to reach steady state production in the order of 30,000 bbl/day (Woodside share 10,000 bbl/day).
LPG (t)	399	407	2,445	2,575	LPG production was in line with the previous quarter. The impact of reduced pipeline gas production and cyclone activity was largely offset by increased production from liquids rich reservoirs.
Australia Pluto - Production					
Condensate (bbl)	1,113	0	1,236	0	First condensate production occurred late March and 1,236 barrels were produced in total for the quarter.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	4,086	4,585	6,331	7,094	Production was lower than the previous quarter due to natural field decline. Volumes were slightly impacted by two unplanned facility shutdowns. At the end of the quarter, production was approximately 7,000 bbl/day (Woodside share 4,500 bbl/day).
Mutineer-Exeter Oil (bbl)	442	663	5,389	8,091	Production was lower than the previous quarter due to shutdowns for cyclone activity and electrical submersible pump repairs. At the end of the quarter, production was approximately 6,800 bbl/day (Woodside share 560 bbl/day).
Enfield Oil (bbl)	8,876	11,774	14,793	19,623	Production was lower than the previous quarter attributed to shutdowns for cyclone activity. At the end of the quarter, the field was producing approximately 21,000 bbl/day (Woodside share 12,600 bbl/day).
Stybarrow Oil (bbl)	6,779	9,157	13,558	18,314	Production was lower than the previous quarter due to natural field decline (in particular Stybarrow North) and shutdowns for cyclone activity. At the end of the quarter, the field was producing approximately 16,000 bbl/day (Woodside share 8,000 bbl/day).
Vincent Oil (bbl)	8,884	24,254	14,807	40,423	Production was lower than the previous quarter due to low facility availability following shutdowns for cyclone activity and associated reconnection delays. Production resumed in early April achieving rates of close to 50,000 bbl/day (Woodside share 30,000 bbl/day) declining to around 40,000 bbl/day (Woodside share 24,000 bbl/day) after a period of flush production.
Africa					
	Q1 2012	Q4 2011			
Algeria – Ohanet	0	\$1.5 million	The Ohanet Risk Sharing Contract expired on 27 October 2011.		
United States - Woodside share average daily production					
	Q1 2012	Q4 2011			
Gas (MMBtu)	1,300	1,198	Gas production was slightly higher compared to the previous quarter.		
Oil and Condensate (bbl)	1,820	2,042	Oil and condensate production was slightly lower than the previous quarter due to expected natural field decline.		

Development Activities

Australia

Pluto LNG:

The Pluto LNG Project reached ready for start up status during the quarter with first gas entering the processing train on 22 March. During the commissioning and start up process production of condensate commenced.

The operations team is well into the start up sequence with first LNG anticipated in the coming days.

LNG vessels from the Pluto fleet are being readied to arrive at Dampier in time to load Pluto cargoes.

The Pluto LNG Project is expected to contribute 17 to 21 million barrels of oil equivalent to Woodside's 2012 production, in line with previous guidance.

Pluto Expansion:

Exploration continues in the Ragnar Hub, which is located south-west of the Pluto field. The Ragnar-1 well (WA-430-P) successfully intersected gas over a gross interval of 190 metres. Vucko-1 (WA-433-P) is planned to be drilled during the second quarter.

Following Vucko-1, Banambu Deep-1 and Ananke-1 are scheduled to be drilled in the WA-389-P and WA-269-P permits, which lie north-east of the Pluto field.

Woodside completed a 25% farm-down in WA-433-P to Sasol during the quarter. Woodside continues to maintain a high equity position (45%) in addition to holding operatorship of the permit. The equity holding in WA-433-P is now Woodside 45%, Sasol 35% and Mitsui 20%.

Discussions continue with other resource owners regarding development of additional trains at Pluto.

Browse LNG

Browse contingent resources were increased to 15.5 Tcf of dry gas and 417 million barrels of condensate after an integrated analysis of seismic and reservoir data in the Calliance and Torosa fields, as previously disclosed in the 2011 Annual Reserves Statement.

The assurance and commercial evaluation phase commenced with offshore bids being received in Q1 2012. Remaining bids are expected by the end of Q2 2012.

Environmental approvals are progressing. The public review of the Browse LNG Development's Draft Upstream Environmental Impact Statement (EIS) was completed, and a response to comments on the EIS is being prepared ahead of submission of the final document to regulators for approval.

On 10 April, the State and Commonwealth Governments approved amendments to the Browse Basin retention leases, which includes extending the timetable for readiness for a final investment decision to the first half of 2013.

Sunrise LNG

Woodside CEO Peter Coleman met with Timor-Leste Prime Minister Xanana Gusmao in February 2012. The meeting recognised the common desire for resource development amongst both the Timor-Leste and Australian Governments as well as the Joint Venture.

Further engagement with the Timor-Leste Government is scheduled in the coming months to work towards a mutually beneficial development outcome.

North West Shelf

North Rankin Redevelopment Project:

Piling of the North Rankin B (NRB) jacket was completed in February along with installation of the two NRA-NRB bridges. The NRB topsides sailed from the Republic of Korea and arrived on location in late March. The topsides were set down on the jacket on 1 April. The project remains on budget and on schedule for completion in 2013.

North West Shelf Oil:

Subsequent to the end of the quarter, start-up of the Okha gas system commenced. The gas compression system enables gas export and gas-lift, which should assist oil production rates.

Greater Western Flank Phase 1 Project:

The Ocean America has been secured to undertake the drilling of the Goodwyn GH and Tidepole wells later this year. Engineering and fabrication of subsea hardware has commenced. The project remains on budget and on schedule for completion in early 2016.

Greater Enfield Area

Vincent: during the quarter the VNB-H7 infill well was drilled and completed. Tieback of the well is expected in Q2 2012 and may contribute an additional 8,000 bbl/day (Woodside share 4,800 bbl/day).

Cimatti: during the quarter pre-development studies continued for the Cimatti oil accumulation.

Laverda: further appraisal of the Laverda field occurred during the quarter with the drilling of the Norton-1 well. The well encountered oil and gas and confirmed the easterly extension of the oil bearing sands discovered by Laverda North-2. Preliminary interpretation further underpins a recoverable resource of greater than 100 MMboe (100% project) for the Laverda oil pools.

International

Brazil: Government approval of the Evaluation Plan for the Panoramix discovery was received, paving the way for further appraisal drilling later this year.

Republic of Korea: Woodside as operator plans to commence drilling of the offshore Jujak-1 exploration well in Q2 2012.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q1 2012

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Ragnar-1/1A ³	Exmouth sub-basin, WA-430-P	Gas	70.00	15/11/2011	1,160	4,468	Gas discovery
Norton-1 ⁴	Exmouth sub-basin, WA-36-R	Oil	60.00	29/02/2012	782	1,718	Appraisal

Notes:

1 Water depth measured at lowest astronomical tide (LAT).

2 Reported depths referenced to the rig rotary table.

3 Ragnar-1A intersected a 190 metre gross gas interval.

4 The Norton-1 appraisal well encountered oil and gas and confirmed the easterly extension of the oil bearing sands discovered by Laverda North-2.

Exploration or appraisal wells planned to commence in Q2 2012

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres) ¹	Proposed Total Depth (metres) ²	Remarks
AUSTRALIA						
Vucko-1	Exmouth Plateau, WA-433-P	Gas	45.00	1,210	3,300	Exploration
Banambu Deep-1	Carnarvon Basin, WA-389-P	Gas	65.00	320	4,780	Exploration
INTERNATIONAL						
Jujak-1	Block 8/6-1 N Ulleong Basin Korea	Gas/ Oil	50.00	1,800	3,664	Exploration

Notes:

1 Water depth measured at lowest astronomical tide (LAT).

2 Reported depths referenced to the rig rotary table.

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				
Carnarvon Basin	WA-433-P	(25.00)	45.00	Sasol Petroleum Australia Limited farmed into WA-433-P
INTERNATIONAL				
Brazil	BM-S-55	(12.50)	0.00	Permit surrendered on 11 January 2012 ¹

Notes:

1 Woodside retains equity in the Santos Basin Block BM-S-48.

Corporate Activities

2012 Production Outlook

As previously advised in the 2011 Full-Year Results, Woodside's production target for 2012 is 73 to 81 MMboe. This comprises 56 to 60 MMboe from the underlying business (ex-Pluto) and an additional 17 to 21 MMboe from Pluto LNG.

Chief Operating Officer

Subsequent to the end of the quarter, Vince Santostefano was appointed to a newly created position of Chief Operations Officer (COO), effective 1 May. Reporting to the CEO, Mr Santostefano will have responsibility for the Australian operational business units; the North West Shelf, Pluto and Australia Oil, in addition to the Production Division.

Mr Santostefano joined Woodside in 1999, has over 30 years experience in the oil and gas industry and has led the Production Division since 2005.

2012 Investor Briefing Day

Woodside advises that the 2012 Investor Briefing will take place on 28-29 May 2012. The presentation materials will be available on Woodside's website at www.woodside.com.au. A briefing including investor and analyst questions will also be available on Woodside's website commencing at 8:30 am (WST) on Monday 28 May 2012.

CONVERSION FACTORS

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

(MMcft) = 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

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