

ASX Announcement

Tuesday, 1 May 2012

OFFER FOR SALE OF BROWSE EQUITY AND LNG VOLUMES

Woodside advises that it has accepted an offer from Japan Australia LNG (MIMI Browse) Pty Ltd (MIMI) to purchase a minority portion of Woodside's equity in the proposed Browse LNG Development for US\$2 billion, subject to joint venture pre-emption rights. The effective date is 1 January 2012.

The sale involves MIMI taking 16% interest in the East Browse joint venture and 8% interest in the West Browse joint venture. This would give MIMI an estimated 14.7% interest in the Browse development on an assumed unitised basis. Woodside's assumed unitised interest in Browse would fall from 46% to 31.3%. Woodside remains operator of the development.

Woodside has also accepted an offer from MIMI for a long-term sales and purchase agreement for around 1.5 million tonnes of LNG a year from the Browse development subject to completion of the equity offer. The price agreed by the parties is confidential, but is in line with traditional Asian pricing for conventional LNG projects.

The transaction includes a joint marketing agreement between Woodside and MIMI under which the parties will jointly market co-mingled LNG volumes to the Asian market, primarily Japanese customers.

Should the offer be completed, MIMI has also offered assistance in obtaining competitive financing for the development with Japanese banks indicating their support.

Woodside has additionally entered into a non-binding Memorandum of Understanding with MIMI's ultimate parent companies Mitsui & Co and Mitsubishi Corporation which provides for them to jointly or independently progress discussions with Woodside with respect to potential collaboration and alliance on other opportunities globally.

Woodside CEO Peter Coleman said the equity sale and LNG agreements were a strong demonstration of the value of the Browse LNG Development.

"Browse is a world-class resource and the level of interest shown during this process reflects the strong ongoing demand for LNG from premium developments such as this," Mr Coleman said.

"We look forward to engaging in additional opportunities with Mitsui and Mitsubishi under the terms of the Memorandum of Understanding.

"This agreement reflects Woodside's focus on building strategic relationships to capture value from opportunities which build on the company's capabilities."

Before the equity sale can be completed, the Browse Joint Venture partners BHP Billiton Petroleum (North West Shelf), BP Developments Australia, Chevron Australia and Shell Development Australia have a period to consider pre-emption over the sale.

Contacts:

MEDIA

Laura Lunt
W: +61 8 9348 6874
M: +61 418 917 609
E: laura.lunt@woodside.com.au

INVESTORS

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