

HALF-YEAR REPORT 2012

Incorporating Appendix 4D | 30 June 2012



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About the cover



The Woodside Donaldson departs for Japan, carrying the inaugural Pluto LNG cargo (12 May 2012).

Appendix 4D (further details on page 26)

For the half-year period ended 30 June 2012

Results for announcement to the market*			US\$ million	
Revenues from ordinary activities	Increased	17.8%	to	2,655
Net profit for the period attributable to members (reported profit)	Decreased	1.9%	to	812
Net profit before non-recurring items attributable to members (underlying profit)#	Increased	4.5%	to	865
Dividends (distributions)				
Interim dividend - fully franked (US cents per share)	65cps		(55cps 1H 2011)	
Record date for determining entitlements to the dividend			31 August 2012	

* Comparisons are to the half-year period ended 30 June 2011

Woodside's Financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS). The underlying (non-IFRS) profit is unaudited but is derived from audited accounts by removing the impact of non-recurring items from the reported (IFRS) audited profit. Woodside believes the non-IFRS profit reflects a more meaningful measure of the company's underlying performance.



About this report

This 2012 Half-Year Report is a summary of Woodside's operations, activities and financial position as at 30 June 2012.

Woodside Petroleum Ltd (ABN 55 004 898 962) is the parent company of the Woodside group of companies. In this report, unless otherwise stated, references to 'Woodside' and 'the Group', 'we', 'us' and 'our' refer to Woodside Petroleum Ltd and its controlled entities, as a whole. References to 'the company' refer to Woodside Petroleum Ltd unless otherwise stated. The text does not distinguish between the activities of the parent company and those of its controlled entities.

References to '1H' refer to first half of the year, e.g. the period between 1 January and 30 June 2012. All dollar figures are expressed in US currency unless otherwise stated.

This report should be read in conjunction with the 2011 Annual Report and 2011 Sustainable Development Report, available on Woodside's website, www.woodside.com.au.

About Woodside

Woodside is Australia's largest independent oil and gas company, with a proud history of safe and reliable operations spanning decades.

As the largest operator of oil and gas in Australia, Woodside produces around 900,000 barrels of oil equivalent each day from a portfolio of facilities which we operate on behalf of some of the world's major oil and gas companies.

We have been operating our landmark Australian project, the North West Shelf, for 28 years and it remains one of the world's premier liquefied natural gas (LNG) facilities.

With the successful start-up of the Pluto LNG Plant in 2012, Woodside now operates six of the seven LNG processing trains in Australia. Together with the four Woodside operated offshore gas

production platforms, these facilities help to meet the demand for cleaner energy from our pipeline gas customers in Australia and LNG customers in the Asia Pacific region.

Woodside also operates four oil floating production storage and offloading (FPSO) vessels in the Exmouth Basin, North West Shelf and Timor Sea.

We are the most active exploration company in the deepwater provinces of Australia, having participated in around 36% of the region's deepwater exploration wells.

Woodside's international assets include deepwater production facilities in the Gulf of Mexico plus acreage in the USA, Brazil, Peru, Republic of Korea and the Canary Islands.

We strive for excellence in our safety and environmental performance and continue to strengthen our relationships with customers, co-venturers, governments and communities to ensure we are a partner of choice.

Woodside aims to be a global leader in upstream oil and gas by optimising our producing assets and commercialising our growth projects, including Pluto expansion and the Browse and Sunrise LNG developments. We will also leverage our world-class capabilities to capture new growth opportunities in Australia and beyond.



Directors' report

Financial overview

The Directors of Woodside Petroleum Ltd present their report and the consolidated financial report for the half-year ended 30 June 2012 as follows:

PRODUCTION

↗ 7.2%

1H 2012 production volumes were 7.2% higher compared to 1H 2011 primarily due to the start-up and successful ramp-up of Pluto LNG, together with better reliability and utilisation from the Vincent oil field. The NWS Oil Redevelopment Project, which commenced production in September 2011, also made a positive contribution.

These increases more than offset the reduction in production due to the sale of the Gulf of Mexico shelf assets (1 May 2011) and the expiry of the Ohanet Risk Sharing contract (27 October 2011).

OPERATING REVENUE

↗ 17.8%

Operating revenue increased by 17.8% compared to 1H 2011 largely due to the start-up of Pluto LNG, higher commodity prices and higher contributions from Vincent and NWS Oil.

Brent prices continued to improve over Q1 2012, peaking at \$126.22/bbl in March, before retreating in Q2 2012 as concerns over European banking stability and energy demand escalated. Despite the weaker second quarter, the average Brent price for 1H 2012 was \$113.68/bbl compared to \$111.25/bbl in 1H 2011.

The average realised price for all Woodside's products, excluding Ohanet, increased from \$72.94/boe (1H 2011) to \$79.36/boe (1H 2012).

REPORTED PROFIT

↘ 1.9%

Reported net profit after tax of \$812 million was supported by higher realised prices, higher sales volumes and a lower exploration expense.

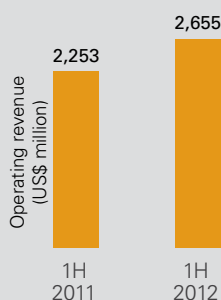
Overshadowing these positive contributions were higher depreciation, depletion and amortisation charges (Pluto LNG, NWS oil, Vincent), higher production costs (Pluto LNG, NWS oil), an increase in Petroleum Resource Rent Tax (PRRT) and higher one-off costs including a write-down at Laminaria-Corallina and Pluto start-up charges.

It is normal to incur some large one-off costs with the commissioning of any major project like Pluto, however such costs are expected to normalise over time.

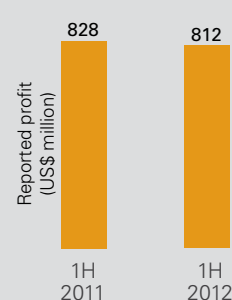
Production



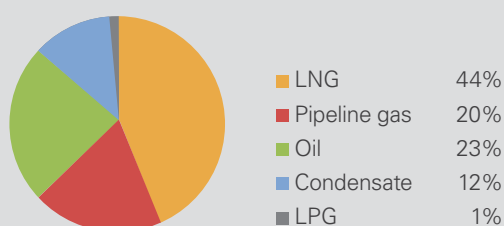
Operating revenue



Reported profit after tax

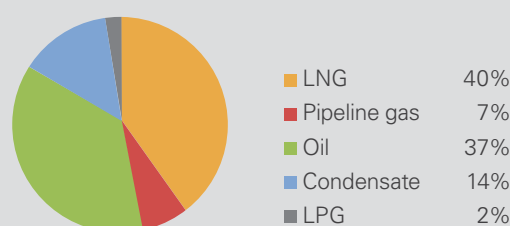


1H 2012 Production



LNG production as a proportion of total production increased in 1H 2012 following start-up of Pluto LNG.

1H 2012 Sales revenue



Oil continues to make up a significant portion of Woodside revenues.

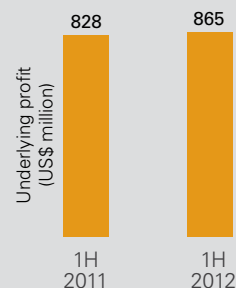
UNDERLYING PROFIT[#]

74.5%

The underlying business is performing well and has benefited from the successful start-up of Pluto LNG. The underlying net profit after tax of \$865 million, after accounting for non-recurring items, was 4.5% higher compared to 1H 2011. The non-recurring items relate to arrangements with customers affected by delay in Pluto LNG delivery and tax paid in respect of the sale of a Woodside subsidiary.

[#] The underlying (non-IFRS) profit is unaudited but is derived from audited accounts by removing the impact of non-recurring items from the reported (IFRS) audited profit. Woodside believes the non-IFRS profit reflects a more meaningful measure of the company's underlying performance.

Underlying profit after tax



INTERIM DIVIDEND

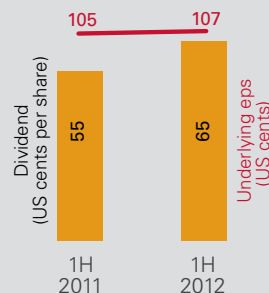
65 cents

 PER SHARE

The Board has approved a fully franked interim dividend of 65 cents per share (cps). This compares to 55 cps (fully franked) in 1H 2011. Further details are provided on page 26. Earnings per share (eps) on a reported basis was 100 cps, down 4.8%, however underlying eps increased 1.9% to 107 cps.

The Board has approved a Dividend Policy, a copy of which is available at www.woodside.com.au under "Investors and Media (Shareholder Services)". Woodside will aim to maintain a minimum dividend payment payout ratio of 50% of net profit excluding non-recurring items expressed in US dollars. In determining the appropriate dividend payment, Woodside will consider, among other things, its development profile, available cash flow and funding requirements. The Board maintains the discretion to determine whether or not a dividend is payable and the amount of any dividend payment.

Dividends and eps



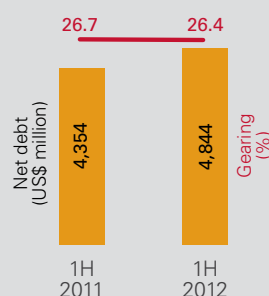
WELL POSITIONED TO FUND GROWTH

\$2.2 billion

 IN CASH AND UNDRAWN FACILITIES

Woodside finishes 1H 2012 in a strong position with \$2.2 billion in cash and undrawn facilities. At the end of the reporting period our gearing level was 26.4% and our net debt position was \$4.8 billion. Our net debt and gearing position is expected to improve in the second half of the year assisted by the anticipated receipt of \$2 billion for the partial sale of equity in the proposed Browse LNG Development, increased cash flows as Pluto LNG ramps up, together with continuing strong cash flows from the underlying business. Woodside has sufficient liquidity to fully fund its committed activities.

Net debt and gearing



	1H 2012 MMboe	1H 2011 MMboe	Variance %
Production volume	34.2	31.9	7.2
Sales volume	33.1	31.7	4.4
	US\$M	US\$M	Variance
Operating revenue	2,655	2,253	17.8
EBITDAX ¹	1,871	1,726	8.4
Expensed exploration/evaluation (includes permit amortisation)	(130)	(213)	39.0
Depreciation/amortisation	(444)	(279)	(59.1)
EBIT ²	1,297	1,234	5.1
Net finance costs	(42)	(15)	n.m. ³
Income tax expense	(412)	(374)	(10.2)
PRRT expense	(27)	(16)	(68.8)
Non-controlling interest	(4)	(1)	n.m. ³
Reported profit (including non-recurring items)⁴	812	828	(1.9)
Deduct/(add back) non-recurring items after tax	(53) ⁵	-	n.m. ³
Underlying profit (excluding non-recurring items)⁶	865	828	4.5
Reported earnings per share (eps in cents)	100	105	(4.8)
Underlying earnings per share (eps in cents) ⁶	107	105 ⁴	1.9
Interim dividend (cps)	65	55	18.2
Net operating cashflow	1,495	1,391	7.5
Gearing (%) ⁷	26.4	26.7	1.1
Total debt ⁸	5,455	4,961	(10.0)
Cash and cash equivalents	611	607	0.7

¹ EBITDAX = earnings before interest, tax, depreciation, amortisation and exploration (includes non-recurring items)

² EBIT = earnings before interest and tax (includes non-recurring items)

³ n.m. = not meaningful

⁴ In 1H 2011 impairment of Coniston was listed as a non-recurring item. It was reclassified in the 2011 full-year results as a recurring item.

⁵ The non-recurring after-tax item of \$53 million relates to arrangements with customers affected by delay in Pluto LNG delivery (\$28 million) as well as tax paid in respect of the sale of a Woodside subsidiary, Woodside Petroleum (TS1) Pty Ltd (\$25 million).

⁶ The underlying (non-IFRS) profit is unaudited but is derived from audited accounts by removing the impact of non-recurring items from the reported (IFRS) audited profit.

⁷ Gearing = (net debt) divided by (net debt + equity)

⁸ Total debt = total interest bearing liabilities

Directors' report

Review of operations

Our Strategy

Woodside's mission is to deliver superior shareholder returns. We believe we can achieve our mission by being a global leader in upstream oil and gas.

In support of our mission, our strategy comprises three main elements:

- 1 Maximising our core business
- 2 Leveraging our capabilities
- 3 Growing our portfolio

We seek to maximise the value of our world-class core business through optimising our producing assets and flawlessly executing brownfield growth projects related to the existing core business. We will pursue the commercialisation of our existing

undeveloped resources such as Browse and Sunrise, and other resource owner gas supply as an enhancement to the existing business.

Leveraging and building on our existing capabilities is expected to deliver a broader opportunity set for Woodside. We will look to expand our technological capabilities to access an increased range of upstream development solutions. We will look to commercialise discovered and undeveloped oil and gas by leveraging our resource development capabilities and applying the appropriate technology. In addition, we will capture opportunities to connect hydrocarbon products to markets by leveraging our operational capabilities, market experience and relationships.

We will grow our exploration portfolio through global basin studies and by pursuing opportunities that play to our strengths in geosciences. Woodside aims to deliver value through a portfolio which is balanced in terms of basin maturity and hydrocarbon type.

Woodside has a strong track record of successful partnerships with many of the world's major oil and gas companies. Just as we recognise our own capabilities, we acknowledge that well chosen partners can add value to joint venture opportunities as we expand our portfolio.

Production outlook

Woodside's production target range for 2012 has been increased to 77 to 83 MMboe (previously 73 to 81 MMboe). This comprises 57 to 60 MMboe from the underlying business (ex-Pluto) and 20 to 23 MMboe from Pluto LNG. The increase in the range is primarily due to better than expected performance from Pluto LNG with a smaller increase due to the rescheduling of the planned Vincent shut-down from Q4 2012 into 2013.

Marketing

Woodside expects the fundamental drivers underpinning growth in global energy demand to remain strong, with gas playing an increasingly important role in the global energy mix. Demand for LNG is forecast to increase by 4 to 5% per annum to 2025*, with the Asia Pacific expected to remain our core market.

Japan's ongoing need for significant incremental LNG in the wake of the Great East Japan-Earthquake and subsequent nuclear power generation issues, as well as the rapid expansion of import facilities in developing and emerging markets such as China, India, Thailand, Malaysia, Indonesia and Singapore are driving the outlook for sustained LNG growth.

New supplies of LNG will be required to meet this demand. The potential for North American exports has been the subject of recent attention. Woodside expects emerging US and Canadian supplies to eventually comprise about 10% of global trade by 2025. Even with this supply, the existing market tightness is expected to continue through to the latter half of this decade with the outlook for Asian LNG prices remaining robust.

Oil indexed pricing is expected to prevail in the majority of the region's supply agreements. This is expected to encourage final investment decisions for new projects in order to satisfy regional security of supply and customer demand.

With limited new and uncommitted supply options entering the market in the short term, volumes available from Pluto LNG over and above the requirements of the project's foundation buyers are expected to be highly sought after.

In addition to our LNG portfolio, Woodside continues to maximise the value of its existing assets via the sale of domestic pipeline gas, oil, condensate and LPG to a wide range of domestic and international customers.

*Source: WoodMackenzie, Global LNG Tool (May 2012)

Health and Safety

Woodside's 12 month rolling average Total Recordable Case Frequency improved from 5.44 at 30 June 2011 to 4.18 cases per million hours worked at 30 June 2012.

Installation of the North Rankin B platform was completed in 1H 2012 without major incident.

Following on from the 'Reinforcing Our Safety Culture' initiative launched by Woodside's CEO in 2H 2011, a company-wide survey was initiated in 1H 2012 to help identify the strengths and gaps in our safety culture. The results will be used to help continue to deliver improvements in overall health and safety performance.

Environment

Woodside continues to pursue excellence in its environmental performance. This was recognised in April 2012 when Woodside was awarded the 2012 Australian Petroleum Production and Exploration Association (APPEA) Environment Award. The Award recognised Woodside's partnerships with the Australian Institute of Marine Science and the Western Australian Museum. Through these long term

relationships Woodside has improved the industry's understanding of biodiversity and ecological function of Western Australia's tropical marine communities. This partnership model supports the principles of sustainable development and ensures our development decisions and environment management strategies are based on robust science.

In the first half of 2012 Woodside had two reportable incidents, with both these incidents being dark smoke events at the Karratha Gas Plant.

People

Support for Woodside's capability needs is being met through recruitment as well training and development of staff, with a particular focus on gender diversity and Indigenous participation.

Woodside recruited 309 people in 1H 2012, supporting continued growth of the business.

With workplace diversity continuing as a key focus for Woodside, a full review of Woodside's gender diversity occurred at the end of 2011. The review resulted in the establishment of a new three year Gender Diversity Strategy which was approved by the Board in Q1 2012. The

new strategy and objectives centres on the five themes of Leadership, Process and Practice, Education, Government and Community Engagement and Metrics.

Woodside has also continued to focus on delivery of its Reconciliation Action Plan (RAP) commitments. This is evidenced through the 81 Indigenous employees as at 30 June 2012, with a further 54 Indigenous Australians participating in our Indigenous Training Pathways program during 1H 2012.

Woodside continues to invest in learning and development for our people. This has involved a strong focus on technical and operator training and a continued focus on leadership training.

Woodside completed a review of organisational effectiveness at the end of Q1 2012. Implementation of key recommendations has commenced, including the rollout of new organisational values, clear operating principles and accountabilities and strengthened decision making processes. It is planned that deployment and embedding of these changes will take place over the next few years.



Review of operations

Australia



Our producing assets (operated)

1	Angel platform	NWS
2	Goodwyn A platform	NWS
3	North Rankin A & B platforms	NWS
4	Okha FPSO	NWS
5	Karratha Gas Plant	NWS
6	Ngujima-Yin FPSO	Vincent
7	Nganhurra FPSO	Enfield
8	Northern Endeavour FPSO	Laminaria-Corallina
9	Pluto LNG Plant & platform	Pluto

Our producing assets (non-operated)

10	Stybarrow Venture MV16 FPSO	Stybarrow
11	MODEC Venture II FPSO	Mutineer-Exeter

Our projects

12	North Rankin Redevelopment	NWS
13	Greater Western Flank Phase 1	NWS

Our developments

14	Laverda	Laverda
15	Browse	Browse
16	Sunrise	Sunrise

Woodside offices and representative offices

NORTH WEST SHELF

North West Shelf Project*

Woodside 12.5 – 50% (operator)#

Higher realised prices for production from the Woodside-operated North West Shelf (NWS) Project resulted in revenue of \$1.505 billion delivered for Woodside in 1H 2012. The NWS delivered 111 cargoes of LNG on behalf of the NWS joint venture participants, compared to 132 in 1H 2011. This decrease is primarily attributed to the planned Trunkline Onshore Terminal 1 (TOT 1) and LNG Train 4 major shutdowns successfully completed in Q2 2012, the impact of the planned North Rankin Redevelopment Project activities and the higher level of cyclone activity experienced in Q1 2012.

Pipeline gas sales of 40,563 TJ (42,003 TJ 1H 2011) were demand driven. Condensate production of 3.6 MMbbls (4.0 MMbbls 1H 2011) and LPG production of 65,110 tonnes (69,218 tonnes 1H 2011) were lower as a result of reduced overall gas production and reservoir decline. Oil production of 1.4 MMbbls (0.4 MMbbls 1H 2011) increased following a period of full production, commissioning and start up of the gas system on the Okha FPSO vessel.

Infrastructure investment for future production continued with the North Rankin Redevelopment and Greater Western Flank Phase 1 (GWF-1) projects currently underway.

North Rankin Redevelopment Project

The North Rankin Redevelopment Project will extend supply from the North Rankin and Perseus fields. The project involves the construction and installation of a new compression platform, North Rankin B (NRB), alongside the existing North Rankin A (NRA) platform. The compression platform will enable the recovery of approximately five trillion cubic feet (Tcf) of low pressure reserves (100% project).

Piling of the NRB jacket was completed in February along with the installation of the two NRA-NRB bridges. The NRB topsides were set down on the jacket on 1 April 2012. The permanent living quarters on NRB were commissioned and hook up and commissioning activities continue.

The A\$5 billion project (approximately A\$840 million Woodside's 16.7% share) remains on schedule for completion in 2013.

* Production and sales volumes are quoted as Woodside share.

Woodside's NWS interests include: NWS Venture 16.67%, Domestic Gas Joint Venture 50.00%, Incremental Pipeline Gas Joint Venture 16.67%, China LNG Joint Venture 12.50%, CWLH (crude oil) 33.33%.

Greater Western Flank Phase-1 Project

The planned phased development of the GWF area seeks to efficiently utilise the existing infrastructure and unlock up to 3 Tcf of gas and 100 MMbbl of condensate (100% project).

The GWF-1 Project will develop the Goodwyn GH and Tidepole fields with a subsea tie-back to the existing Goodwyn A platform.

Engineering and fabrication activities are progressing to schedule with drilling activities planned to commence in Q3 2012. The project remains on budget and on schedule for completion in early 2016.

GREATER ENFIELD AREA*

Enfield

Woodside 60% (operator)

Production at Enfield of 1.4 MMbbls (2.1 MMbbls 1H 2011) was impacted by high levels of cyclone activity and associated re-start issues at the beginning of the year, along with an extended planned shutdown for a subsea spool replacement. Evaluation of the Cimatti oil accumulation's basis of design continued in 2012, with the intention to proceed with front-end engineering and design (FEED) in preparation for a final investment decision (FID) targeted for early 2013.

Stybarrow

Woodside 50%

Production of 1.2 MMbbls (1.9 MMbbls 1H 2011) benefited from higher than forecast production rates from the Stybarrow North production well, which came online at the end of 2010. This higher than forecast production was partially offset by cyclone outages earlier in the year and natural field decline.

Vincent

Woodside 60% (operator)

Several cyclones caused unplanned outages earlier in the year with extended reconnection delays providing opportunities for remediation activities. However, production of 2.8 MMbbls (1.5 MMbbls 1H 2011) was materially higher, due to a successful infill well at Vincent (VNB-H7) adding to the two infill wells brought online in September 2011. With commencement of production from the infill well in May, a Vincent production record was achieved for that month.

Laverda

Woodside 60% (operator)

The Norton-1 appraisal well was successfully drilled, finding oil and gas in the extension of the reservoir sands. This supports our estimates for recoverable resources of greater than 100 MMboe (100% project) at Laverda. Field development, engineering and environmental studies are progressing to potentially underpin concept selection in 2013.

OTHER AUSTRALIAN OIL*

Laminaria-Corallina

Woodside 60 – 67% (operator)

Production of 0.7 MMbbls (0.9 MMbbls 1H 2011) was lower in accordance with the anticipated natural field decline.

Mutineer-Exeter

Woodside 8.2%

Production of 79,037 bbls (43,828 bbls 1H 2011) was higher despite the Exeter 4 well shut-in and continued natural field decline.

*Production and sales volumes are quoted as Woodside share



Review of operations

Australia

PLUTO LNG

Woodside 90% (operator)

First gas entered the processing train on 22 March 2012 and production began at the end of April 2012. Woodside delivered eight LNG cargoes in the first half of the year.

During the 1H 2012 LNG and condensate production from the Woodside-operated Pluto LNG has performed at better than expected rates due to high reliability in the ramp-up phase.

Production in the period supported LNG sales revenue of \$304 million (Woodside share) from long-term contracts and spot sales.

A fourth LNG carrier has been secured for Pluto LNG which will enter the fleet next year.

Pluto LNG is expected to contribute to Woodside's 2012 target production range with an increased guidance of 20 to 23 million barrels of oil equivalent (Woodside share).

The Project cost estimate remains in line with previous guidance of A\$15 billion (100% project).

During construction, the Project generated more than 15,000 Australian jobs and made significant contributions to the Western Australian and Australian economies, as well as providing opportunities for local businesses. To date Pluto has delivered more than A\$7.6 billion in local content.

Pluto expansion

As at the date of publication, four exploration wells targeting gas in the Carnarvon Basin to support a possible Pluto LNG train expansion had been drilled. The Ragnar-1A well successfully intersected gas however the Vucko-1, Banambu Deep-1 and Ananke-1 wells were unsuccessful.

The current phase of exploration drilling to support additional LNG trains at Pluto has concluded without discovering the volume of commercial gas that is required to endorse a final investment decision at this point in time. Therefore a break in the drill program is required to allow a thorough evaluation of the well results and to rebuild the exploration portfolio. Concurrently discussions with other resource owners regarding potential Pluto expansion are active and expected to continue through 2013.

BROWSE LNG DEVELOPMENT

Woodside 25%, 50% (operator); reducing to 17%, 34%*

Further to Woodside's announcement on 1 May 2012*, the company advises that all conditions precedent required for the sale of a minority portion of the company's equity interest in the proposed Browse LNG Development to Japan Australia LNG (MIMI Browse) Pty Ltd (MIMI) have been satisfied. The transaction will give MIMI an estimated 14.7% interest in the development on an assumed unitised basis. The sale has an effective date of 1 January 2012 and is progressing towards completion in Q3 2012. Once complete the transaction will provide a significant, early realisation of value for Woodside. Woodside will remain operator of the development.

As part of the transaction Woodside and MIMI entered into a long-term sales and purchase agreement for around 1.5 million tonnes of LNG a year from the Browse LNG Development subject to completion of the equity offer. The deal also includes a joint LNG marketing agreement between Woodside and MIMI; an offer from MIMI to help

Woodside obtain competitive financing for the development with Japanese banks; and a non-binding Memorandum of Understanding with MIMI's parent companies Mitsui & Co and Mitsubishi Corporation, to progress discussions with Woodside about potential collaboration and alliances on other global opportunities.

The Foreign Investment Review Board has advised that it does not object to the equity sale to MIMI.

In early April 2012, the State and Commonwealth Governments approved amendments to the Browse Basin retention leases, which include extending the timetable for readiness for a final investment decision into 1H 2013. The variation will allow time to better evaluate the outcomes of front-end engineering and design work and the results of the tender processes for the development's major contracts. The revised timetable will also allow more time to complete necessary assurance activities.

Engineering and environment studies at the WA Government's proposed Browse LNG Precinct and offshore areas continued in 1H 2012, while evaluation of tender bids for the engineering, procurement and construction of the Browse facilities are ongoing.

Environmental approvals are also 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. Environmental approvals for the downstream development continue to progress. Subsequent to the end of the reporting period, the Environmental Protection Agency recommended conditional approval of the Western Australian Government's proposed Browse LNG Precinct south of James Price Point.

Australian exploration

In the Carnarvon Basin (refer to map below for permit and well locations), exploration wells were drilled at Ragnar-1A (WA-430-P), Vucko-1 (WA-433-P) and at Banambur Deep-1 (WA-389-P). Subsequent to the end of the 1H 2012, Woodside also drilled the Ananke-1* exploration well (WA-269-P). Ragnar-1A successfully intersected gas over a gross interval of 190 metres while the other wells were unsuccessful. During 1H 2012, Woodside farmed out 25% equity in WA-433-P to Sasol, and 40% equity in WA-389-P to BHP Billiton.

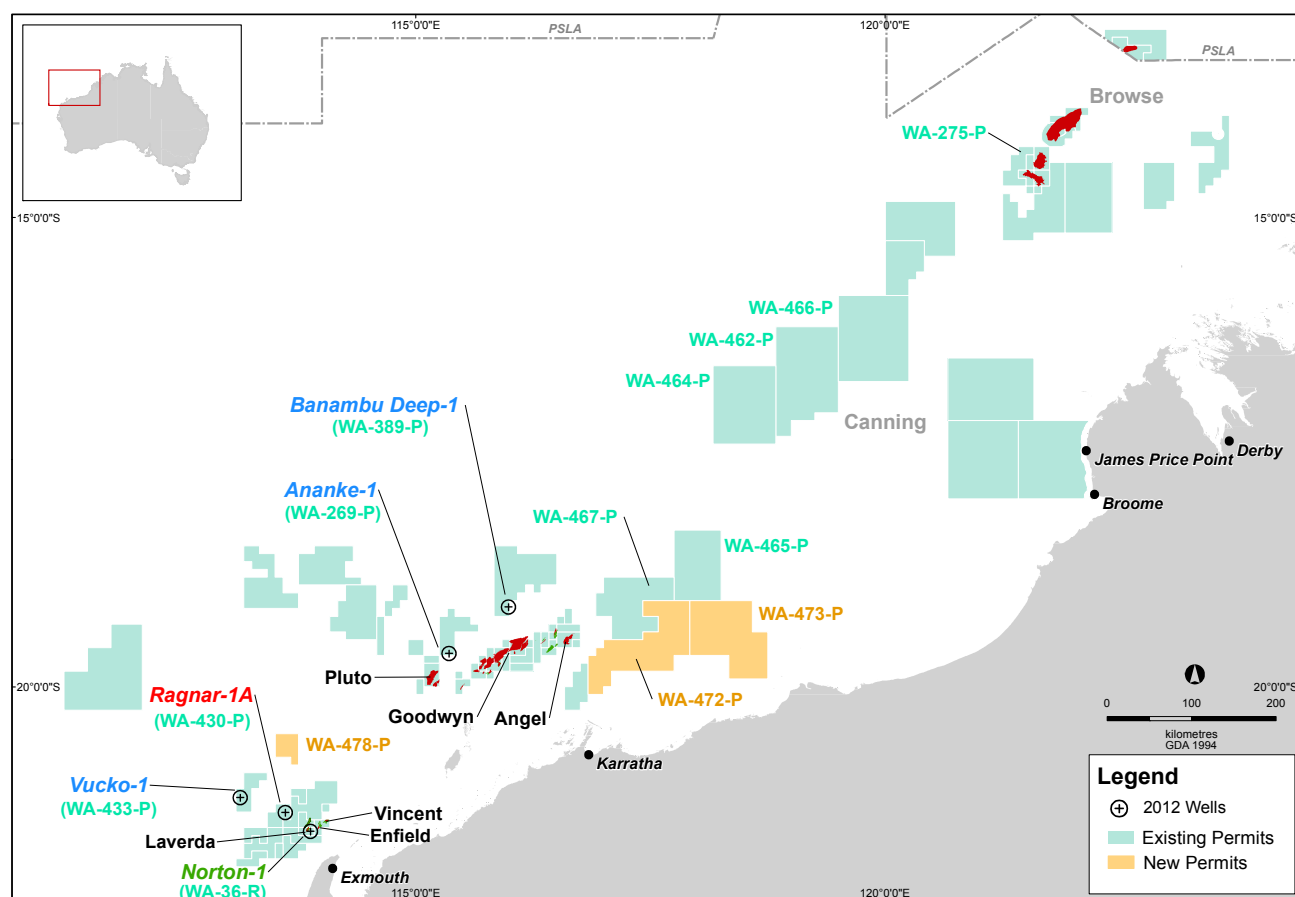
In the Exmouth sub-basin, the Norton-1 appraisal well (WA-36-R) intersected oil and gas as predicted pre-drill. These results confirmed the extension of the Laverda North oil pool.

Woodside has significantly increased its acreage holdings in offshore WA, picking up three permits before the end of 2011 in the Outer Canning (WA-462, 464, 466-P), and two permits in the Beagle sub basin (WA-467-P, WA-465-P). Prior to initiating exploration drilling in the Outer Canning areas, Woodside is acquiring the largest single seismic survey ever conducted by the company. This 11,500km² survey, called

the Curt 3D Seismic Survey (WA-462, 464, 466-P) was 12% complete at the end of 1H 2012. Vessels were also mobilised for the Rafter 3D seismic survey (WA-275-P) in the Browse Basin and the 679 km² survey was completed in July 2012.

During 2012 three new Australian exploration permits have been awarded to Woodside. WA-472-P and WA-473-P are located in the Beagle sub-basin and were awarded based on a guaranteed work program of 4,564 km² of 3D seismic and two wells. Woodside holds these permits at 100% equity. The third permit, WA-478-P, lies north of our Ragnar discovery and has gas potential. The guaranteed work program includes purchase and reprocessing of 3D seismic as well as acquisition of 810 km² 3D seismic. Woodside has 70% equity in this block with Japan Australia LNG (MIMI) Pty Ltd as our joint venture partner. Woodside is the operator of all three permits.

Woodside continues to evaluate prospective basin areas within reach of our Asian LNG customers, while maintaining a premium portfolio in Australia.



* Subsequent to the end of the half and prior to drilling, Woodside farmed out 16.67% equity in WA-269-P to Japan Australia LNG (MIMI) Pty Ltd. The farm out is subject to government and regulatory approval

Review of operations

International



Sunrise LNG Development

Woodside 33.4% (operator)

The Sunrise fields contain a contingent resource of 5.13 Tcf of dry gas and 225.9 million barrels of condensate at the 'Best Estimate' (P50) confidence level.

All of Greater Sunrise's key stakeholders, including both Governments and the Sunrise Joint Venture, are aligned in their desire to see this resource developed.

Woodside continues to engage with the Timor-Leste Government, recently submitting a range of requested technical data and information to further clarify the various aspects of Greater Sunrise. Woodside believes that with the involvement and support of both the Australian and Timor-Leste Governments and a genuine intention by all parties to continue dialogue, there is an opportunity to arrive at a mutually beneficial development outcome.

USA Gulf of Mexico

Neptune and Power Play
Woodside 17.5% and 16.3% N.R.I.*

Neptune and Power Play oil developments began production in July and June 2008 respectively, and are in natural field decline. Woodside's share of 1H 2012 production from all of its interests was approximately 0.4 MMboe (0.6 MMboe in 1H 2011).

The decrease in production follows Woodside's divestment of its Gulf of Mexico Shelf assets in May 2011.

Exploration

In Q2 2010, Woodside participated in the drilling of the Innsbruck exploration prospect (Woodside 15%, non-operator). Drilling operations were suspended above the targeted sections in order to comply with the US Government's Gulf of Mexico deepwater drilling moratorium. Woodside expects drilling operations to resume at Innsbruck in Q4 2012.

South America
Brazil, Santos Basin
Woodside 12.5%

During 1H 2012 Woodside continued to evaluate the Panoramix oil and gas field. The Joint Venture participants plan to commence drilling the Panoramix-3 appraisal well in Q4 2012.

Republic of Korea
Woodside 50%

The exploration well Jujak-1 was drilled in Block 8/6-IN and was unsuccessful.

Cyprus

During 1H 2012, Woodside advised it had joined a bidding group to obtain exploration rights in the emerging gas province of offshore Cyprus. Results of the bid round are expected to be known before the end of 2012.

* Net revenue interest

Directors' report

Business management

Capital expenditure

Woodside's capital expenditure in 1H 2012 was \$962 million, a 36% reduction from 1H 2011 (\$1.5 billion). The decrease was largely driven by lower expenditure at Pluto as construction on the project was completed and the project transitioned to operational status.

Clean Energy legislation

With the Clean Energy legislation taking effect from 1 July 2012, the carbon emissions from facilities in which Woodside has an interest will attract the initial price set by Government, of A\$23 per tonne CO₂ equivalent.

Preliminary estimates indicate that Woodside's costs related to carbon emissions under the Clean Energy legislation could be in the order of \$20 million to \$40 million for the 12 months ending 30 June 2013. Woodside also expects to receive an allocation of free carbon units for its LNG business, which qualifies as a moderately emissions-intensive industry under the Jobs and Competitiveness program of the legislation. The actual cost will be subject to many variables including the actual amount of carbon dioxide emissions, the application of the legislation by the Government and the usual audit processes.

Capital management

Woodside ends the Pluto foundation project development phase in a strong financial position. At 30 June 2012, Woodside held \$2.2 billion of cash and undrawn debt facilities, with gearing at 26%. Woodside refinanced \$250 million in bank debt in the first half of 2012. The company's average cost of debt at 30 June 2012 was approximately 3.3% per annum on a portfolio basis. The significant step-up in operating cash flows from Pluto production and the anticipated \$2 billion in gross sales proceeds from the sale of Browse equity further strengthens the company's strong financial position.

Moody's and Standard & Poor's have both revised Woodside's credit rating Outlook from 'Negative' to 'Stable' after the commissioning of the Pluto LNG Project; and affirmed the Company's 'Baa1' and 'BBB+' long term credit ratings respectively.

No commodity or currency hedges are in place and no new hedges have been entered into during 1H 2012.

PRRT legislation

The legislation extending the Petroleum Resource Rent Tax (PRRT) to the North West Shelf Project has taken effect from 1 July 2012. Our expectation is that the taxation regime following transition of the North West Shelf Project will be no more onerous than that existing under the current royalty and excise regime.



Directors' report

Governance

Board of directors

The names of the directors in office during the period and until the date of this report are as follows:

Mr M A Chaney, AO (Chairman)

Mr P J Coleman (Managing Director and CEO)

Mr R J Cole (Executive Director, Corporate and Commercial from 23 February 2012)

Ms M A Cilento

Mr E Fraunschiel

Dr C M Haynes, OBE

Dr A Jamieson, OBE

Dr P J M H Jungels, CBE

Mr D I McEvoy

Mr Cole was appointed as an executive director on 23 February 2012. Mr Cole joined Woodside in the role of General Counsel in April 2006.

Rounding of amounts

The amounts contained in this report have been rounded to the nearest million dollars under the option available to the Group under Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998.

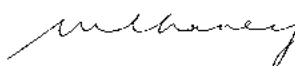
Management assurance

Consistent with recommendation 7.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the company's half-year financial report for the period ended 30 June 2012 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on this page and forms part of this report.

Signed in accordance with a resolution of the directors.



M A Chaney, AO
Chairman
Perth, Western Australia
22 August 2012

Auditor's independence declaration to the directors of Woodside Petroleum Ltd

In relation to our review of the financial report of Woodside Petroleum Ltd for the half-year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



R J Curtin
Partner
Perth, Western Australia
22 August 2012

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Income statement

For the half-year ended 30 June 2012

	Notes	2012 US\$m	2011 US\$m
Operating revenue	4(a)	2,655	2,253
Cost of sales	4(b)	(1,070)	(781)
Gross profit		1,585	1,472
Other income	4(c)	40	37
Other expenses	4(d)	(328)	(275)
Profit before tax and net finance costs		1,297	1,234
Finance income	4(e)	2	8
Finance costs	4(f)	(44)	(23)
Profit before tax		1,255	1,219
Taxes			
Income tax expense		(412)	(374)
Petroleum Resource Rent Tax expense		(27)	(16)
Total taxes		(439)	(390)
Profit after tax		816	829
Profit attributable to			
Equity holders of the parent		812	828
Non-controlling interest		4	1
Profit for the period		816	829
Basic and diluted earnings per share attributable to the equity holders of the parent (US cents)		100	105

The accompanying notes form part of the Half-Year Financial Report.

Consolidated statement of Comprehensive income

For the half-year ended 30 June 2012

	2012 US\$m	2011 US\$m
Profit for the period	816	829
Other comprehensive income		
Net change in fair value of available-for-sale financial assets	(1)	(3)
Total comprehensive income for the period	815	826
Total comprehensive income attributable to		
Equity holders of the parent	811	825
Non-controlling interest	4	1
Total comprehensive income for the period	815	826

The accompanying notes form part of the Half-Year Financial Report.

Consolidated statement of Financial position

As at 30 June 2012

	Notes	30 June 2012 US\$m	31 December 2011 US\$m
Current assets			
Cash and cash equivalents		611	41
Receivables		647	669
Inventories		172	195
Other financial assets		14	16
Other assets		18	93
Total current assets		1,462	1,014
Non-current assets			
Inventories		7	18
Other financial assets		76	86
Other assets		3	3
Exploration and evaluation assets		2,419	2,235
Oil and gas properties		19,845	19,289
Other plant and equipment		57	62
Deferred tax assets		589	524
Total non-current assets		22,996	22,217
Total assets		24,458	23,231
Current liabilities			
Payables		806	1,214
Interest-bearing liabilities		1,081	770
Tax payable		113	74
Other liabilities		29	27
Provisions		393	327
Total current liabilities		2,422	2,412
Non-current liabilities			
Payables		271	215
Interest-bearing liabilities		4,374	4,332
Deferred tax liabilities		1,953	1,825
Other financial liabilities		6	6
Other liabilities		195	181
Provisions		1,106	991
Total non-current liabilities		7,905	7,550
Total liabilities		10,327	9,962
Net assets		14,131	13,269
Equity			
Issued and fully paid shares	5(a)	6,547	5,880
Shares reserved for employee share plans	5(b)	(310)	(67)
Other reserves		1,115	1,063
Retained earnings		6,151	5,782
Equity attributable to equity holders of the parent		13,503	12,658
Non-controlling interest		628	611
Total equity		14,131	13,269

The accompanying notes form part of the Half-Year Financial Report.

Consolidated statement of Cash flows

For the half-year ended 30 June 2012

	2012 US\$m	2011 US\$m
Cash flows from/(used in) operating activities		
Profit after tax for the period	816	829
Adjustments for:		
Non-cash items		
Depreciation and amortisation	461	299
Impairment loss	41	14
Unrealised foreign exchange (gain)/loss	(5)	14
Gain on sale of exploration and evaluation assets	(1)	(7)
Gain on sale of oil and gas properties	-	(4)
Change in fair value of derivative financial instruments	7	(4)
Change in fair value of other financial instruments	-	(11)
Net finance costs	42	15
Tax expense	439	390
Exploration and evaluation write-off	19	104
Other	29	15
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	55	(98)
Decrease/(increase) in inventories	29	(2)
Increase in provisions	56	7
Increase/(decrease) in other assets and liabilities	47	(3)
(Decrease)/increase in trade and other payables	(99)	62
Cash generated from operations	1,936	1,620
Purchases of shares and payments relating to employee share plans	(8)	(3)
Interest received	2	8
Dividends received	3	3
Interest paid	(99)	(96)
Income tax paid	(303)	(112)
Petroleum Resource Rent Tax paid	(33)	(29)
Payments for restoration	(3)	-
Net cash from operating activities	1,495	1,391
Cash flows from/(used in) investing activities		
Payments for capital and exploration expenditure	(1,329)	(1,847)
Proceeds from sale of exploration and evaluation assets	2	16
Proceeds from sale of oil and gas properties	-	27
Net cash used in investing activities	(1,327)	(1,804)
Cash flows from/(used in) financing activities		
Proceeds from borrowings	349	36
Contributions from non-controlling interests	55	8
Proceeds from underwriters of Dividend Reinvestment Plan (DRP)	320	334
Dividends paid (net of DRP)	(325)	(331)
Net cash from financing activities	399	47
Net increase/(decrease) in cash held	567	(366)
Cash and cash equivalents at the beginning of the period	41	963
Effects of exchange rate changes on the balances of cash held in foreign currencies	3	10
Cash and cash equivalents at the end of the period	611	607

The accompanying notes form part of the Half-Year Financial Report.

Consolidated statement of Changes in equity

For the half-year ended 30 June 2012

	Issued and fully paid shares	Shares reserved for employee share plans	Employee benefits reserve	Foreign currency translation reserve	Hedge of net investment reserve	Investment fair value reserve	Retained earnings	Equity holders of the parent	Non-controlling interest	Total equity
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
At 1 January 2012	5,880	(67)	303	663	110	(13)	5,782	12,658	611	13,269
Profit for the period	-	-	-	-	-	-	812	812	4	816
Other comprehensive income	-	-	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	-	-	(1)	812	811	4	815
Non-controlling interest	-	-	-	-	-	-	-	-	13	13
Dividend Reinvestment Plan	431	-	-	-	-	-	-	431	-	431
Shares issued	236	(236)	-	-	-	-	-	-	-	-
Employee share plan purchases	-	(7)	-	-	-	-	-	(7)	-	(7)
Share-based payments	-	-	53	-	-	-	-	53	-	53
Dividends paid	-	-	-	-	-	-	(443)	(443)	-	(443)
At 30 June 2012	6,547	(310)	356	663	110	(14)	6,151	13,503	628	14,131
At 1 January 2011	5,036	(57)	192	679	110	(10)	5,141	11,091	595	11,686
Profit for the period	-	-	-	-	-	-	828	828	1	829
Other comprehensive income	-	-	-	-	-	(3)	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	-	-	(3)	828	825	1	826
Non-controlling interest	-	-	-	-	-	-	-	-	7	7
Dividend Reinvestment Plan	440	-	-	-	-	-	-	440	-	440
Shares issued	-	-	-	-	-	-	-	-	-	-
Employee share plan purchases	-	(3)	-	-	-	-	-	(3)	-	(3)
Share-based payments	-	-	57	-	-	-	-	57	-	57
Dividends paid	-	-	-	-	-	-	(430)	(430)	-	(430)
At 30 June 2011	5,476	(60)	249	679	110	(13)	5,539	11,980	603	12,583

The accompanying notes form part of the Half-Year Financial Report.

Notes to and forming part of the Financial report

For the half-year ended 30 June 2012

1. General information

This general purpose condensed financial report for the half-year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 22 August 2012.

Woodside Petroleum Ltd is a company limited by shares, domiciled and incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange.

The Group is a for-profit entity and is primarily involved in hydrocarbon exploration, evaluation, development, production and marketing.

2. Summary of significant accounting policies

Basis of preparation

The general purpose condensed financial report for the half-year ended 30 June 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Financial Report is presented in US dollars. The amounts contained in this report have been rounded to the nearest million dollars under the option available to the Group under Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998, unless otherwise stated.

The Financial Report does not include all notes of the type normally included in an annual financial report. Accordingly, this financial report is to be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and any public announcements made by Woodside Petroleum Ltd during the period ended 30 June 2012 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

Changes in accounting policy

Except as disclosed below, the accounting policies and methods of computation are the same as disclosed in the Annual Financial Report for the year ended 31 December 2011. Certain comparative information has been reclassified to be presented on a consistent basis with the current period's presentation.

The Group has adopted *AASB 1054 Australian Additional Disclosures* effective 1 January 2012. The adoption of this standard did not result in any significant changes to accounting policies.

Significant events and transactions

During the half-year, legislation extending the Petroleum Resource Rent Tax (PRRT) to the North West Shelf Project was passed into Law. It is expected that the North West Shelf Project will transition into the PRRT regime on terms that will result in a tax position that is no more onerous than under the current royalty and excise regime.

As a result of transition to the PRRT regime, the Group expects to be granted a deductible temporary difference of approximately \$8.0 billion that will be available to offset against future taxable profits. An estimated deferred tax asset of \$3.2 billion in respect of this deductible temporary difference has not been recognised on the basis deductions from future augmentation of the deductible temporary difference will be sufficient to offset future taxable profit. Had an alternative approach been used to assess recovery of the deferred tax asset, whereby future augmentation was not included in the assessment, the estimated deferred tax asset would have been recognised, with a corresponding benefit to income tax expense.

It was determined that the approach adopted provides the most meaningful information on the implications of transition of the North West Shelf Project to the PRRT regime, whilst ensuring compliance with AASB 112 *Income Taxes*.

3. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

For the half-year ended 30 June 2012

(a) Revenue and profit after tax for the period ended 30 June 2012

(1) The performance of operating segments is evaluated based on profit before tax, finance income and finance costs. Financing requirements, finance income, finance costs and taxes are managed on a Group basis.

There were no significant inter-segment transactions during the period.

(b) Segment assets at 30 June 2012

	North West Shelf Business Unit			Australia Business Unit			Pluto Business Unit			Browse Business Unit			United States Business Unit			Other	Unallocated items			Consolidated
	30 June 2012 US\$m	31 Dec 2011 US\$m	31 Dec 2012 US\$m	30 June 2012 US\$m	31 Dec 2011 US\$m	31 Dec 2012 US\$m	30 June 2012 US\$m	31 Dec 2011 US\$m	31 Dec 2012 US\$m	30 June 2012 US\$m	31 Dec 2011 US\$m	31 Dec 2012 US\$m	30 June 2012 US\$m	31 Dec 2011 US\$m	31 Dec 2012 US\$m	30 June 2012 US\$m	31 Dec 2011 US\$m	31 Dec 2012 US\$m	30 June 2012 US\$m	
Segment assets	4,066	4,114	1,786	1,965	16,134	15,199	1,789	1,595	372	365	592	600	(281)	(607)	24,458	23,231				

Notes to and forming part of the Financial report

For the half-year ended 30 June 2012

4. Revenue and expenses

	2012 US\$m	2011 US\$m
(a) Revenue from sale of goods		
Liquefied natural gas		
North West Shelf	747	703
Pluto	304	-
	1,051	703
Pipeline natural gas		
North West Shelf	173	199
United States of America	1	6
	174	205
Condensate		
North West Shelf	364	444
Ohanet ⁽¹⁾	-	17
United States of America	-	1
	364	462
Oil		
North West Shelf	156	67
Laminaria	129	54
Mutineer-Exeter	7	(5)
Enfield	182	214
Vincent	298	211
Stybarrow	167	218
United States of America	35	45
	974	804
Liquefied petroleum gas		
North West Shelf	65	68
Ohanet ⁽¹⁾	-	11
	65	79
Total revenue from sale of goods	2,628	2,253
LNG processing revenue	27	-
Total operating revenue	2,655	2,253
(b) Cost of sales		
Cost of production		
Production costs	(300)	(233)
Royalties and excise	(231)	(235)
Insurance	(20)	(17)
Inventory movement	(27)	5
	(578)	(480)
Shipping and direct sales costs	(54)	(28)
Oil and gas properties depreciation and amortisation		
Land and buildings	(13)	(4)
Transferred exploration and evaluation	(12)	(10)
Plant and equipment	(410)	(256)
Marine vessels and carriers	(3)	(3)
	(438)	(273)
Total cost of sales	(1,070)	(781)
Gross profit	1,585	1,472

(1) Woodside's interest in the Ohanet risk sharing contract expired in October 2011.

Notes to and forming part of the Financial report

For the half-year ended 30 June 2012

4. Revenue and expenses (continued)

	2012 US\$m	2011 US\$m
(c) Other income		
Other fees and recoveries	33	11
Share of associates' net profit	3	1
Exchange gain on cash balances	3	3
Change in fair value of other financial instruments	-	11
Gain on sale of oil and gas properties	-	4
Gain on sale of exploration and evaluation assets	1	7
Total other income	40	37
(d) Other expenses		
Exploration and evaluation		
Exploration expensed in current year	(94)	(93)
Exploration expensed previously capitalised	(19)	(102)
Amortisation of licence acquisition costs	(13)	(15)
Evaluation	(4)	(3)
Total exploration and evaluation	(130)	(213)
Other costs		
Net defined benefit plan loss	(8)	(1)
Change in fair value of derivative financial instruments	(7)	4
Other exchange loss	(2)	(17)
Depreciation of other plant and equipment	(6)	(6)
General, administrative and other costs	(53)	(28)
Pluto mitigation and initial start up costs	(81)	-
Impairment of oil and gas properties	(41)	-
Impairment of exploration and evaluation	-	(14)
Total other costs	(198)	(62)
Total other expenses	(328)	(275)
Profit before tax and net finance income	1,297	1,234
(e) Finance income		
Interest	2	8
Total finance income	2	8
(f) Finance costs		
Other finance costs	(31)	(9)
Unwinding of present value discount (accretion)	(13)	(14)
Total finance costs	(44)	(23)
Profit before tax	1,255	1,219

Notes to and forming part of the Financial report

For the half-year ended 30 June 2012

5. Contributed equity

	30 June 2012 US\$m	31 December 2011 US\$m
(a) Issued and fully paid shares		
823,910,657 (2011: 805,671,604) ordinary shares ⁽¹⁾	6,547	5,880
(b) Shares reserved for employee share plans		
7,475,147 (2011: 1,298,284) ordinary shares	(310)	(67)

(1) All shares are a single class with equal rights to dividends, capital distributions and voting. The company does not have authorised capital nor par value in respect of its issued shares.

	30 June 2012 shares	31 December 2011 shares	30 June 2012 US\$m	31 December 2011 US\$m
(c) Movements in ordinary shares				
At 1 January	805,671,604	783,401,631	5,880	5,036
Dividend reinvestment plan:				
2010 final dividend ⁽¹⁾	-	9,828,189	-	440
2011 interim dividend ⁽²⁾	-	12,441,784	-	404
2011 final dividend ⁽³⁾	11,639,053	-	431	-
Employee share plans:				
2012 employee equity plan ⁽⁴⁾	6,600,000	-	236	-
Balance at the end of the period	823,910,657	805,671,604	6,547	5,880

(1) 7,397,386 ordinary shares issued at A\$43.80 and 2,430,803 ordinary shares issued at A\$42.32.

(2) 9,507,762 ordinary shares issued at A\$33.43 and 2,934,022 ordinary shares issued at A\$33.49.

(3) 2,924,534 ordinary shares issued at A\$34.88 and 8,714,519 ordinary shares issued at A\$35.40.

(4) 6,600,000 ordinary shares issued at A\$34.71.

6. Dividends paid and proposed

	30 June 2012 US\$m	30 June 2011 US\$m
(a) Dividends paid during the period		
Prior year fully franked final dividend US\$0.55, paid on 4 April 2012 (2011: US\$0.49, paid on 6 April 2011)	443	430
(b) Dividend declared (not recorded as a liability)		
Current year fully franked interim dividend US\$0.65 to be paid on 2 October 2012 (2011: US\$0.55, paid on 30 September 2011)	536	436

Notes to and forming part of the Financial report

For the half-year ended 30 June 2012

7. Change in the composition of the Group

Since the last annual reporting date, there have been no significant changes in the composition of the Group.

8. Contingent liabilities

	30 June 2012 US\$m	31 December 2011 US\$m
(a) Contingent liabilities at the reporting date		
Not otherwise provided for in the Financial Report		
Contingent liabilities ⁽¹⁾	24	15
Guarantees ⁽²⁾	7	5
	31	20
(b) Contingent assets at the reporting date		
Not otherwise accounted for in the Financial Report		
Contingent assets relating to certain claims made or pending ⁽³⁾	2	-

(1) Contingent liabilities relate predominately to actual or potential litigation of the Group for which amounts are reasonably estimated but the liability is not probable and therefore the Group has not provided for such amounts in this Financial Report. Additionally, there are a number of other claims and possible claims that have arisen in the course of business against entities in the Group, the outcome of which cannot be foreseen at present, and for which no amounts have been included in the table above.

(2) The Group has issued guarantees relating to workers compensation liabilities.

(3) Contingent assets relate predominantly to claims receivable by the Group for which amounts are reasonably estimated but the receivable is not virtually certain and therefore the Group has not provided for such amounts in the Financial Report.

9. Events after the end of the reporting period

Sale of Browse Equity

On 30 April 2012, Japan Australia LNG (MIMI Browse) Pty Ltd (MIMI) entered into a Sale and Purchase Agreement with Woodside to acquire a minority portion of Woodside's equity in the proposed Browse LNG Development for US\$2 billion. The sale is subject to standard regulatory and joint venture participant approvals. On 21 August 2012, the required approvals were received and Woodside is currently working with MIMI to complete the sale.

Dividends

On 22 August 2012, the directors approved a fully franked interim dividend of US\$0.65 per share (2011: US\$0.55 per share). The dividend will be payable to shareholders registered on the record date of 31 August 2012 and will be paid on 2 October 2012.

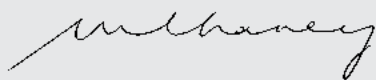
Directors' Declaration

In accordance with a resolution of directors of Woodside Petroleum Ltd, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that Woodside Petroleum Ltd will be able to pay its debts as and when they become due and payable.

On behalf of the Board



M A Chaney, AO
Chairman

Perth, Western Australia
22 August 2012



P J Coleman
Chief Executive Officer

Perth, Western Australia
22 August 2012

Independent review Report

To the members of Woodside Petroleum Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Woodside Petroleum Ltd, which comprises the consolidated statement of financial position as at 30 June 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 30 June 2012 or from time to time during the half-year.

Directors' Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Woodside Petroleum Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Woodside Petroleum Ltd is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Ernst & Young



R J Curtin
Partner
Perth, Western Australia
22 August 2012

Appendix 4D

Half-Year Report

For 'Results for Announcement to the Market' refer to the inside cover of this Half-Year Report.

Dividends

Ex-dividend date	27 August 2012		
Record date for the interim dividend	31 August 2012		
Last date for receipt of DRP election notices	31 August 2012		
Date the dividend is payable	2 October 2012		
		Current period	Previous corresponding period*
Interim dividend - fully franked	US cents per share	65	55

None of these dividends are foreign sourced.

Details of Dividend Reinvestment Plan

The Board of Woodside has determined that the Dividend Reinvestment Plan (DRP) will remain activated for the 2012 interim dividend. Shares allocated under the DRP will be acquired on-market with the assistance of a broker, will rank equally with existing fully paid shares and will be allocated at a price determined under the DRP rules.

Shareholders who elect to participate in the DRP for the 2012 interim dividend will be allocated shares at no discount. The DRP share price for participating shareholders will be determined over 14 trading days commencing on 4 September 2012 with shares transferred to participants on 2 October 2012.

Net tangible assets

NTA backing	Current period US\$	Previous corresponding period (US\$)*,**
Net tangible assets (US\$ per ordinary security)	16.39	15.10

Details of entities over which control was gained or lost

Name of entity	Date of gain or loss of control
Nil	N/A

Details of associates and joint venture entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal	
	Current period	Previous corresponding period*
North West Shelf Gas Pty Ltd	16.67%	16.67%
North West Shelf Liaison Company Pty Ltd	16.67%	16.67%
North West Shelf Australia LNG Pty Ltd	16.67%	16.67%
International Gas Transportation Company Limited	16.67%	16.67%
North West Shelf Shipping Service Company Pty Ltd	16.67%	16.67%

* Comparisons are to the half-year period ended 30 June 2011

** Prior period adjusted for non-controlling interest

Shareholder Information

Registered office

Woodside Petroleum Ltd
Woodside Plaza
240 St Georges Terrace
Perth, Western Australia 6000

Shareholder registry: enquiries

Investors seeking information about their shareholdings should contact the company's share registry:

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace
Perth, Western Australia 6000
Postal address: GPO Box D182
Perth, Western Australia 6840

Telephone: 1300 558 507 (within Australia)
(+61) 3 9415 4632 (outside Australia)
Facsimile: (+61) 8 9323 2033

Email: web.queries@computershare.com.au
Website: www.investorcentre.com/wpl

The share registry can assist with queries on share transfers, dividend payments, the Dividend Reinvestment Plan, notification of tax file numbers and changes of name, address or bank details.

Investor Relations: enquiries

Requests for specific information on the company can be directed to Investor Relations at:

Investor Relations

Woodside Petroleum Ltd
Woodside Plaza
240 St Georges Terrace
Perth, Western Australia 6000

Postal address: GPO Box D188
Perth, Western Australia 6840
Telephone: (61) 8 9348 4000
Facsimile: (61) 8 9214 2777

Email: investor@woodside.com.au

For various reports and updates visit Woodside's website:

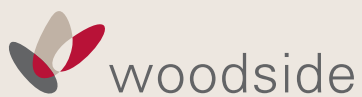
www.woodside.com.au

Event calendar 2012

27 August	Ex-dividend date for interim dividend
31 August	Record date for interim dividend
2 October	Payment date for interim dividend
18 October	Third Quarter 2012 Report
31 December	Woodside financial year end
January 2013	Fourth Quarter 2012 Report

Key ASX releases for the first half 2012

February	Woodside Reports 2011 Full Year Profit of \$1.51 billion
February	Appointment of Executive Director
March	Pluto LNG Project Achieves Ready for Start Up
April	Variation to Browse Basin Retention Leases Approved
April	Pluto Begins LNG Production
May	Offer for Sale of Browse Equity and LNG Volumes



[Half-Year Report 2012](#)

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