

ASX Announcement

Thursday, 17 January 2013

FOURTH QUARTER REPORT FOR PERIOD ENDED 31 DECEMBER 2012

Successful Pluto start-up drives record annual production and sales revenue

Woodside achieved significant uplift in its full-year 2012 production to a record 84.9 million barrels of oil equivalent (MMboe), an increase of more than 30% compared to 2011.

Woodside CEO Peter Coleman said the record production was a result of outstanding performance of the Pluto LNG Plant since start up in April 2012, together with ongoing reliability of the foundation business.

“Our full-year production levels clearly demonstrate what a game-changer Pluto is for Woodside, with production levels consistently above our expectations,” Mr Coleman said.

“It has resulted in a step-change in our annual sales revenues, positioning us to pursue value-adding growth opportunities such as potential LNG developments in Israel and exploration activities in Myanmar.”

Comparative performance at a glance

Full Year comparison		2012	2011	Change %
Production	MMboe	84.9	64.6	+ 31%
Sales	MMboe	83.8	63.9	+ 31%
Revenue	\$ million	6,223	4,802	+ 30%
Corresponding quarter, prior year		Q4 2012	Q4 2011	Change %
Production	MMboe	24.3	16.6	+ 46%
Sales	MMboe	25.9	15.5	+ 67%
Revenue	\$ million	1,767	1,237	+ 43%
Previous quarter		Q4 2012	Q3 2012	Change %
Production	MMboe	24.3	26.5	- 8%
Sales	MMboe	25.9	24.8	+ 4%
Revenue	\$ million	1,767	1,828	- 3%

All dollar amounts are in US dollars unless otherwise stated

Key Points:

- Record annual production of 84.9 MMboe was up 31% compared to 2011.
- Record annual sales revenue of \$6.2 billion was up 30% compared to 2011.
- Q4 2012 production volumes were 46% higher compared to the prior corresponding period, largely due to the start up of Pluto LNG in 2012 supported by production increases for North West Shelf LNG and oil. Sales revenue increased by 43%. The average Brent price for the quarter was \$110.13/bbl, up from \$109.02/bbl in the prior corresponding period.
- Production was 8% lower than the previous quarter, predominantly due to scheduled maintenance activities and seasonal factors.

Highlights:

- **Pluto LNG:** Continued strong production of 1,038,966 tonnes of LNG and 777,703 barrels of condensate (100% project) was achieved during the quarter. Utilisation for the quarter was 90.4%, exceeding the quarterly figure of 83.3% as per the 2012 annual plan.

During the quarter Pluto LNG received Australia's highest honour in engineering, the Sir William Hudson Award. The award was conferred at the 2012 Australian Engineering Excellence Awards. The award acknowledges the project's integration of engineering with community consultation and consideration for the environment throughout project delivery.

- **NWS Project:** A major milestone was achieved in October with the loading of the 3,000th LNG cargo from the Karratha Gas Plant for the Japanese market.
- **North Rankin Redevelopment Project:** Hook-up activities on the North Rankin B Platform are nearing completion and commission activities are progressing. The project remains on budget and on schedule for completion in 2013.
- **Greater Western Flank Phase 1 Project:** Engineering, procurement and fabrication activities are progressing to plan. Phase 1 drilling activities were completed in Q4 2012. The project remains on budget and on schedule for completion in early 2016.
- **Browse LNG:** The commercial evaluation of tender bids for offshore and onshore infrastructure continued in Q4 in preparation for the consideration of a final investment decision in the first half of 2013.
- **Mutineer Exeter:** Woodside signed a sale and purchase agreement with Santos on 21 December 2012 to sell its 8.2% interest in the Santos-operated Mutineer Exeter oil project with effect from 1 July 2012. The agreement is expected to complete in Q1 2013.
- **Israel:** Woodside reached in-principle agreement to acquire a 30% participating interest in each of the 349/Rachel and 350/Amit petroleum licences which contain the world-class Leviathan gas field in offshore Israel. The acquisition is subject to conditions including execution of fully-termed agreements, completion of due diligence, and necessary government and other approvals.
- **Myanmar:** During the quarter Woodside's offers to acquire an interest in Blocks AD-7 (Operator: Daewoo International Corporation) and A-6 (Operator: MPRL E&P Pte Ltd) in Myanmar were accepted. Entry into these Blocks gives Woodside the opportunity to acquire 3D seismic in 2013 and 2014, with options to drill exploration wells in subsequent exploration periods. These acquisitions are subject to conditions including execution of fully-termed agreements, completion of due diligence, and necessary government and other approvals.



Since 1989 the NWS has delivered over 3,000 LNG cargoes to Japan

Production Summary

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

		Q4 2012	Q3 2012	Q4 2011	FY 2012	FY 2011
NWS PIPELINE NATURAL GAS ¹	Production(TJ)	20,508	23,066	21,367	84,202	85,800
	Sales (TJ)	20,515 ²	23,066	21,077 ²	84,144 ²	85,338 ²
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	656,750	670,833	601,789	2,457,469	2,533,709
	Sales Delivered (t)	645,638	677,654	575,958	2,409,221	2,511,626
	Cargoes Delivered	67	69	59	247	255
NWS CONDENSATE	Production (bbl)	1,828,633	1,991,861	2,009,248	7,390,098	8,015,637
	Sales (bbl)	1,577,223	2,424,886	1,962,649	7,313,879	7,871,327
NWS OIL	Production (bbl)	991,046	1,031,773	506,100	3,447,139	933,362
	Sales (bbl)	1,397,940	567,956	474,834	3,371,785	1,147,943
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	30,370	34,225	37,422	129,705	143,154
	Sales (t)	35,569	34,872	34,857	134,769	142,342
PLUTO LIQUEFIED NATURAL GAS (LNG) ³	Production (t)	935,069	1,000,961	0	2,475,638	0
	Sales Delivered (t)	1,019,506	868,105	0	2,379,595	0
	Cargoes Delivered	17	14	0	39	0
PLUTO CONDENSATE ³	Production (bbl)	699,933	765,992	0	1,927,659	0
	Sales (bbl)	693,127	636,707	0	1,329,834	0
LAMINARIA-CORALLINA OIL	Production (bbl)	343,667	334,438	421,815	1,415,003	1,718,581
	Sales (bbl)	500,917	387,138	0	2,056,807	1,316,524
MUTINEER-EXETER OIL	Production (bbl)	27,398	41,867	61,039	148,302	164,894
	Sales (bbl)	74,104	50,646	53,473	173,790	148,127
ENFIELD OIL	Production (bbl)	656,862	678,813	1,083,184	2,755,709	4,148,239
	Sales (bbl)	778,408	434,537	1,106,916	2,734,555	4,046,958
STYBARROW OIL	Production (bbl)	453,556	538,803	842,445	2,235,950	3,907,757
	Sales (bbl)	275,644	550,304	816,348	2,228,861	3,903,821
VINCENT OIL	Production (bbl)	1,263,637	1,969,885	2,231,370	6,047,155	5,105,098
	Sales (bbl)	1,904,800	1,701,271	1,997,930	6,258,512	5,136,697
OHANET CONDENSATE ENTITLEMENT (RSC) ⁴	Production (bbl)	0	0	36,564	0	1,087,157
	Sales (bbl)	0	0	36,564	0	1,087,157
OHANET LPG ENTITLEMENT (RSC) ⁴	Production (t)	0	0	2,977	0	88,521
	Sales (t)	0	0	2,977	0	88,521
GULF OF MEXICO PIPELINE NATURAL GAS ⁵	Production (MMBtu)	193,916	92,772	110,187	548,095	1,353,853
	Sales (MMBtu)	193,916	92,772	110,187	548,095	1,353,853
GULF OF MEXICO CONDENSATE ⁵	Production (bbl)	301	318	85	919	8,443
	Sales (bbl)	301	318	85	919	8,443
GULF OF MEXICO OIL ⁵	Production (bbl)	205,762	172,820	187,795	712,154	811,934
	Sales (bbl)	205,762	172,820	187,795	712,154	811,934
Total	Production (boe) #	24,283,939	26,484,545	16,584,286	84,943,791	64,632,149
	Sales (boe) #	25,918,079	24,767,451	15,542,757	83,791,791	63,931,087

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 Plant during the Pluto commissioning phase.

3 Production of condensate commenced in late March 2012, while first LNG production occurred on 29 April 2012.

4 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.

5 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 9.

Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 31 December 2012, with appropriate comparatives:

Amounts in US\$ million		Q4 2012	Q3 2012	Q4 2011	FY 2012	FY 2011
Sales Revenue						
North West Shelf	Pipeline Natural Gas	92.1	102.3	85.4 ¹	367.2 ¹	374.7 ^{1,2}
	LNG	422.8	500.2	383.3	1,670.3	1,508.8
	Condensate	163.6	237.4	204.7	765.1	859.9
	Oil	153.1	63.8	51.8	372.7	118.6
	LPG	34.7	25.6	28.2	125.0	127.3
Pluto³	LNG	406.9	452.9	0.0	1,163.5	0.0
	Condensate	72.3	65.6	0.0	137.9	0.0
Laminaria-Corallina	Oil	52.6	40.6	0.0	221.9	151.5
Mutineer-Exeter	Oil	8.7	4.3	6.6	20.1	11.1
Enfield	Oil	90.2	52.6	130.6	324.8	474.7
Stybarrow	Oil	32.3	66.0	96.4	265.3	449.5
Vincent	Oil	216.1	198.8	225.9	712.7	589.4
Ohanet⁴	Condensate	0.0	0.0	0.9	0.0	26.2
	LPG	0.0	0.0	0.6	0.0	17.4
Gulf of Mexico⁵	Pipeline Natural Gas	1.0	0.5	0.8	2.7	8.0
	Condensate	0.0	0.1	0.0	0.1	0.8
	Oil	20.7	17.3	21.6	73.3	84.0
Total		1,767.1	1,828.0	1,236.8	6,222.6	4,801.9
Exploration and Evaluation Expense						
Exploration Expensed		109.7	46.1	263.9	268.7	528.0
Permit Amortisation		5.7	6.8	6.7	26.0	28.3
Evaluation Expensed		93.8	0.3	27.6	97.6	30.9
Total		209.2	53.2	298.2	392.3	587.2
Capital Expenditure						
Exploration Capitalised ^{6,7}		(7.0) ⁸	0.1	40.5	29.7	117.9
Evaluation Capitalised ⁷		89.6	64.8	77.6	353.4	660.5
Oil and Gas Properties ⁷		232.6	141.4	772.1	1,135.9	2,650.4
Other Property, Plant and Equipment		6.0	2.3	0.0	9.0	0.7
Total		321.2	208.6	890.2	1,528.0	3,429.5

- 1 NWS sales revenue excludes sales of natural pipeline gas to the Woodside-operated Pluto LNG Plant, during the Pluto commissioning phase.
- 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 Production of condensate commenced in late March 2012, while first LNG production occurred on 29 April 2012. The initial Pluto LNG revenue includes a positive one-off start up adjustment of \$27 million.
- 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 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.
- 7 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.
- 8 The negative capitalised exploration amount primarily reflects adjustments to costs that were a work in progress at the end of the previous quarter.

Production Activities

Field	Woodside share		Full field		Remarks
	Q4 2012	Q3 2012	Q4 2012	Q3 2012	
Australia NWS - Average daily production					
Pipeline gas (TJ)	223	251	510	526	Production was driven by customer demand for the quarter.
LNG (t)	7,139	7,292	45,566	46,300	Production was lower than the previous quarter due to warmer conditions reducing production capacity.
Condensate (bbl)	19,876	21,651	97,647	102,839	Production was lower than the previous quarter due to lower gas production and planned lower production from the Angel field to optimise long-term reservoir management.
Oil (bbl)	10,772	11,215	32,317	33,645	Production from the Okha FPSO was lower than the previous quarter due to the planned outage in November (five days).
LPG (t)	330	372	2,086	2,339	Production was lower than the previous quarter due to lower gas production and planned lower production from the Angel field to optimise long term reservoir management.
Australia Pluto – Average daily production					
LNG (t)	10,164	10,880	11,293	12,089	Production was lower than the previous quarter due to outages and scheduled maintenance (seven days) and warmer conditions reducing production capacity.
Condensate (bbl)	7,608	8,326	8,453	9,251	Production was lower than the previous quarter in line with gas system utilisation.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	3,736	3,635	5,872	5,708	Production was higher than the previous quarter primarily due to higher facility uptime.
Mutineer-Exeter Oil (bbl)	298	455	3,632	5,550	Production was lower than the previous quarter primarily due to production cessation in December 2012 in preparation for planned shipyard maintenance.
Enfield Oil (bbl)	7,140	7,378	11,900	12,297	Production was lower than the previous quarter primarily due to natural reservoir decline and three days of shutdown in late December prior to cyclone activity.
Stybarrow Oil (bbl)	4,930	5,857	9,860	11,713	Production was lower than the previous quarter primarily due to natural reservoir decline and a planned shutdown in late December prior to cyclone activity. At the end of the quarter, production was approximately 10,200 bbl/day (Woodside share 5,100 bbl/day).
Vincent Oil (bbl)	13,735	21,412	22,892	35,686	Production was lower than the previous quarter primarily due to lower facility uptime and cyclone readiness activities in December. At the end of the quarter the FPSO was disconnected prior to cyclone activity and is unlikely to produce prior to going to dry dock in January 2013.
United States - Woodside share average daily production					
	Q4 2012	Q3 2012			
Gas (MMBtu)	2,108	1,008	Gas production increased for the quarter as the result of the regulator issuing a temporary permit to the operator of the Power Play field to produce from the PL-A production zone to mitigate paraffin build-up in the production flow line.		
Oil and Condensate (bbl)	2,240	1,882	Oil and condensate production increased for the quarter as the result of the regulator issuing a temporary permit to the operator of the Power Play field to produce from the PL-A production zone to mitigate paraffin build-up in the production flow line.		

Development Activities

Australia

Pluto LNG

The Pluto LNG Plant production exceeded ramp-up expectations in 2012, delivering 2.15 million tonnes of LNG in the second half of 2012 (100% project). On an annualised basis this equates to 4.27 million tonnes per annum.

Basis of Design work for the Xena gas field has been completed with planning underway to enter front-end engineering and design in 2013.

Browse LNG

The Browse (Land) Agreement Bill 2012, which establishes the State Government's Browse LNG Precinct at James Price Point as the single site for all LNG development on the Kimberley coastline, passed through the Western Australian Parliament in November 2012.

The WA Environment Minister approved the Browse LNG Precinct in November 2012. Subsequently, the WA Environmental Protection Authority and the WA Environment Minister approved the proposal to develop the Browse LNG Development within the Precinct without a new environmental assessment.

The Rosebud seismic survey of the Torosa field was successfully completed in Q4 2012. The seismic data is currently being processed.

The commercial evaluation of tender bids for offshore and onshore infrastructure continued in Q4.

Under the joint marketing agreement between Woodside and MIMI, active engagement with customers has commenced.

North West Shelf

North Rankin Redevelopment Project

Hook-up activities on the North Rankin B Platform are nearing completion and commissioning activities are progressing. The project remains on budget and on schedule for completion in 2013. The project will access 5Tcf of discovered, undeveloped low-pressure gas reserves once complete (100% project).

Greater Western Flank Project

Phase-1 engineering, procurement and fabrication activities are progressing to plan and Phase-1 drilling activities were completed in Q4 2012. Phase-1 remains on budget and on schedule for completion in early 2016. The overall project (phase 1 and subsequent phases) will potentially access discovered, undeveloped volumes of around 3Tcf of gas and 100 MMbbl of condensate (100% project).

International

Sunrise LNG

Two technical workshops were held with the Timor-Leste Government in October and November. The next in the series of technical workshops is scheduled to occur in Q1 2013.

During the quarter, the Sunrise Joint Venture also participated in discussions organised by the Australian and Timor-Leste Sunrise Commissioners regarding the Greater Sunrise Development. The discussions covered a range of commercial, technical, legal and political matters related to the development. Further engagement with both governments has been agreed and will occur during 2013.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q4 2012

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
INTERNATIONAL							
Innsbruck ³	GoM, MC-993	Oil	15.00	31/08/2012	1,910	8,953	Dry Hole

Notes:

- 1 Water depth measured at lowest astronomical tide (LAT).
- 2 Reported depths referenced to the rig rotary table.
- 3 Well suspended on 04/06/2010 at 6,035 metres due to GoM drilling moratorium; re-entered in Q3 2012.

Exploration or appraisal wells planned to commence in Q1 2013

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres) ¹	Proposed Total Depth (metres) ²	Remarks
AUSTRALIA						
Goodwyn North-1	Carnarvon Basin, WA-1-L	Gas	16.67	134	3,016	Exploration
Gumbo-1	Carnarvon Basin, WA-430-P	Gas	70.00	1,264	4,025	Exploration
INTERNATIONAL						
Panoramix-3	Santos Basin, BM-S-48	Oil	12.50	209	4,209	Appraisal

Notes:

- 1 Water depth measured at lowest astronomical tide (LAT).
- 2 Reported depths referenced to the rig rotary table.

Geophysical surveys conducted during Q4 2012

Location	Survey name (Area)	Type	2D (line km full fold) 3D (km ² full fold) 4D (km ² full fold)
AUSTRALIA			
WA-462-P, WA-464-P, WA-466-P	Curt 3D MSS (Outer Canning exploration)	3D	3,645 km ² of 11,522 km ² in Q4 (Complete)
WA-447-P, WA-449-P	Admiral 3D MSS (Browse exploration)	3D	2,445 km ² of 2,855 km ² in Q4 (Incomplete)
TR/5, WA-30-R	Rosebud 3D MSS (Browse development)	3D	37 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
UNITED STATES				
GOM	GC 144/31697; GC 841/26336; GC 842/26337; GC 843/26338; GC 885/26342; GB 822/26685	(50)	0	Equity Transfer
GOM	KC 457/31905; KC 499/31251	100	100	Equity Acquisition
GOM	KC 501/26752; KC 544/26756	50	50	Equity Acquisition
GOM	GB 598/26672; GB 642/26675; GB 770/30849; GB 813/26681; GB 814/26682; GB 815/26683; GB 858/26687; GB 901/26688; GB 903/26689; GB 947/26691; GB 965/26692	(50)	0	Equity Disposal
GOM	GC 226/26300; GC 400/28074; GC 401/26309; GC 445/27355; GC 532/26317; GC 573/26320; GC 574/26321; GC 710/26329; GC 749/26330; GC 755/26332; GC 793/26333; GC 798/26334; GC 799/26335; GC 925/26347; GC 972/26357; GC 973/26358	(50)	0	Equity Disposal

During the quarter Woodside executed a number of transactions in the Gulf of Mexico that resulted in the divestment of 27 leases and the acquisition of four leases of more strategic value to the Company.

Corporate Activities

Appointment of New Directors

During the quarter Woodside announced that Dr Sarah Ryan (effective 6 December 2012) and Mr Frank Cooper (effective 1 February 2013) had been appointed as non-executive directors. The retiring Board members are Dr Pierre Jungels (effective 7 December 2012) and Mr Erich Fraunschiel (effective 28 February 2013), who have both served ten years on the Board.

Browse Equity Sale

The US\$2 billion sale of a minority portion of Woodside's equity in the proposed Browse LNG Development to Japan Australia LNG (MIMI Browse) Pty Ltd (MIMI) was completed in September. The proceeds were treated as a reimbursement of all previously incurred exploration and evaluation costs with the excess contributing to the profit on sale. The unaudited profit after tax was US\$974 million.

Capital Management

Woodside ended the year with available funds of US\$4.1 billion (US\$2.4 billion in cash and US\$1.7 billion in undrawn debt facilities), up from US\$2.2 billion at the end of 2011.

2013 Production Outlook

Woodside's 2013 production target range remains unchanged at 88 to 94 MMboe, comprising 47% from NWS Gas facilities, 41% from Pluto LNG and 12% from other assets.

2012 Full Year Results Webcast

The 2012 annual results, 2012 Annual Report and the associated investor briefing slide presentation will be available on Woodside's website at www.woodside.com.au on Wednesday 20 February 2013. A webcast briefing including investor/analyst questions will also be available on Woodside's website from 10am (WST) on 20 February 2013.

Annual General Meeting

In accordance with ASX Listing Rule 3.13.1, Woodside Petroleum Ltd advises that its Annual General Meeting will be held in Perth, Western Australia on Wednesday, 24 April 2013.

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*

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