2013 HALF-YEAR REPORT

Incorporating Appendix 4D
30 June 2013

woodside

Woodside Petroleum Ltd and its Controlled Entities | ABN 55 004 898 962

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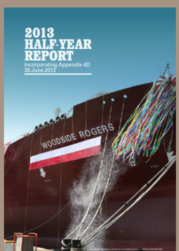
About the cover



The 'Woodside Rogers' naming ceremony in March 2013. The Woodside Rogers became the fourth vessel in the Pluto fleet.

Appendix 4D

(further details on page 18)

Results for Announcement to the Market*

				US$ million
Revenues from ordinary activities	increased	7.6%*	to	2,857
Net profit for the period attributable to members (reported profit)	increased	7.5%*	to	873
Net profit after tax and before significant items (underlying profit)	decreased	1.5%*	to	852
Dividends (distributions)				
Interim dividend - fully franked (US cents per share)	83 cps 1H 2013		(65 cps 1H 2012)	
Record date for determining entitlements to the dividend			30 August 2013	

* Comparisons are to the half-year period ended 30 June 2012.

About this report

This 2013 Half-Year Report is a summary of Woodside's operations, activities and financial position as at 30 June 2013.

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 the first half of the year, i.e. the period between 1 January and 30 June 2013. All dollar figures are expressed in US currency unless otherwise stated.

This report should be read in conjunction with the 2012 Annual Report and 2012 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 29 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.

We are seeking to further expand our LNG portfolio though premium developments such as Browse and Sunrise. Woodside also operates four oil floating production storage and offloading (FPSO) vessels in the Exmouth Basin, North West Shelf and Timor Sea.

Australian exploration continues to focus on high value infill opportunities, and new opportunities in both emerging and frontier acreage.

Our disciplined approach to global exploration is already identifying some exciting opportunities. Having secured two blocks in Myanmar (subject to the necessary approvals), seismic has been acquired over block A-6, marking the start of a comprehensive exploration program in this region. Our farm-in offers into the Porcupine Basin offshore Ireland were accepted in June 2013, with seismic surveys planned for 2014.*

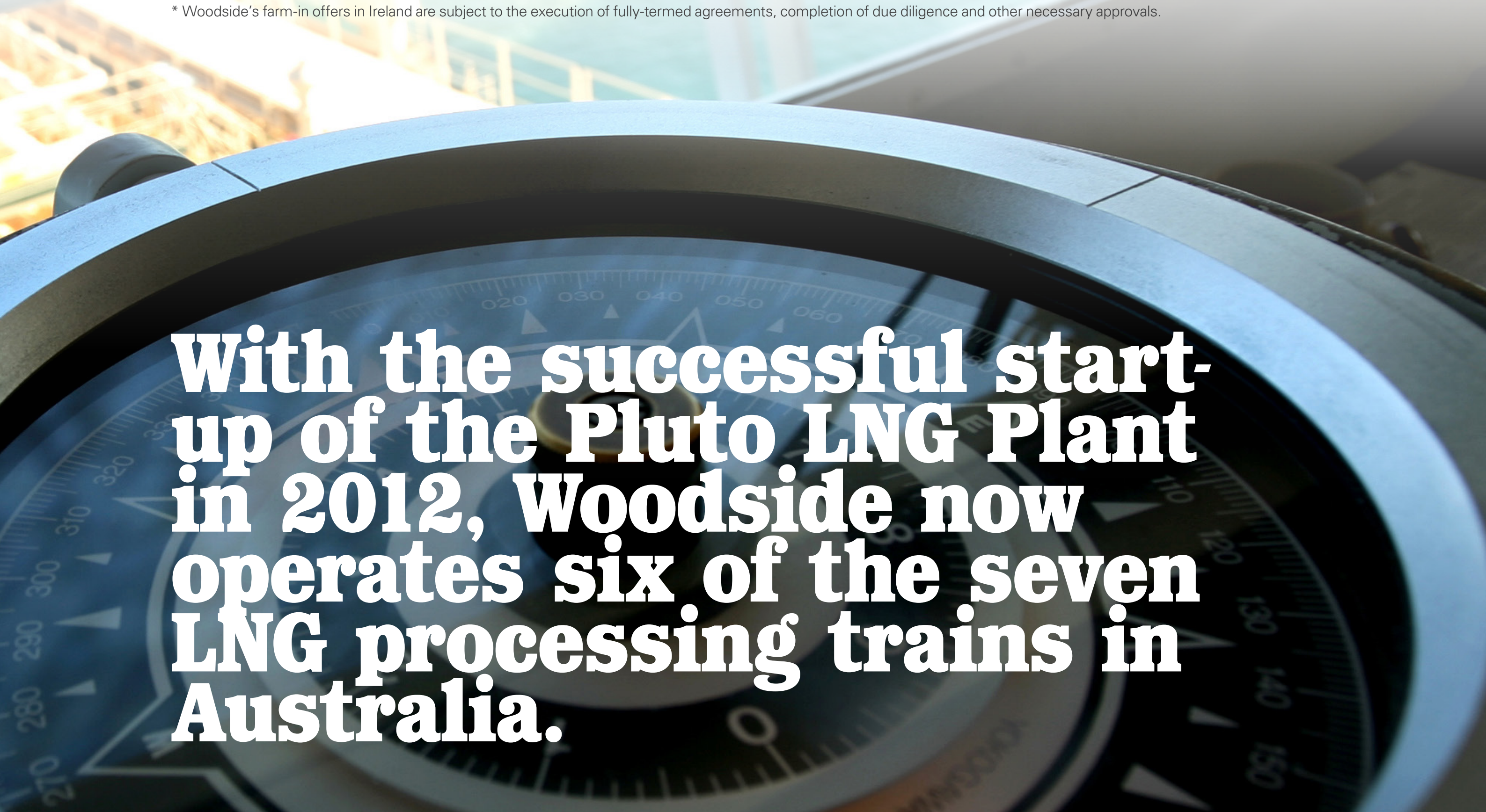
Woodside's international assets include deepwater production facilities in the Gulf of Mexico plus acreage in the USA, Myanmar, Brazil, Peru, Republic of Korea, the Republic of Ireland* and the Canary Islands.

In 2012, Woodside also entered into a conditional agreement to take equity in the Leviathan gas field offshore Israel, one of the largest recent discoveries world-wide.

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, commercialising our growth projects and leveraging our world-class capabilities to capture new growth opportunities in Australia and beyond.

* Woodside's farm-in offers in Ireland are subject to the execution of fully-termed agreements, completion of due diligence and other necessary approvals.



With the successful start-up of the Pluto LNG Plant in 2012, Woodside now operates six of the seven LNG processing trains in Australia.

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 2013 as follows:

PRODUCTION

▲22.5%

A record first half production of 41.9 MMboe was 22.5% higher compared to 1H 2012 primarily due to a full half-year of Pluto LNG production, partially offset by lower oil volumes predominantly associated with the Vincent FPSO being off station for planned shipyard maintenance and net field decline.

OPERATING REVENUE

▲7.6%

A record first half operating revenue of $2,857 million was an increase of 7.6% compared to 1H 2012 largely due to a full half-year of Pluto LNG production. A higher gas proportion in the product mix combined with lower crude oil prices resulted in a lower average realised price for all of Woodside's products ($66.70/boe in 1H 2013 compared to $79.36/boe 1H 2012). The average Brent price for 1H 2013 was $107.88/bbl compared to $113.68/bbl in 1H 2012.

REPORTED PROFIT

▲7.5%

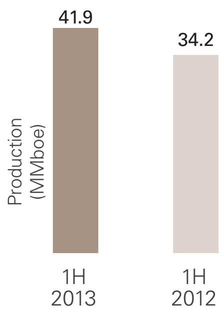
Reported net profit after tax of $873 million was supported by higher production, higher sales volumes and lower Petroleum Resource Rent Tax (PRRT). Partially offsetting these positive contributions were lower realised prices and increased costs due to higher Pluto volumes, and a write-down at Enfield.

REPORTED EPS

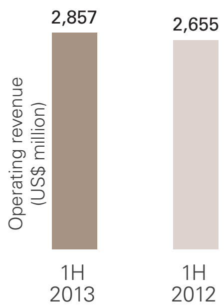
▲6.0%

Earnings per share (eps) on a reported basis was 106 cps, up 6.0% from 1H 2012 (100 cps). Underlying eps decreased 2.8% to 104 cps.

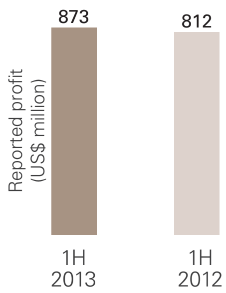
Production



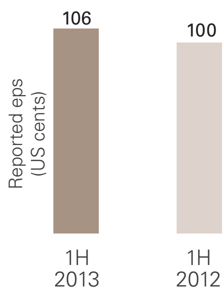
Operating revenue



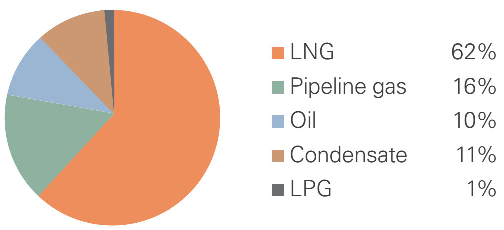
Reported profit after tax



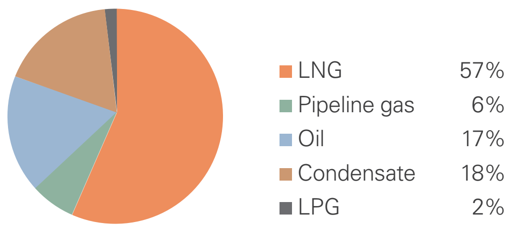
Reported Earnings per share



1H 2013 Production



1H 2013 Sales Revenue



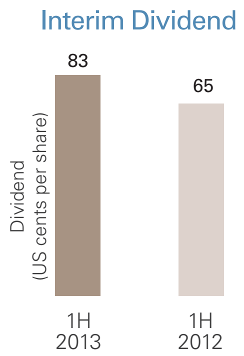
FIRST HALF DIVIDENDS

63 cents PER SHARE (SPECIAL DIVIDEND)

During 1H 2013, the Board declared a special dividend of 63 cents per share (cps). The dividend was paid on 29 May 2013 to all shareholders registered on the record date of 6 May 2013. In addition, the Board determined that the company will target a dividend payout ratio of 80% of underlying net profit after tax, which is expected to be maintained for several years. This will be reviewed in the event of significant new capital investments or if business performance or external circumstances change materially.

83 cents PER SHARE (INTERIM DIVIDEND)

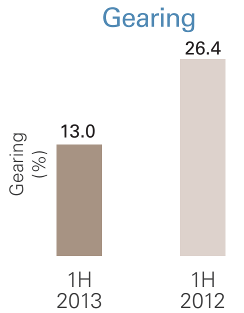
The Board has approved a fully franked interim dividend of 83 cps. This compares to 65 cps (fully franked) in 1H 2012. Further details on page 28.



STRONG BALANCE SHEET

13.0% gearing

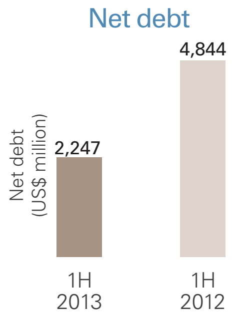
At the end of the reporting period our gearing level was 13.0% down from 26.4% in 1H 2012.



WELL POSITIONED TO FUND GROWTH

$3.4 billion IN CASH AND UNDRAWN FACILITIES

Woodside finishes 1H 2013 in a strong position with $1.8 billion in cash and $1.6 billion in undrawn facilities. At the end of the reporting period total debt was $4.1 billion and net debt was $2.2 billion. Woodside has sufficient liquidity to fully fund its committed activities.



	1H 2013 MMboe	1H 2012 MMboe	Variance %
Production volume	41.9	34.2	22.5
Sales volume	41.8	33.1	26.3

	US$M	US$M	Variance %
Operating revenue	2,857	2,655	7.6
EBITDAX[1]	2,033	1,871	8.7
Expensed exploration/evaluation (includes permit amortisation)	(197)	(130)	(51.5)
Depreciation/amortisation	(610)	(444)	(37.4)
EBIT[2]	1,226	1,297	(5.5)
Net finance costs	(85)	(42)	(102.4)
Income tax expense	(326)	(412)	20.9
PRRT expense	86	(27)	418.5
Non-controlling interest	(28)	(4)	n.m.[3]
Reported profit (including non-recurring items)	873	812	7.5
Deduct/(add back) non-recurring items after tax	21[4]	(53)[5]	n.m.[3]
Underlying profit (excluding non-recurring items)[6]	852	865	(1.5)
Reported earnings per share (eps in cents)	106	100	6.0
Underlying earnings per share (eps in cents)[6]	104	107	(2.8)
Interim dividend (cps)	83	65	27.7
Net operating cashflow	1,494	1,495	n.m.[3]
Gearing (%)[7]	13.0	26.4	50.8
Total debt[8]	4,052	5,455	25.7
Cash and cash equivalents	1,805	611	195.4

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 The non-recurring after-tax item of $21 million relates to the gain on sale of Mutineer Exeter.
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. By focusing our efforts on being a global leader and partner of choice in upstream oil and gas we believe we can achieve our mission.

Woodside remains focused on delivering the three elements of our strategic direction; maximise our core business, leverage our capabilities and grow our portfolio.

Maximising our core

Our Australian business is at the core of our strategy. With four Floating Production Storage Offtake (FPSOs) vessels and six LNG trains, Woodside is the largest operator of oil and gas in Australia. We are the largest offshore acreage holder with 35 permits; 34 as operator. We will continue to maximise value from our existing assets through increased production efficiencies and reduced unit development costs.

In April 2013, Woodside completed its technical and commercial evaluation of the proposed Browse LNG Development near James Price Point and determined that the development concept did not meet the company's commercial requirements for a positive final investment decision. Woodside has evaluated other development concepts to commercialise the Browse resources and subsequent to the end of the reporting period resolved to recommend the Browse Joint Venture participants use floating LNG (FLNG) technology as the development concept to commercialise the three Browse gas fields.

Leveraging our capabilities

Woodside's capability in LNG provides us with a competitive advantage which we intend to apply to new offshore technologies and a broader range of upstream development solutions.

In April 2013, Woodside entered into an agreement with Shell that sets out the key principles that would apply if the Browse resources are developed using Shell's Floating LNG (FLNG) technology. As operator of the Browse LNG Development, the agreement strengthens our development and operational capabilities through the potential use of Shell's "Design One Build Many" FLNG technology.

Woodside's recent conditional entry into acreage offshore Ireland and entry to Myanmar are in line with our strategy of targeting high value opportunities which leverage our core capabilities such as deepwater drilling.

Growing our portfolio

Woodside is pursuing a broad range of value-adding opportunities, sitting within a clearly defined strategy. We are pursuing material value growth through LNG-related opportunities; we are focused on growing our portfolio through successful partnering and careful balancing of basin maturity, hydrocarbon type, volumes, value, geological and above ground risks.

Woodside's strategy has shifted from an emphasis on mature basins with a predominant focus on Australia, to balance between mature, emerging and frontier basins in Australia and also internationally.

Woodside attained an agreement in-principle to a 30% farm-in to the Leviathan field in the Eastern Mediterranean. The field is one of the largest recent gas discoveries worldwide and provides the opportunity for a key role in the development of a liquefied natural gas industry in Israel.

The acquisition of an interest in two blocks in the Rakhine deepwater basin, located off Myanmar, also presents a significant opportunity to pursue frontier and underexplored acreage with the potential for large discoveries.

Production outlook

Woodside's production target range for 2013 has been revised to 85 to 89 MMboe (previously 88 to 94 MMboe).

There are two principal reasons for the change:

- There was a temporary interruption to Pluto production resulting from an unplanned shutdown of the LNG processing train. The impact is estimated to be a deferral of approximately 2 MMboe (Woodside share).
- The scheduled refurbishment of the Vincent floating production storage and offloading vessel will take longer than expected. Production is now anticipated to recommence in the fourth quarter of 2013, which would result in an additional deferral of approximately 1 MMboe (Woodside share).

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*, including a growing role for LNG as a transport fuel.

*Source: WoodMackenzie, Global LNG Tool (May 2013)

The Asia Pacific is expected to remain the core regional market. The outlook for sustained growth in this region is underpinned by Japan's ongoing need for significant incremental LNG in the wake of the 2011 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. LNG import is also being proposed for Myanmar, Pakistan, Vietnam and the Philippines.

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%-15% of global trade by 2025. Even with this supply, we expect the market in the Asia Pacific region will remain tight to 2020 and oil-indexed pricing will remain the basis for sales.

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 July 2013 Woodside took delivery of a fourth ship, the 'Woodside Rogers' into the integrated fleet that it manages for Pluto LNG. Additional shipping capacity will be a key enabler of further expansion of our trading business. From 2014 Woodside expects to have a new ship for third party originated LNG trading.

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.

Health and safety

During 1H 2013 Woodside implemented a strategic roadmap to achieve our goal of global top quartile health and safety performance by 2017.

Initiatives have included the adoption of specific performance measures for process and personal safety that enable global benchmarking of our health and safety performance; as well as the implementation of an enhanced health and safety service delivery model to support global operations.

As at 30 June 2013 the Total Recordable Injury Rate was 3.46 per million hours worked which is better than the comparative period rate of 3.99. Woodside is tracking towards the company target of top quartile performance by 2017.

Environment

In 2012, assessment and acceptance of environment plans for offshore exploration, development and production activities transitioned to a new regulator, the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). Woodside accounted for approximately one third of all Environment Plans submitted by industry for assessment by NOPSEMA during 1H 2013.

In June 2013 Woodside and the Australian Institute of Marine Science released "Discovering Scott Reef", a book detailing the studies of Scott Reef's physical environment and biological communities over two decades. This book is available for download at www.aims.gov.au.

People

Woodside continues to support its vision of being a global leader in upstream oil and gas through attraction and retention of an engaged, diverse and high performing workforce.

Woodside's journey towards becoming a values-led organisation has progressed in 1H 2013 with our core values being embedded into on-boarding activities, leadership development programs and core people processes such as the performance management cycle.

In 1H 2013 we have focused on growing Woodside's talent by increasing graduate numbers. As a result the graduate recruitment campaign appointed 70 graduates across both technical and non-technical disciplines for the 2014 intake, a 52% increase on the previous year. Graduate recruitment has contributed to Woodside's diversity objectives by achieving excellent outcomes in gender and cultural diversity. Woodside has also seen a 9% increase in female hires in 1H 2013.

In 1H 2013, 121 Trainees and Apprentices participated in the Trainee and Apprenticeship Program with 113 active as at 30 June 2013. Eight trainees were placed in permanent roles during 1H 2013.

Education remains integral to creating a diverse workplace environment and a recruitment and assessment education workshop has been implemented, where participants gain an awareness of how unconscious bias can impact hiring decisions. Woodside has also rolled out Equal Employment Opportunity training to educate employees on diversity issues.

Woodside has progressed towards achieving its Reconciliation Action Plan (RAP) commitments with 94 Indigenous employees as at 30 June 2013. A further 47 Indigenous Australians participated in our Indigenous Training Pathways program during 1H 2013.

1H 2013 has seen a greater focus on developing Woodside leaders in core management and leadership skills, with 970 leaders participating in leadership programs as at 30 June 2013. Progress has been made on the review of Woodside's management and leadership competency framework and the supporting development curriculum, with roll out of both initiatives scheduled for Q4 2013.

In the coming months Woodside will conduct an employee engagement survey, which will provide an insight into the impact of our efforts on workplace climate, engagement and enablement.

Woodside has appointed an Anti-Bribery and Corruption Lawyer to complement existing Anti-Fraud and Corruption resources. The appointment will add further protection to the company from the threat of fraudulent and corrupt activity, focusing on Woodside's Anti-Bribery and Corruption Policy and Fraud and Corruption Control Program which were endorsed in 1H 2013.

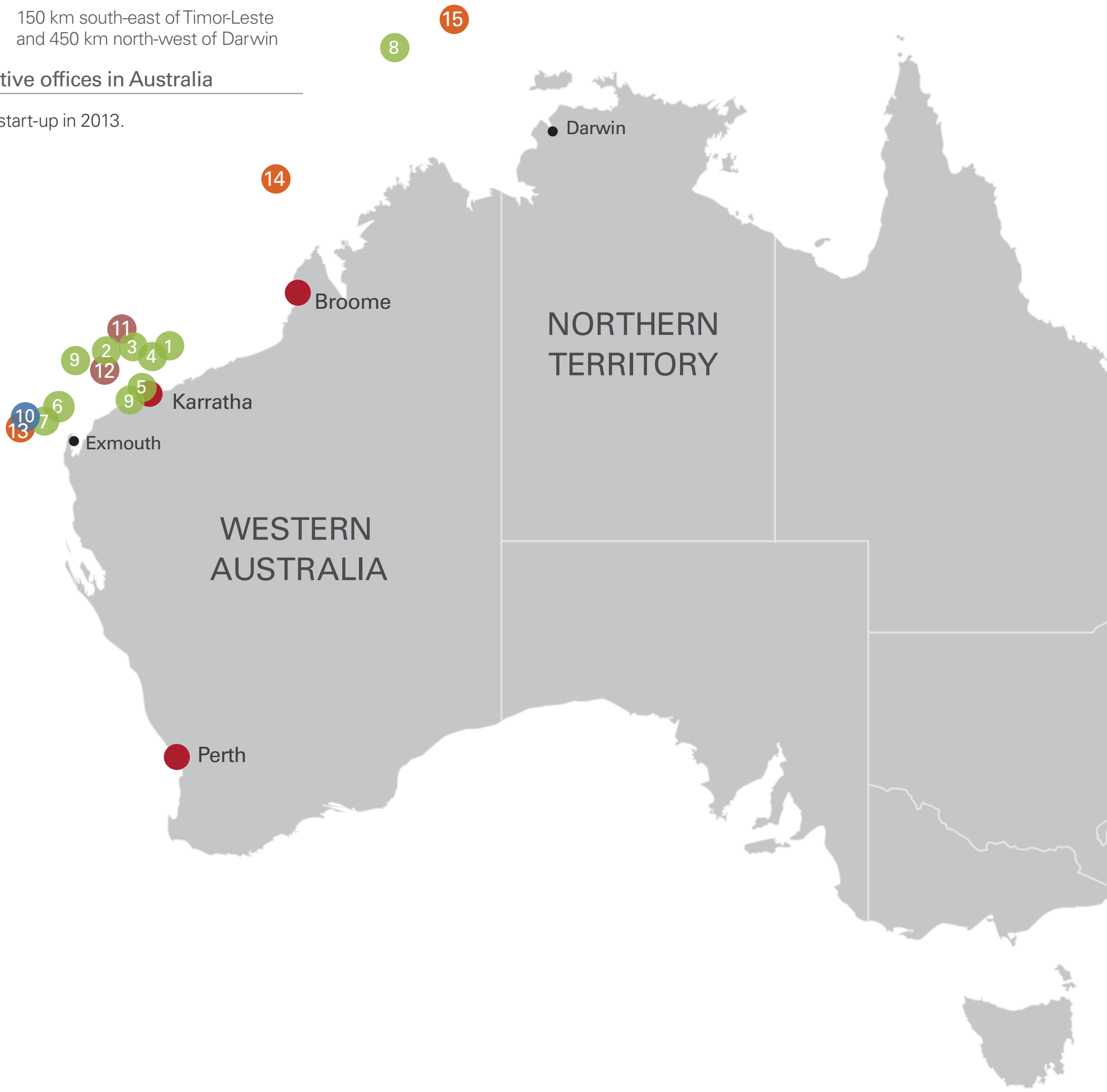
Review of operations
Australia

We have operated our landmark Australian project, the North West Shelf, for 29 years and it remains one of the world's premier liquefied natural gas (LNG) facilities.

Our areas of activity - Australia

	Our producing assets (operated)	Approximate location
1	Angel platform (NWS)	135 km north-west of Karratha
2	Goodwyn A platform (NWS)	
3	North Rankin A and B platforms* (NWS)	
4	Okha FPSO (NWS)	
5	Karratha Gas Plant (NWS)	28 km north-west of Karratha
6	Ngujima-Yin FPSO (Vincent oil)	45 km north-west of Exmouth
7	Nganhurra FPSO (Enfield oil)	40 km north-west of Exmouth
8	Northern Endeavour FPSO (Laminaria-Corallina oil)	550 km north-west of Darwin
9	Pluto LNG Plant and platform (Pluto LNG)	27 km north-west of Karratha 180 km north-west of Karratha
	Our producing assets (non-operated)	
10	Stybarrow Venture MV16 FPSO (Stybarrow oil)	50 km north-west of Exmouth
	Our projects	
11	North Rankin Redevelopment (NWS)	135 km north-west of Karratha
12	Greater Western Flank Phase 1 (NWS)	130 km north-west of Karratha
	Our developments	
13	Laverda oil	50 km north-west of Exmouth
14	Browse LNG	425 km north of Broome
15	Sunrise LNG	150 km south-east of Timor-Leste and 450 km north-west of Darwin
	Woodside offices and representative offices in Australia	

* North Rankin B platform is scheduled to start-up in 2013.



North West Shelf

North West Shelf Project

Woodside 12.5 – 50% (operator)[#]

In 1H 2013 Woodside continued to strive to maximise value from the North West Shelf (NWS) assets while operating safely and delivering reliably. We remain focused on increasing the value of the NWS Project through our commitment to operational excellence and by seeking opportunities to extend the NWS business.

Operational Excellence

In the first half of the year NWS delivered 119 cargoes of LNG on behalf of the NWS joint venture participants, compared to 111 in the first half of 2012 (which included additional project and shutdown impacts).

Pipeline gas sales of 40,345 TJ (40,563 TJ 1H 2012) were lower due to customer demand. Condensate production of 3.3 MMbbls (3.6 MMbbls 1H 2012) and LPG production of 55,316 tonnes (65,110 tonnes in 1H 2012) decreased due to planned lower production from the Angel field to optimise long-term reservoir management. Oil production of 1.7 MMbbls (1.4 MMbbls 1H 2012) increased due to a reduction in project commissioning impacts.

We continue to invest in our infrastructure in order to maintain our world-class assets. One of the largest planned shutdowns ever conducted at the Karratha Gas Plant was undertaken in Q2 with more than 2000 personnel on site. The LNG Train 2 shutdown involved large-scale refurbishment, turbine and compressor overhauls, valve replacements and overhauls, and other required maintenance activities.

North Rankin Redevelopment Project

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

Hook-up and commissioning activities on the NRB Platform continue to progress. The A$5 billion project (approximately A$840 million Woodside's 16.7% share) remains on budget and scheduled for start-up in 2013.

Greater Western Flank Phase-1 Project

The A$2.5 billion GWF-1 Project represents the next major development for the NWS Project. The project will develop the Goodwyn GH and Tidepole fields via a subsea tie-back to the existing Goodwyn A platform.

Engineering, procurement and fabrication activities are progressing to plan with the project 51% complete. In Q4 2013 we expect to complete the two Goodwyn GH wells and commence pipeline installation. The Project remains on budget and scheduled for start-up in early 2016.

Exploration

In June the NWS Project received environmental approval from the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to undertake the Fortuna 3D marine seismic survey.

The seismic survey will cover 4050 km^2 of NWS acreage and will be the largest ever delivered by the NWS Project.

Future Developments

We continue to advance the development of the Persephone field as a potential subsea tie-back to the North Rankin Complex (NRA and NRB). Located on the Eastern Flank of NWS acreage, Persephone is 8 km from the Complex.

Production and sales volumes on this page 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%.

Australia Oil

Enfield

Woodside 60% (operator)

Production at Enfield of 0.8 MMbbls (1.4 MMbbls 1H 2012) was impacted by natural field decline in 2013. The proposed Cimatti-Enfield tieback concept will not be taken forward. Other tie back opportunities for Cimatti are now being evaluated.

Stybarrow

Woodside 50% (non operator)

Production of 0.7 MMbbls (1.2 MMbbls 1H 2012) was impacted by natural field decline in 2013.

Exploration drilling is planned for the second half of 2013 with the potential to provide future development opportunities in 2015.

Vincent

Woodside 60% (operator)

There was no production from Vincent in 1H 2013 (2.8 MMbbls 1H 2012). The Ngujima-Yin FPSO was taken to Singapore for planned shipyard maintenance which is expected to deliver improvements in the reliability of operations and optimised field performance. Production is now anticipated to recommence in fourth quarter of 2013.

Laverda

Woodside 60% (operator)

The company continues to mature the Laverda development opportunity and expects to further define a preferred development concept in 2013.

Additional work to confirm the ultimate size of the Laverda field and adjacent prospects is on-going. Preliminary interpretation of our appraisal activities further underpins a recoverable resource of greater than 100 MMboe (100% project) for Laverda.

Laminaria-Corallina

Woodside 60 – 67% (operator)

Production of 0.6 MMbbls (0.7 MMbbls 1H 2012) was lower in accordance with the anticipated natural field decline.

Production and sales volumes on this page are quoted as Woodside share

Pluto LNG

Woodside 90% (operator)

Pluto LNG continued to make a strong contribution to Woodside's production and achieved a number of operational milestones during the period.

Plant capacity utilisation has been a highlight since start-up. Pluto LNG achieved a utilisation of 85.3% over the period between start-up in May 2012 and end June 2013. This exceeds internal expectations at the time of project sanction.

A planned maintenance shutdown in April and an unplanned shutdown of the train in late June resulted in lower LNG and condensate production than the previous half. Production for the period comprised 1,742,989 tonnes of LNG and 1,271,070 barrels of condensate (Woodside share).

Production in the period supported LNG sales revenue of $771.9 million (Woodside share) from long-term contracts and spot sales. Condensate revenue was $132.7 million (Woodside share).

During the half, the fourth vessel in the Pluto LNG fleet was named. The 'Woodside Rogers' completed its maiden voyage in late July 2013. The vessel is named after Woodside's former Chairman Bill Rogers and is the second long-term charter vessel for Pluto LNG. The vessel provides shipping capacity to maximise value from Pluto LNG sales and will support expansion of our LNG trading and shipping business.

In March 2013 the 50th cargo was delivered.

The 'Woodside Rogers' completed its maiden voyage in late July 2013. The vessel provides shipping capacity to maximise value from Pluto LNG sales and will support expansion of our LNG trading and shipping business.

Browse LNG

Woodside 31.3% (operator)*

Woodside is operator of the Browse Joint Venture, which is seeking to commercialise the Brecknock, Calliance and Torosa fields in the Browse basin, located approximately 425 km north of Broome in Western Australia. The three fields collectively hold approximately 15.5 Tcf and 417 million barrels of condensate (100% project).

In April 2013, Woodside announced completion of the technical and commercial evaluation of the proposed Browse LNG Development near James Price Point. Unfortunately the development concept did not meet the company's commercial requirements for a positive final investment decision.

Woodside further announced in April 2013 that it had entered into an agreement with Shell that sets out the key principles to apply in the event the Browse resources are developed using Shell's Floating LNG (FLNG) technology.

Subsequent to the end of 1H 2013, Woodside received confirmation that the Commonwealth-Western Australia Offshore Petroleum Joint Authority approved amendments sought by the Browse Joint Venture participants to Browse Basin retention leases WA-28-R, WA-29-R, WA-30-R, WA-31-R and WA-32-R.

Woodside has engaged with the Browse Joint Venture participants to evaluate other development concepts to commercialise the Browse resources in a timely manner.

Subsequent to the end of the reporting period Woodside has resolved to recommend the Browse Joint Venture participants use floating LNG (FLNG) technology as the development concept to commercialise the three Browse gas fields.

The selection of a development concept requires the approval of the Browse Joint Venture.

* Woodside is the operator of the East and West Browse joint ventures. It holds a 34% equity interest in the East Browse joint venture and a 17% equity interest in the West Browse joint venture.

Woodside has resolved to recommend the Browse Joint Venture participants use floating LNG (FLNG) technology as the development concept to commercialise the three Browse gas fields.

Australian exploration

During 1H 2013 Woodside concluded a successful 13-month 3D seismic acquisition campaign. The Admiral 3D survey (Browse Basin) was the second survey of that campaign and was completed on 7 January 2013, having acquired 2,868 km^2 over permits WA-447-P and WA-449-P.

The Polly 3D survey was completed on 12 May 2013, shooting 7,425 km^2 across four 100% equity permits in the Beagle basin. Both of these surveys fulfilled primary term seismic work program commitments over their respective blocks.

In addition to the 3D campaign, a 2D survey (Pivot 2D) was acquired over Exmouth blocks WA-461-P and WA-463-P. 386 km of 2D was acquired to investigate deeper structures around our existing oil hubs. Again, this survey met primary term seismic acquisition commitments.

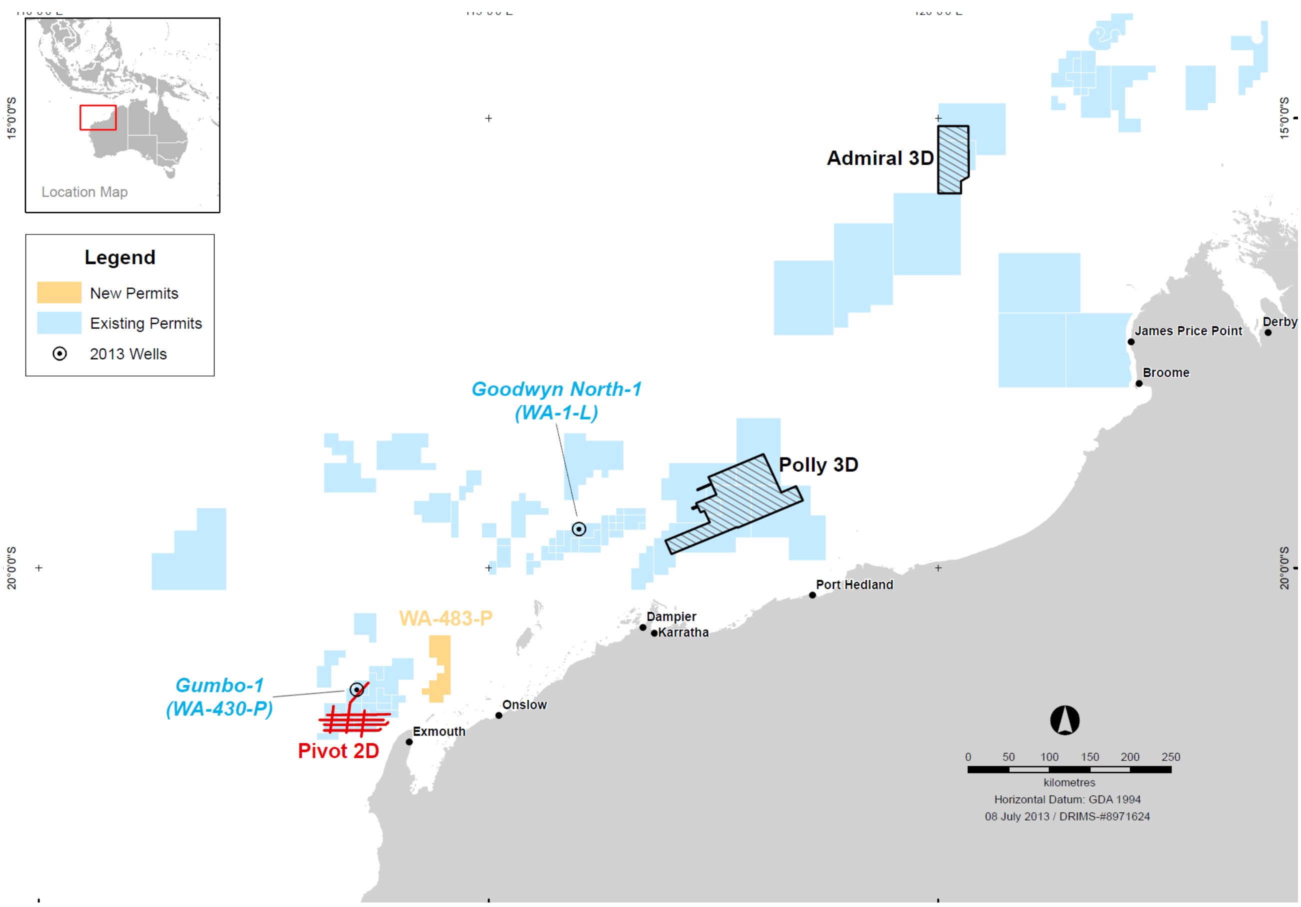
Two exploration wells were drilled during 1H 2013, Goodwyn North-1 (WA-1-L) and Gumbo-1 (WA-430-P). Both wells are located in the Carnarvon basin and both were dry.

During 1H 2013, one new exploration permit was awarded to Woodside. WA-483-P is located in the Exmouth sub-basin and was awarded based on guaranteed work program of 1,041 km^2 of 3D seismic, geotechnical studies and one well in the primary term. WA-483-P was the most competitive block of the bid round, with Woodside successfully securing the block ahead of five competing bids.

Seismic processing and interpretation continued on the Outer Canning blocks, in preparation for drilling in 2014. A rig, the Deepwater Millennium, has been secured for an eight well drilling program in 2014 and 2015.

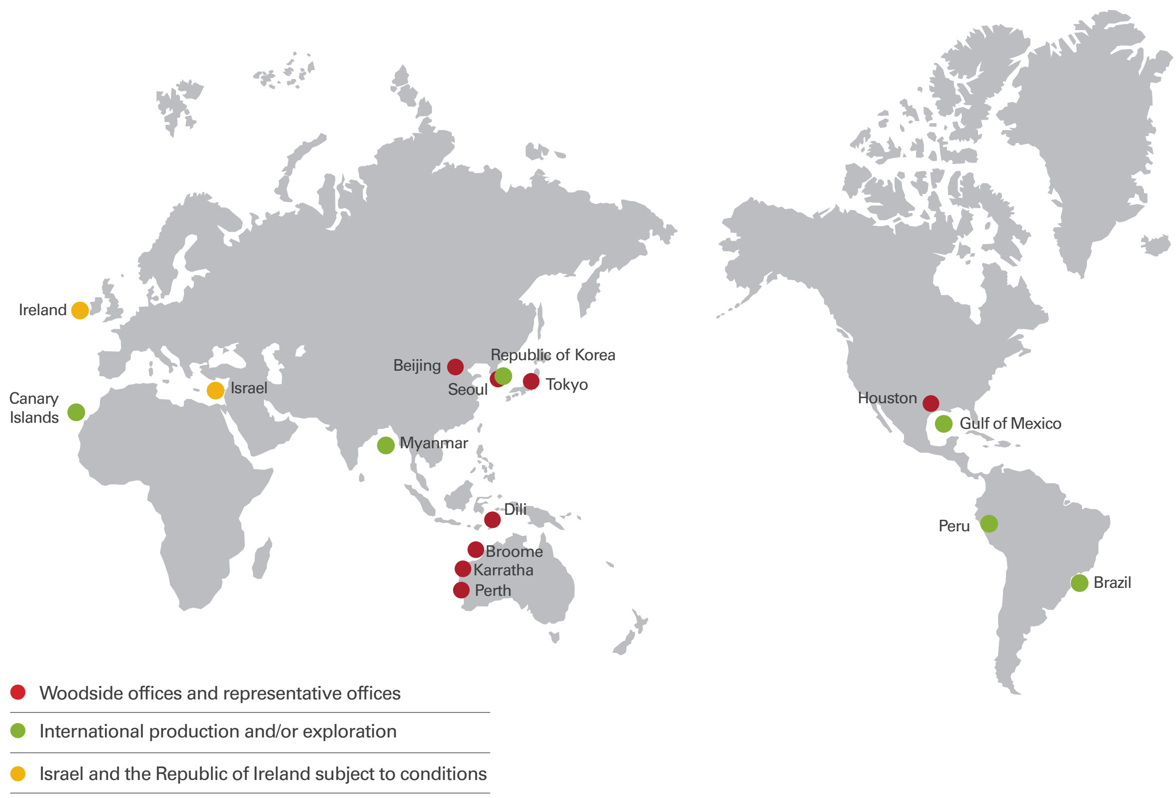
Three wells are planned to be drilled in 2H 2013 (one operator, two non operator). All three wells are targeting infrastructure infill opportunities in the Exmouth sub-basin.

Commencing in the second half of 2013 will be the Fortuna 3D marine seismic survey, the largest survey ever undertaken by the North West Shelf Project. The total survey area of 4,050 km² provides the foundation for future NWS exploration and appraisal programs.



Review of operations
International

Our Areas of Activity - International



USA Gulf of Mexico

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

The Neptune and Power Play oil developments began production in July and June 2008 respectively. Both are mature fields experiencing natural field decline. Woodside's share of 1H 2013 production from all of its interests was approximately 0.5 MMboe (0.4 MMboe in 1H 2012).

* Net revenue interest

Leviathan

During 1H 2013 work continued to convert the in-principle agreement to take 30% equity in the Leviathan field into a fully termed agreement. The Israeli Government set out its policy framework for the export of natural gas on 23 June 2013. The Israeli Government maintained its domestic gas reservation for Leviathan at 50%, despite an aggregate increase in reservation volumes for all fields to 60%. Leviathan is a world class asset with gross mean resources of an estimated 18 Tcf of natural gas.

Sunrise LNG Development

Woodside 33.4% (operator)

The Greater Sunrise fields hold a contingent resource of 5.13Tcf of dry gas and 225.9 million barrels of condensate.

In mid 2013 the Timor-Leste Government referred a dispute with the Australian Government, relating to the Treaty on Certain Maritime Arrangements in the Timor Sea, to international arbitration in accordance with the dispute resolution procedure in the Timor Sea Treaty. Subsequently Woodside and the Sunrise Joint Venture participated in a tripartite meeting with both the Australian and Timor-Leste Governments, to discuss the need for alignment of the two governments before the development can proceed.

Woodside remains committed to developing the Greater Sunrise fields.

Woodside's strategy to leverage our core capabilities for new global growth opportunities was further realised by our recent conditional entry into acreage offshore Ireland.

Exploration

Republic of Ireland

Woodside 85% and 90% (operator)

Woodside farm-in offers were accepted for offshore blocks located in the emerging Porcupine Basin off Ireland.

- Petrel Resources plc has accepted Woodside's offer to acquire 85% participating interest in Licensing Option 11/6 (comprising offshore blocks 45/6, 45/11 and 45/16) and Licensing Option 11/4 (comprising offshore blocks 35/23, 35/24 and 35/25).
- Bluestack Energy Limited has accepted Woodside's offer to acquire 90% participating interest in Licensing Option 11/3 (comprising blocks 35/25(e), 35/30, 36/21, 36/26, 44/5(p) and 45/1).

Both offers also include any subsequent frontier exploration licences that are granted in respect of the licensing options. Subject to execution of the agreements, due diligence and final approvals, Woodside will become operator of the licences.

Myanmar

Woodside 50% (Block A-6 - non operator) and 40% (Block AD-7 non operator)

During 1H 2013, Woodside worked with our local partner (MPRL E&P) to support the acquisition of 1,786km^2 of 3D seismic (the Padauk 3D MSS) in Myanmar as part of the farm-in obligation to block A-6. Seismic processing is underway.

Subsequent to the end of 1H 2013, Woodside received confirmation that government approvals have been granted for its participation in block A-6.

Woodside plans to acquire more than 1000 km^2 of 3D seismic in the deepwater portion of block AD-7 later in 2013, with our partner Daewoo.

Republic of Peru

Woodside 20% (non operator)

Woodside and its joint venture participants are awaiting environmental approval to acquire a 2D seismic program to improve prospect definition in Block 108. The block remains in *Force Majeure* until environmental approvals are received.

Republic of Korea

Woodside 50% (operator)

Woodside and its joint venture participants are currently undertaking studies in Block 8/6-IN in light of the results of the unsuccessful Jujak-1 well in 2012.

Spain

Woodside 30% (non operator)

Woodside and its joint venture participants are currently undertaking seismic pre-stack depth migration (PSDM) reprocessing and studies in blocks Canaries 1 to 9. Preparation of data for applications to drill in 2014 is also underway.

Brazil

Woodside 12.5% (non operator)

The results of the appraisal well Panoramix-3 and of the Vampira-1 re-entry are being evaluated.

Opportunity Search

Global screening studies continue in support of our strategy to re-balance our portfolio between mature, emerging and frontier basins in Australia and internationally.

Directors' Report
Business management

Key management personnel update

1H 2013 saw the appointment of two new executives.

Phil Loader joined the Woodside executive team as Executive Vice President Global Exploration. With over 33 years of industry experience, Phil brings vast expertise from a portfolio of senior roles in companies including Mubadala Petroleum, Anadarko Exploration Company, West Africa Triton Energy and Sasol Petroleum Limited Johannesburg.

Shaun Gregory was appointed to the newly created role of Senior Vice President Health, Safety, Environment and Technology. Shaun has been with Woodside since 1995. Shaun's previous role with Woodside was Exploration Vice President Global New Ventures.

Capital expenditure

Woodside's capital expenditure in the first half of 2013 was $329 million, a 66% reduction from 1H 2012 ($962 million). The decrease was largely driven by lower expenditure at Pluto.

Clean Energy legislation

With the Australian Clean Energy legislation taking effect from 1 July 2012, the carbon emissions from facilities in which Woodside has an interest attract the initial price set by the Australian Government of A$23 per tonne CO_2 equivalent.

Woodside's costs related to carbon emissions under the Clean Energy legislation are approximately $35 million for the half-year ending 30 June 2013. Woodside receives 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.

Capital management

At 30 June 2013, Woodside's Balance Sheet reflects the lift in operating cash flows from Pluto with a net debt of $2.2 billion down from $4.8 billion at 30 June 2012 and gearing at 13.0% down from 26.4% at 30 June 2012. Woodside maintained capacity to fund growth with $1.8 billion in cash and $1.6 billion in undrawn debt facilities. The company's average cost of debt at 30 June 2013 was approximately 3.6% per annum on a portfolio basis and 4.4% per annum on a drawn debt basis. Woodside successfully refinanced a $50 million revolving facility in the first half of 2013.

During 1H 2013, the Board declared a special dividend of US$0.63 per share. The dividend was paid on 29 May 2013 to all shareholders registered on the record date of 6 May 2013. In addition, given Woodside's strong liquidity position and franking credit balance, the Board determined that the company will target a dividend payout ratio of 80% of underlying net profit after tax. Based on current forecasts, this payout ratio is expected to be maintained for several years. This will be reviewed in the event of significant new capital investments or if business performance or external circumstances change materially.

A fully-franked interim dividend of US 83 cps was declared, an increase of 27.7% (1H 2012: US 65 cps). The increase in dividend reflects Woodside's strong financial position, increased operating cash flow and reduced short-term capital expenditure outlook. The record date for determining entitlements to the interim dividend is 30 August 2013 with the ex-dividend date being 26 August 2013. The interim dividend will be paid on 25 September 2013.

At the end of June 2013 Standard & Poor's affirmed Woodside's BBB+ credit rating and revised the outlook to positive as a result of strengthened credit metrics.

Financial risk management

No commodity or currency hedges are in place and no new hedges have been entered into during 1H 2013.

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 (CEO and Managing Director)

Mr R J Cole (Executive Director and Executive Vice President Corporate and Commercial)

Ms M A Cilento

Mr F C Cooper (from 1 February 2013)

Mr E Fraunschiel (resigned 28 February 2013)

Dr C M Haynes, OBE

Dr A Jamieson, OBE

Mr D I McEvoy

Dr S E Ryan

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 2013 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
21 August 2013

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 2013, 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
21 August 2013

Liability limited by a scheme approved under Professional Standards Legislation

Financial Report

Consolidated income statement

For the half-year ended 30 June 2013

	Notes	2013 US$m	2012 US$m
Operating revenue	4(a)	2,857	2,655
Cost of sales	4(b)	(1,278)	(1,070)
Gross profit		1,579	1,585
Other income	4(c)	67	38
Other expenses	4(d)	(420)	(326)
Profit before tax and net finance costs		1,226	1,297
Finance income	4(e)	5	2
Finance costs	4(f)	(90)	(44)
Profit before tax		1,141	1,255
Petroleum Resource Rent Tax benefit/(expense)		86	(27)
Income tax expense		(326)	(412)
Profit after tax		901	816
Profit attributable to			
Equity holders of the parent		873	812
Non-controlling interest		28	4
Profit for the period		901	816
Basic and diluted earnings per share attributable to the equity holders of the parent (US cents)		106	100

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

Consolidated statement of comprehensive income

For the half-year ended 30 June 2013

	2013 US$m	2012 US$m
Profit for the period	901	816
Other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods:		
Net change in fair value of available-for-sale financial assets	-	(1)
Items that will not be reclassified to profit or loss in subsequent periods:		
Actuarial gains on defined benefit plan	9	-
Other comprehensive income for the period net of tax	9	(1)
Total comprehensive income for the period net of tax	910	815
Total comprehensive income for the period attributable to:		
Equity holders of the parent	882	811
Non-controlling interest	28	4
Total comprehensive income for the period	910	815

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

Consolidated statement of financial position

As at 30 June 2013

	Notes	30 June 2013 US$m	31 December 2012 US$m
Current assets			
Cash and cash equivalents		1,805	2,422
Receivables		344	574
Inventories		169	241
Other financial assets		22	32
Other assets		17	20
Total current assets		2,357	3,289
Non-current assets			
Inventories		8	7
Other financial assets		31	64
Other assets		2	3
Exploration and evaluation assets		1,211	1,120
Oil and gas properties		18,844	19,375
Other plant and equipment		64	60
Deferred tax assets		1,093	892
Total non-current assets		21,253	21,521
Total assets		23,610	24,810
Current liabilities			
Payables		563	829
Interest-bearing liabilities		726	575
Tax payable		207	647
Other liabilities		25	24
Provisions		243	290
Total current liabilities		1,764	2,365
Non-current liabilities			
Payables		106	196
Interest-bearing liabilities		3,326	3,765
Deferred tax liabilities		1,511	1,368
Other financial liabilities		9	7
Other liabilities		147	165
Provisions		1,049	1,117
Total non-current liabilities		6,148	6,618
Total liabilities		7,912	8,983
Net assets		15,698	15,827
Equity			
Issued and fully paid shares	5(a)	6,547	6,547
Shares reserved for employee share plans	5(b)	(45)	(44)
Other reserves		889	859
Retained earnings		7,605	7,786
Equity attributable to equity holders of the parent		14,996	15,148
Non-controlling interest		702	679
Total equity		15,698	15,827

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

Consolidated statement of cash flows

For the half-year ended 30 June 2013

	2013 US$m	2012 US$m
Cash flows from/(used in) operating activities		
Profit after tax for the period	901	816
Adjustments for:		
Non-cash items		
Depreciation and amortisation	626	461
Impairment of oil and gas properties	128	41
Unrealised foreign exchange gain	(45)	(5)
Gain on disposal of exploration and evaluation assets	(3)	(1)
Gain on disposal of oil and gas properties	(25)	-
Change in fair value of derivative financial instruments	43	7
Net finance costs	85	42
Tax expense	240	439
Exploration and evaluation write-off	4	19
Other	26	29
Changes in assets and liabilities		
Decrease in trade and other receivables	124	55
Decrease in inventories	71	29
(Decrease)/increase in provisions	(81)	56
(Decrease)/increase in other assets and liabilities	(1)	47
Decrease in trade and other payables	(161)	(99)
Cash generated from operations	1,932	1,936
Purchases of shares and payments relating to employee share plans	(2)	(8)
Interest received	7	2
Dividends received	2	3
Interest paid	(94)	(99)
Income tax paid	(230)	(303)
Petroleum Resource Rent Tax paid	(105)	(33)
Payments for restoration	-	(3)
Payments for carbon tax	(16)	-
Net cash from operating activities	1,494	1,495
Cash flows from/(used in) investing activities		
Payments for capital and exploration expenditure	(408)	(1,329)
Proceeds from sale of exploration and evaluation assets	4	2
Proceeds from sale of oil and gas properties	21	-
Income taxes paid on disposal of exploration and evaluation assets	(405)	-
Net cash used in investing activities	(788)	(1,327)
Cash flows from/(used in) financing activities		
(Repayments of)/proceeds from borrowings	(292)	349
Contributions from non-controlling interests	2	55
Proceeds from underwriters of Dividend Reinvestment Plan (DRP)	-	320
Dividends paid (net of DRP)	-	(325)
Dividends paid outside of DRP	(1,037)	-
Net cash from financing activities	(1,327)	399
Net (decrease)/increase in cash held	(621)	567
Cash and cash equivalents at the beginning of the period	2,422	41
Effects of exchange rate changes on the balances of cash held in foreign currencies	4	3
Cash and cash equivalents at the end of the period	1,805	611

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

Consolidated statement of changes in equity

For the half-year ended 30 June 2013

	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 2013	6,547	(44)	101	663	110	(15)	7,786	15,148	679	15,827
Profit for the period	-	-	-	-	-	-	873	873	28	901
Other comprehensive income	-	-	9	-	-	-	-	9	-	9
Total comprehensive income for the period	-	-	9	-	-	-	873	882	28	910
Non-controlling interest	-	-	-	-	-	-	-	-	(5)	(5)
Dividend Reinvestment Plan	-	-	-	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-	-	-	-
Employee share plan purchases	-	(2)	-	-	-	-	-	(2)	-	(2)
Employee share plan redemptions	-	1	(1)	-	-	-	-	-	-	-
Share-based payments	-	-	22	-	-	-	-	22	-	22
Dividends paid	-	-	-	-	-	-	(1,054)	(1,054)	-	(1,054)
At 30 June 2013	6,547	(45)	131	663	110	(15)	7,605	14,996	702	15,698
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)
Employee share plan redemptions	-	-	-	-	-	-	-	-	-	-
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

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 2013

1. General information

This general purpose condensed financial report for the half-year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 21 August 2013.

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 2013 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 2012 and any public announcements made by Woodside Petroleum Ltd during the period ended 30 June 2013 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 2012. Where applicable, comparative information has been reclassified to be presented on a consistent basis with the current period's presentation.

AASB 10 Consolidated Financial Statements

AASB 10 introduces a new control model that applies to all entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model.

The adoption of AASB 10 had no effect on the financial position or performance of the Group.

Consequential amendments were also made to other Standards via AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 &17]*. This Standard has also been adopted by the Group.

AASB 11 Joint Arrangements

AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists has changed. The Group is now required to classify its interests in joint arrangements as either joint operations or joint ventures taking into consideration the structure of the arrangement. Joint operations give the venturers a right to the underlying assets and obligations of the venture and are accounted for by recognising the Group's share of those assets and obligations. Joint ventures give the venturers a right to the net assets of the venture and are accounted for using the equity method.

The adoption of AASB 11 had no material impact on the financial position or performance of the Group.

Consequential amendments were also made to other Standards via AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 &17].* This Standard has also been adopted by the Group.

Notes to and forming part of the Financial Report

For the half-year ended 30 June 2013

AASB 12 Disclosures of Interests in Other Entities

AASB 12 prescribes the required disclosures for the Group's interests in its subsidiaries and joint arrangements. New disclosures have been introduced regarding the judgements made by management to determine whether control exists and to require summarised information about joint arrangements and subsidiaries with non-controlling interests.

The adoption of AASB 12 had no material impact on the accounting policies of the Group.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when fair value is required to be used, but rather provides guidance on how to determine fair value when required or permitted.

The adoption of AASB 13 had no effect on the financial position or performance of the Group.

Consequential amendments were also made to other Standards via AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 &132].* This Standard has also been adopted by the Group.

AASB 119 Employee Benefits

The revisions to AASB 119 have resulted in amendments to the Groups accounting policy for retirement benefits. Actuarial gains and losses arising from changes in actuarial estimates are now recognised immediately in other comprehensive income.

This change in accounting policy has not resulted in any material impact to the financial position or performance of the Group.

Consequential amendments were also made to other Standards via AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14].* This Standard has also been adopted by the Group.

Other Changes

The Group has adopted the following other amended Standards which have not resulted in any significant changes to accounting policies:

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049];* and

AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Interpretation 2].*

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.

Notes to and forming part of the Financial Report

For the half-year ended 30 June 2013

3. Operating segments (continued)

(a) Revenue and profit after tax for the period ended 30 June 2013

	North West Shelf Business Unit		Australia Business Unit		Pluto Business Unit		Browse Business Unit		United States Business Unit		Other		Unallocated items		Consolidated	
	30 June 2013 US$m	30 June 2012 US$m	30 June 2013 US$m	30 June 2012 US$m	30 June 2013 US$m	30 June 2012 US$m	30 June 2013 US$m	30 June 2012 US$m	30 June 2013 US$m	30 June 2012 US$m	30 June 2013 US$m	30 June 2012 US$m	30 June 2013 US$m	30 June 2012 US$m	30 June 2013 US$m	30 June 2012 US$m
Revenue																
Operating Revenue	1,582	1,505	260	783	971	331	-	-	44	36	-	-	-	-	2,857	2,655
Cost of sales																
Cost of production	(353)	(350)	(127)	(186)	(124)	(34)	-	(1)	(6)	(5)	-	-	(6)	(2)	(616)	(578)
Shipping and direct sales costs	(19)	(29)	(1)	-	(34)	(18)	-	-	(2)	(3)	-	-	(2)	(4)	(58)	(54)
Oil and gas properties depreciation and amortisation	(124)	(125)	(69)	(181)	(391)	(116)	-	-	(20)	(16)	-	-	-	-	(604)	(438)
Total cost of sales	(496)	(504)	(197)	(367)	(549)	(168)	-	(1)	(28)	(24)	-	-	(8)	(6)	(1,278)	(1,070)
Gross profit	1,086	1,001	63	416	422	163	-	(1)	16	12	-	-	(8)	(6)	1,579	1,585
Exploration and evaluation	(12)	(16)	(4)	(1)	4	(12)	(1)	(1)	(17)	(20)	(167)	(80)	-	-	(197)	(130)
Share of profits of associates	2	3	-	-	-	-	-	-	-	-	-	-	-	-	2	3
Change in fair value of derivative financial instruments	(37)	(2)	-	-	-	-	-	-	-	-	-	-	(6)	(5)	(43)	(7)
Gain on disposal of oil and gas properties	-	-	25	-	-	-	-	-	-	-	-	-	-	-	25	-
Depreciation of other plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	(6)	(6)	(6)	(6)
Gain on disposal of exploration and evaluation assets	-	-	-	1	-	-	-	-	3	-	-	-	-	-	3	1
Net defined benefit plan cost	-	-	-	-	-	-	-	-	-	-	-	-	(6)	(8)	(6)	(8)
Exchange gain/(loss) on cash balances	-	-	(2)	1	7	(2)	-	-	-	-	(2)	-	1	4	4	3
Other exchange gain/(loss)	(1)	-	1	(1)	-	3	-	-	-	-	-	1	25	(5)	25	(2)
Impairment loss	-	-	(90)	(21)	(30)	(20)	-	-	(8)	-	-	-	-	-	(128)	(41)
Other income	8	7	2	2	-	1	-	1	-	-	-	-	(2)	22	8	33
Other expenses	(5)	(1)	-	1	12	(99)	-	1	(6)	(9)	(2)	(1)	(39)	(26)	(40)	(134)
Profit before tax and net finance income/(costs)	1,041	992	(5)	398	415	34	(1)	-	(12)	(17)	(171)	(80)	(41)	(30)	1,226	1,297
Finance income															5	2
Finance costs															(90)	(44)
Profit before tax															1,141	1,255
Taxes															(240)	(439)
Profit after tax															901	816

(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 2013

	North West Shelf Business Unit		Australia Business Unit		Pluto Business Unit		Browse Business Unit		United States Business Unit		Other		Unallocated items		Consolidated	
	30 June 2013 US$m	31 Dec 2012 US$m	30 June 2013 US$m	31 Dec 2012 US$m	30 June 2013 US$m	31 Dec 2012 US$m	30 June 2013 US$m	31 Dec 2012 US$m	30 June 2013 US$m	31 Dec 2012 US$m	30 June 2013 US$m	31 Dec 2012 US$m	30 June 2013 US$m	31 Dec 2012 US$m	30 June 2013 US$m	31 Dec 2012 US$m
Segment assets	3,872	4,083	1,447	1,704	14,619	14,981	129	48	273	318	252	227	3,018	3,449	23,610	24,810

Notes to and forming part of the Financial Report

For the half-year ended 30 June 2013

4. Revenue and expenses

	2013 US$m	2012 US$m
(a) Operating Revenue		
Revenue from sales of goods		
Liquefied natural gas		
North West Shelf	806	747
Pluto	771	304
	1,577	1,051
Pipeline natural gas		
North West Shelf	177	173
United States of America	3	1
	180	174
Condensate		
North West Shelf	368	364
Pluto	133	-
	501	364
Oil		
North West Shelf	183	156
Laminaria	43	129
Mutineer–Exeter	-	7
Enfield	94	182
Vincent	25	298
Stybarrow	98	167
United States of America	41	35
	484	974
Liquefied petroleum gas		
North West Shelf	48	65
Total revenue from sale of goods	2,790	2,628
LNG processing revenue	67	27
Total operating revenue	2,857	2,655
(b) Cost of sales		
Cost of production		
Production costs	(354)	(300)
Royalties and excise	(218)	(231)
Carbon costs	(35)	-
Insurance	(19)	(20)
Inventory movement	10	(27)
	(616)	(578)
Shipping and direct sales costs	(58)	(54)
Oil and gas properties depreciation and amortisation		
Land and buildings	(30)	(13)
Transferred exploration and evaluation	(21)	(12)
Plant and equipment	(550)	(410)
Marine vessels and carriers	(3)	(3)
	(604)	(438)
Total cost of sales	(1,278)	(1,070)
Gross profit	1,579	1,585

Notes to and forming part of the Financial Report

For the half-year ended 30 June 2013

4. Revenue and expenses (continued)

		2013 US$m	2012 US$m
(c)	**Other income**		
	Other fees and recoveries	8	33
	Share of associates' net profit	2	3
	Exchange gain on cash balances	4	3
	Other exchange gain/(loss)	25	(2)
	Gain on disposal of oil and gas properties	25	-
	Gain on disposal of exploration and evaluation assets	3	1
	Total other income	67	38
(d)	**Other expenses**		
	Exploration and evaluation		
	Exploration expensed in current year	(166)	(94)
	Exploration expensed previously capitalised	(4)	(19)
	Amortisation of licence acquisition costs	(14)	(13)
	Evaluation	(13)	(4)
	Total exploration and evaluation	(197)	(130)
	Other costs		
	Net defined benefit plan cost	(6)	(8)
	Change in fair value of derivative financial instruments	(43)	(7)
	Depreciation of other plant and equipment	(6)	(6)
	General, administrative and other costs	(46)	(53)
	Pluto mitigation and initial start up costs	6	(81)
	Impairment of oil and gas properties (1)	(128)	(41)
	Total other costs	(223)	(196)
	Total other expenses	(420)	(326)
	Profit before tax and net finance income/(costs)	1,226	1,297
(e)	**Finance income**		
	Interest	5	2
	Total finance income	5	2
(f)	**Finance costs**		
	Unwinding of present value discount (accretion)	(13)	(13)
	Other finance costs	(77)	(31)
	Total finance costs	(90)	(44)
	Profit before tax	1,141	1,255

1) As part of the Group's regular review of assets whose value maybe impaired, the impairment loss includes a charge of US$90 million recognised in relation to the Enfield field (which is part of the Australia Oil Business Unit segment). This followed an assessment of the expected ultimate reserve recovery. The recoverable amount for the cash generating unit was determined based on the value in use calculation. The nominal pre-tax discount rate applied to the cash generating unit was 12%.

Notes to and forming part of the Financial Report

For the half-year ended 30 June 2013

5. Contributed equity

		30 June 2013 US$m	31 December 2012 US$m
(a)	**Issued and fully paid shares**		
	823,910,657 (2012: 823,910,657) ordinary shares(1)	6,547	6,547
(b)	**Shares reserved for employee share plans**		
	915,393 (2012: 961,799) ordinary shares	(45)	(44)

(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 2013 shares	31 December 2012 shares	30 June 2013 US$m	31 December 2012 US$m
(c)	**Movements in issued and fully paid shares**				
	At 1 January	823,910,657	805,671,604	6,547	5,880
	Dividend reinvestment plan:				
	2011 final dividend(1)	-	11,639,053	-	431
	Employee share plans:				
	2012 employee equity plan(2)	-	6,600,000	-	236
	Balance at the end of the period	823,910,657	823,910,657	6,547	6,547

(1) 2,924,534 ordinary shares issued at A$34.88 and 8,714,519 ordinary shares issued at A$35.40.
(2) 6,600,000 ordinary shares issued at A$34.71.

6. Dividends paid and proposed

		30 June 2013 US$m	30 June 2012 US$m
(a)	**Dividends paid during the period**		
	Prior year fully franked final dividend US$0.65, paid on 3 April 2013 (2012: US$0.55, paid on 4 April 2012)	536	443
	2013 fully franked special dividend US$0.63, paid on 29 May 2013 (2012: nil)	518	-
		1,054	443
(b)	**Dividend declared (not recorded as a liability)**		
	Current year fully franked interim dividend US$0.83 to be paid on 25 September 2013 (2012: US$0.65, paid on 2 Ocotober 2012)	684	536

Notes to and forming part of the Financial Report

For the half-year ended 30 June 2013

7. Fair value

The fair value of financial assets and financial liabilities not measured at fair value approximates their carrying amount, with the exception of the Group's five unsecured bonds which have a fair value of US$2.9 billion and a carrying amount of US$2.7 billion. The Group's repayment obligations remain unchanged.

8. 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.

9. Contingent liabilities and contingent assets

	30 June 2013 US$m	31 December 2012 US$m
(a) Contingent liabilities at the reporting date		
Not otherwise provided for in the Financial Report		
Contingent liabilities[(1)]	3	17
Guarantees[(2)]	7	7
	10	24
(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)]	11	-

(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.

10. Events after the end of the reporting period

Dividends

On 21 August 2013, the directors approved a fully franked interim dividend of US$0.83 per share (2012: US$0.65 per share). The dividend will be payable to shareholders registered on the record date of 30 August 2013 and will be paid on 25 September 2013.

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 2013 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
21 August 2013

P J Coleman
Chief Executive Officer

Perth, Western Australia
21 August 2013

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 2013, 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 2013 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 2013 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 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 I*nterim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

R J Curtin
Partner
Perth, Western Australia
21 August 2013

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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	26 August 2013		
Record date for the interim dividend	30 August 2013		
Date the dividend is payable	25 September 2013		
		Current period	Previous corresponding period*
Interim dividend - fully franked	US cents per share	83	65

None of these dividends are foreign sourced.

Dividend reinvestment plan

Woodside's Dividend Reinvestment Plan (DRP) was suspended by the Board in February 2013 until further notice. However, shareholders with registered addresses in Australia and New Zealand can still elect to participate in the DRP, pending a decision by the Board to recommence the DRP at some future date. If the DRP is recommenced in the future, the ASX will be notified via an announcement lodged with the ASX Market Announcements Platform. If the DRP is recommenced, shareholders who have elected to participate in the DRP will have the dividends on some or all of their shares automatically reinvested in additional shares. Information on the DRP is available on the company's website. Election forms are available from the company's website or from the share registry.

Net tangible assets

NTA backing	Current period US$	Previous corresponding period (US$)**
Net tangible assets (US$ per ordinary security)	18.20	16.39

Details of entities over which control was gained or lost

Name of entity	Date of gain or loss of control
Nil	Nil

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 2012

** 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 2013

26 August	Ex-dividend date for interim dividend
30 August	Record date for interim dividend
25 September	Payment date for interim dividend
17 October	Third Quarter 2013 Report
31 December	Woodside financial year end
January 2014	Fourth Quarter 2013 Report

Key ASX releases for the first half 2013

February	Woodside Reports 2012 Full Year Profit of $2.98 billion
April	Woodside to review alternative Browse Development Concepts
April	Special dividend and dividend payout
April	Browse LNG Development update
May	Special Dividend Foreign Currency Exchange Rates
June	Farm-in Offers Accepted for Offshore Ireland

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Half-Year Report 2013

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