

ASX Announcement

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WOODSIDE RECORDS US\$1.749 BILLION PROFIT IN 2013

Strong production from Woodside's base business helped the company achieve a reported net profit after tax (NPAT) of US\$1.749 billion in 2013.

This profit result was underpinned by record annual production of 87 million barrels of oil equivalent (MMboe), up 2.5% on the previous year (84.9 MMboe) and supported by a full year of production from Pluto LNG.

Financial headlines

- Reported NPAT of US\$1.749 billion was in line with analysts' consensus of US\$1.753 billion.
- Reported NPAT was the second highest result in the company's history, exceeded only by the 2012 result, which was enhanced by the Browse partial equity sale.
- A record final dividend of US103 cents per share, up 58% on the 2012 final dividend.
- Record full year dividends of US249 cents per share up 92% on 2012. The 2013 dividend total is a record annual dividend and a result of Woodside's strong financial position.
- Free Cash Flow (FCF) in 2013 of US\$2.271 billion, taking the total FCF for the past two years to US\$5.907 billion.
- Net debt of US\$1.541 billion down 20% from the end of 2012. The company's average cost of debt at 31 December was approximately 3.7% per annum, on a portfolio basis.
- Gearing of 9%, down from 11% at the end of 2012 with available funds of US\$3.82 billion (including US\$2.22 billion cash and US\$1.60 billion undrawn debt).
- 2013 Investment Expenditure of US\$0.851 billion, 52% lower than 2012, demonstrating a rigorous approach to capital management.

Woodside CEO Peter Coleman said the figures demonstrated Woodside's strong operating cash flow and commitment to capital management.

"In 2013 we made disciplined investment decisions, including our decision not to proceed with the James Price Point development concept for Browse because it did not meet our commercial requirements for a positive investment decision," he said.

Mr Coleman said Woodside had achieved healthy margins in 2013, despite a change in product mix. Underlying profit had been impacted by a higher proportion of lower priced gas volumes, which saw a decline in average realised pricing. Impairments to some mature oil assets also affected the result.

"We have generated \$5.9 billion in free cash flow over the past two years. This has enabled us to pay back debt and reward our shareholders through increased dividends. Importantly, it also provides the financial base for our next phase of growth."

Mr Coleman said the company had made good progress on its corporate strategy, which involved optimising its core business, leveraging its capabilities and growing its portfolio.

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

“Growth opportunities in Ireland, Myanmar, New Zealand, Canada and Israel demonstrate a clear link between our capabilities and future value.”

Woodside reaffirmed its 2014 production target range of 86 to 93 MMboe.

2013 Key Business Achievements

- Record Production of 87 MMboe, in line with mid-year guidance.
- On track to a target of top quartile safety performance by 2017 with Total Recordable Injury Rate per million hours worked of 3.00 for 2013.
- Safe start-up of the North Rankin Redevelopment Project in October 2013.
- Reliability of Pluto LNG, which produced its 100th cargo just after year-end.
- Restart of the Vincent Floating, Production, Storage and Offloading Vessel in late November.
- Value-focused investment decision making, including the decision not to proceed with the James Price Point development concept.
- Browse Joint Venture entered basis of design phase for Floating LNG development concept.
- Pursued new international opportunities in Ireland, New Zealand and Canada and finalised farm-in agreements for Myanmar.
- Increased shipping capacity and established trading office in Singapore.
- Woodside's credit ratings were reaffirmed (Standard & Poor's: BBB+; Moody's: Baa1) and Standard & Poor's outlook changed to positive.
- Entered a Memorandum of Understanding (MoU) with the Leviathan Joint Venture participants (subsequent to year end). The MoU provides a framework to negotiate the acquisition of a 25% participating interest in the Leviathan field.

Sustainable Development Report

Woodside's 2013 Sustainable Development Report will be released to the ASX in March and available on the Woodside website (www.woodside.com.au) thereafter.

Annual General Meeting

Woodside Petroleum Ltd advises that its 2014 Annual General Meeting will be held in Perth, Western Australia on 30 April.

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