ASX Announcement

13 March 2014

ASX: WPL
OTC: WOPEY

Woodside Petroleum Ltd.
ACN 004 898 962
Woodside Plaza
240 St Georges Terrace
Perth WA 6000
Australia
www.woodside.com.au

2013 SUSTAINABLE DEVELOPMENT REPORT

Woodside released its 2013 Sustainable Development Report today.

The report is available online at www.woodside.com.au.

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SUSTAINABLE DEVELOPMENT REPORT 2013

This report reflects Woodside's commitment to working sustainably and reporting transparently

ON THE COVER

COMMUNITY

The ongoing success of our operations is reliant on the constructive relationships we form with the communities in which we operate.

Throughout the year we continued to deliver against targets set in the company's Reconciliation Action Plan, which includes 40 broad commitments relating to the areas of education, employment, governance, business development and cultural awareness.

Further information on Woodside's approach to Indigenous Engagement and Cultural Heritage go to 22.

PEOPLE

Woodside's success as a global leader in upstream oil and gas is highly dependent on our ability to attract and retain an engaged, diverse and high performing workforce. In 2013, we focused on retaining employees through engaging with our people and targeted retention initiatives.

Further information on Woodside's approach to people management go to 26.

ENVIRONMENT

In 2013 we improved our oil spill preparedness and response capability by working to develop more effective response plans, increasing our collaboration with key stakeholders and securing access to new oil spill equipment.

We will continue to implement and maintain a robust process safety framework to prevent a loss of containment of hydrocarbons.

Further information on Woodside's environmental performance go to 36.

ECONOMIC

Woodside operates in a dynamic industry, characterised by a constantly evolving global market. Technology has been a fundamental driver of change in the global LNG industry, and we see it as critical not only to accessing new energy reserves, but also to breaking the current cycle of rising costs and making us a global partner of choice.

Further information on Woodside's economic performance go to 44.

FSC MIX Paper FSC® C113956
SCS-COC-004440
ISO 14001
ECF chlorine free

greenreports Reducing paper. Increasing value

We have partnered with Green Reports ™ in an initiative that ensures communications minimise environmental impact and creates a more sustainable future for the community.

Information available online

In this report, we have indicated where additional information is available online like this i.

ABOUT THIS REPORT

SCOPE

This report provides a summary of Woodside's sustainability approach, actions and performance for the 12 months ending 31 December 2013. The report was approved by the Woodside Board of Directors on 13 March 2014.

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', the 'Company' and the 'Group' refer to Woodside Petroleum Ltd and its controlled entities.

The information in this report covers all sites and production facilities wholly owned and operated by Woodside or which are operated by Woodside in a joint venture.

Our share of production and revenues from non-operated assets are reported on an equity share basis. In these instances we have only reported the Woodside interest. Other performance data are reported on both a total and Woodside equity share basis as appropriate, and do not include non-operated assets and international exploration activity.

All dollar figures in this report are expressed in US currency, unless otherwise stated.

REPORTING APPROACH

Woodside reports in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G3. The GRI guidelines provide a globally accepted framework of principles and indicators for reporting an organisation's economic, environmental and social practices and performance. We self-declare that this report fulfils the requirements of Application Level B+. Where possible we have also provided data in accordance with the GRI G3.1 guidelines and the GRI Oil and Gas Sector Supplement.

Woodside has also reported in accordance with IPIECA, Oil and Gas Industry Guidance on Voluntary Industry Reporting (2010). IPIECA is the global oil and gas industry association for environmental and social issues.

A GRI and IPIECA content index, which cross references the GRI and IPIECA indictors to the relevant sections of this report, the Annual Report and other web based information, is available on our website.

In determining the report content, we have been guided by the AA1000 principles which cover inclusivity, materiality and responsiveness.

INCLUSIVITY

We acknowledge the importance of stakeholder participation in developing and implementing our response to sustainability reporting. We sought the opinions of stakeholders as part of the materiality process which helped to define the content of this report. More information on our diverse stakeholders, their issues and our responses can be found on 12 to 13.

MATERIALITY

Issues are considered material if they have the potential to impact our ability to achieve our business strategy or our reputation, or are of material concern to our stakeholders. The materiality assessment process and material issues identified are discussed on 10 to 11.

RESPONSIVENESS

The report aims to respond to those issues identified as material for Woodside and its stakeholders. Information on our responses to stakeholder concerns about specific material issues can be found on pages 12 to 13.

EXTERNAL ASSURANCE

Ernst & Young has conducted reasonable assurance over information in the 2013 Sustainable Development Report related to Woodside's material issues and limited assurance over the balance of the report.

A copy of Ernst & Young's assurance statement is on 54 to 55.

CONTENTS

Our 2013 Annual Report

Our 2013 Annual Report is a summary of Woodside's operations, activities and financial position as at 31 December 2013. Copies of the 2013 Annual Report are available on request or from the company's website.

ABOUT WOODSIDE

Woodside is Australia's largest independent oil and gas company, with safe and reliable operations spanning decades

The company has an extensive portfolio of facilities which we operate on behalf of some of the world's major oil and gas companies.

We have been operating the landmark Australian project, the North West Shelf, since 1984 and it remains one of the world's premier liquefied natural gas (LNG) facilities. In 2014 the asset will celebrate two significant milestones - 30 years of operations and 25 years of LNG exports to Japan.

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

Woodside also operates four oil floating production storage and offloading facilities in the Exmouth Basin, North West Shelf and Timor Sea. This is the largest owner-operated fleet in Australia with an excellent track record of efficiently and safely producing from current fields.

Driven by our world-class capabilities, we are committed to expanding our LNG portfolio through premium developments including the Browse FLNG Development.

Additionally, we are seeking to expand our global exploration portfolio to generate future growth opportunities for the company.

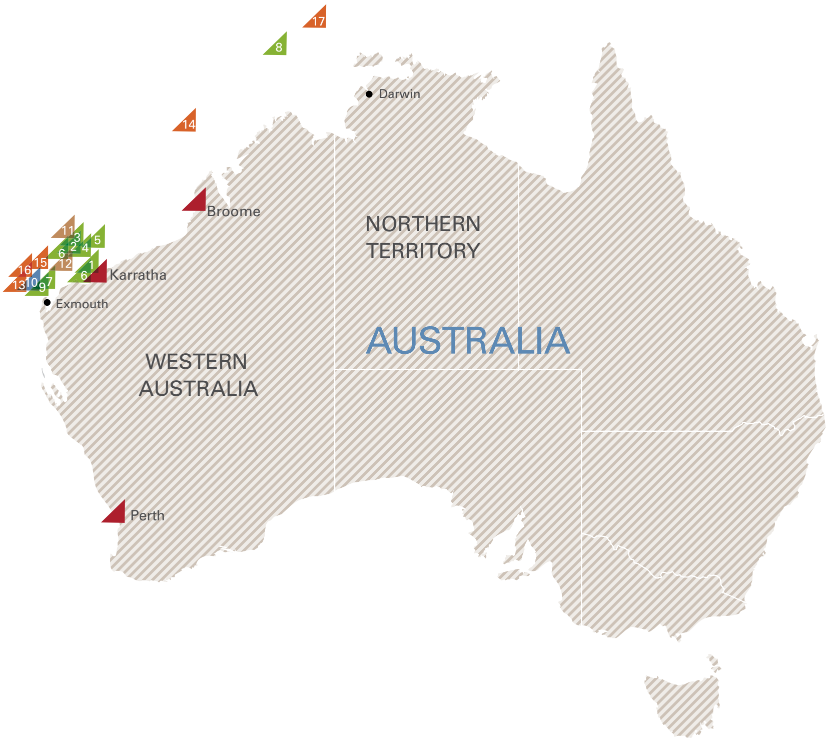
Our international assets include acreage in New Zealand, Ireland, Myanmar, Peru, Republic of Korea and Spain (Canaries), as well as a deepwater production facility in the Gulf of Mexico.

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

And in 2014, as the company celebrates the 60th anniversary of its founding, we continue to strive for excellence in our safety and environmental performance.

We remain focused on strengthening our relationships with customers, co-venturers, governments and communities to ensure we are a partner of choice, and attain our vision of becoming a global leader in oil and gas.

OUR AUSTRALIAN AND INTERNATIONAL AREAS OF ACTIVITY



Producing assets (operated)

1 Karratha Gas Plant
2 Goodwyn A platform
3 North Rankin Complex
4 Okha FPSO
5 Angel platform
6 Pluto LNG Plant and platform
7 Ngujima-Yin FPSO
8 Northern Endeavour FPSO
9 Nganhurra FPSO

Producing assets (non-operated)

10 Stybarrow Venture MV16 FPSO

Projects

11 North Rankin Redevelopment
12 Greater Western Flank Phase 1

Developments

13 Greater Enfield Oil
14 Browse LNG
15 Persephone
16 Greater Western Flank Phase 2
17 Sunrise LNG

Woodside offices and representative offices

Woodside offices and representative offices

International production and/or exploration

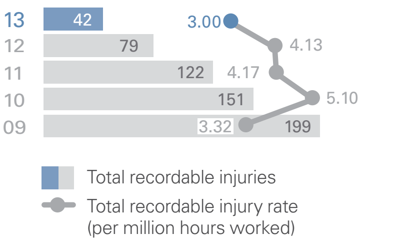
Israel subject to conditions

PERFORMANCE SUMMARY

PEOPLE

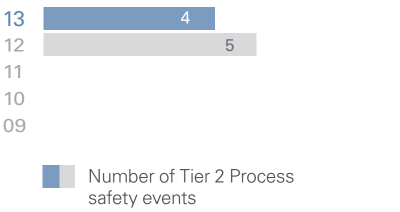
- Our Total Recordable Injury Rate (TRIR) of 3.0 was a 27% improvement on 2012.
- Our TRIR rate was impacted by a total of 42 events compared to 79 in 2012, none of which had the potential to result in a fatality.
- Woodside is targeting significant improvement in personal and process safety to achieve global top quartile performance by 2017, as measured against our peers in the International Association of Oil and Gas Producers (OGP).

Total Recordable Injury Rate (TRIR)



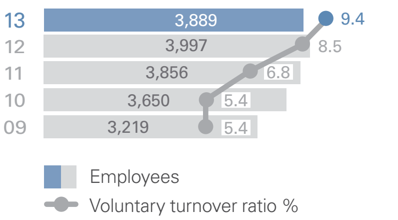
Our TRIR of 3.0 was a 27% improvement on 2012.

Tier 2 process safety events



In 2012 Woodside commenced classifying process safety events in accordance with American Petroleum Institute Recommended Practice 754 (API RP 754) to enable global benchmarking.

Number of employees and voluntary turnover

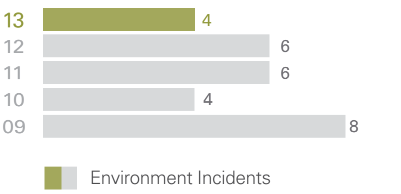


Woodside's voluntary global turnover rate increased from 8.5% in 2012 to 9.4% in 2013, attributed primarily to the ongoing industry demand for talent.

ENVIRONMENT

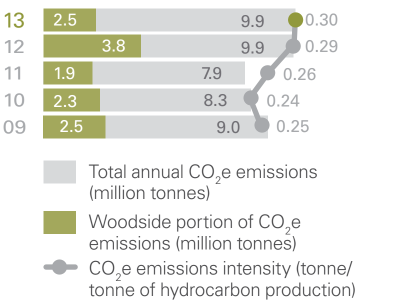
- In 2013 we reported four environmental incidents, down from six in 2012.
- An increase in greenhouse gas emissions and intensity was due to the Pluto Gas Plant and Okha floating production storage and offloading facilities commissioning and production activities.
- We exceeded our flaring intensity target, this was mainly due to Karratha Gas Plant unplanned outages and equipment underperformance which is being managed through our shut-down program.

Environmental incidents



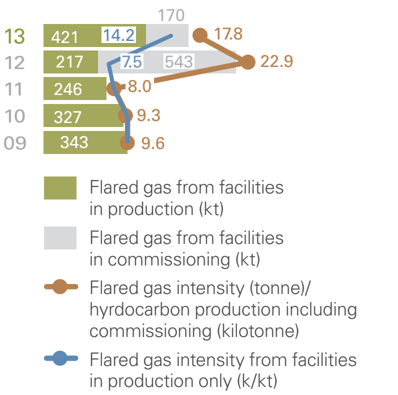
Four environmental incidents were reported to regulators in 2013.

Greenhouse gas emissions and intensity



The intensity of greenhouse gas emissions continued to gradually trend upwards in 2013 largely due to emissions from increased flaring associated with the Pluto and Karratha Gas Plants.

Flare gas and intensity



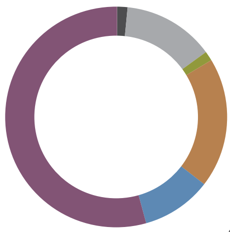
The intensity of flared gas in 2013 showed a decline from the peak recorded in 2012 but remained higher than that reported in 2011 due to onshore plant performance.

COMMUNITY

- Woodside's direct voluntary social investment contribution* in 2013 was A$10.1 million which equates to 0.35% three year average profit before tax (2011 to 2013), below our target of 0.4%.
- We approved a A$20 million development fund to target the social outcomes of early childhood development.

** Includes cash value, in-kind and voluntary hours (Woodside share)*

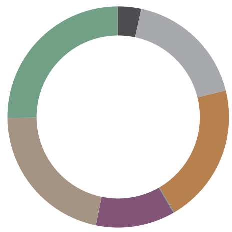
Social investment by region 2013



	%
International	2
National	14
Exmouth	1
Pilbara	19
Kimberley	10
WA (other)	54

The majority of our social investment spend was in Western Australia.

Social investment categories for 2013



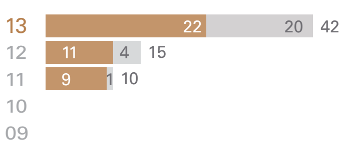
	%
Economic development	3
Social welfare	18
Health	20
Environment	12
Arts and culture	22
Education and young people	25

Social investment for 2013 focused predominantly on education and young people.

ECONOMIC

- Record production of 87 MMboe up 2% from 2012.
- Reported net profit after tax of US$1.7 billion.
- Record full year dividend of US249 cps, up 92% from 2012.
- Significant improvement in new contract awards to Indigenous enterprises.

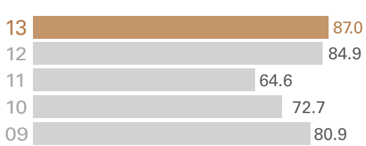
New contract awards with Indigenous enterprises



Principal contracting partners (Tier 2)	
Woodside	
Total	67

Woodside significantly increased new contact awards with Indigenous enterprises in 2013, meeting our performance target.

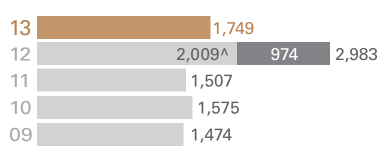
Production



MMboe

Woodside reported record annual production, driven by a full year of Pluto LNG production and a solid performance by the North West Shelf Project.

Reported net profit after tax



Net profit after tax ($ million)

Net profit after tax was adversely impacted by a higher gas proportion in the product mix and asset impairments made in the period. The 2012 result was enhanced by US$974 million due to the Browse partial equity sale.

^ Normalised to remove Browse partial equity sale.

A MESSAGE FROM PETER COLEMAN

Peter Coleman
Chief Executive Officer and Managing Director

Woodside remains on track to achieve global top quartile health and safety performance by 2017.

Our commitment to capital management in 2013 resulted in record annual production and record dividends to our shareholders

Throughout the year, we made excellent progress on our corporate strategy: maximizing our core assets, leveraging our capabilities and growing our business.

Among our key achievements, we celebrated the successful start up of the $5 billion North Rankin Redevelopment Project for the Woodside-operated North West Shelf and we continued to explore world-class opportunities in new countries, including New Zealand and Ireland.

We took tough decisions in our shareholders' interests. At the beginning of the year, we made the decision not to proceed with the proposed Browse LNG Development at James Price Point (JPP). This was not a decision we made lightly, however the JPP concept simply failed to meet the commercial requirements we needed to make a positive final investment decision.

The Browse Joint Venture has since selected floating LNG (FLNG) as the technology for entry into basis of design to develop the three Browse gas fields. We will work with both Commonwealth and State governments, local communities and other relevant stakeholders to realise benefits from FLNG.

It is just one of many exciting opportunities ahead. As we move forward, we are conscious that it's not just about where we're going but how we will get there.

To this end, we established the Woodside Development Fund in 2013, which will drive a new collaborative approach to social investment.

The Fund is a ten year A$20 million commitment designed to be a catalyst for positive, long-term change. The Fund will focus its efforts on early childhood development, by working collaboratively with industry, governments and community organisations.

The Woodside Compass

WHO WE ARE

INTEGRITY
We are open, honest and fair. We do what we say we will do. We have the courage to do the right thing.

RESPECT
We give everyone a fair go. We listen.

WORKING SUSTAINABLY
We are here for the long term. We look after each other, our communities and the environment. We keep each other safe.

WORKING TOGETHER
We are on the same team. We build long-term partnerships.

DISCIPLINE
We play by the rules. We set goals and we hold ourselves to account.

EXCELLENCE
We achieve great results. We learn. We get better.

The development fund will complement the range of philanthropic and partnership activities we already have in place. We will continue to support our broader social investment program where we invest in communities' health and safety, education, youth, environment, arts and culture, Indigenous and volunteering programs.

Importantly, this commitment highlights the values-led approach we are embedding across the organisation.

Our cultural change process, which we launched in 2012, continues to provide ongoing clarity around what we as a business stand for and what we as a team can achieve. Productivity will be a key focus in 2014.

We are guided by the Woodside Compass, which connects our core values to our mission, vision and strategic direction. It also reflects our commitment to look after our communities and the environment and importantly, to keep each other safe.

And it is this commitment to safety that will help us achieve our goal of global top quartile health and safety performance by 2017. This can only be delivered by all employees working together to keep each other safe.

Throughout 2013, our goal was supported in all our operating standards and in our Health and Safety Policy.

Our long-term business success also depends on our ability to understand the potential impact our activities may have on our surrounds, and how we should best manage and mitigate these impacts.

During the year we reported four environmental incidents and will continue to review and revise our Environmental Strategy to ensure ongoing improvement can be delivered.

We maintained key partnerships with a number of leading environmental research and education institutes. Our collaborative research partnership with the Australian Institute of Marine Science (AIMS) saw the launch of the book "Discovering Scott Reef" in 2013. The book documents 20 years of extensive research undertaken at Scott Reef.

Diversity is, and will continue to be, a key priority for Woodside. In 2013 the company focused on delivering against its three-year Gender Diversity Strategy, which centers on leadership, process and practice, education, and government and community engagement to improve our ability to attract and retain talented women.

In 2013, the company also introduced a three-year Indigenous Employment Strategy to support continued growth and development of Indigenous employment. To date, we have been successful in increasing Indigenous employment at an entry level, through training pathways such as business and production traineeships and apprenticeships.

Significant focus was also placed on building leadership capability, driven by the launch of the Leadership and Management Development Framework. This framework supports Woodside's target of growing talent internally, providing a consistent framework to guide leaders, building a strong internal succession pipeline and enabling and engaging our workforce.

In the same vein, we put in place processes to help build our future workforce, placing greater emphasis on engagement activities, including building strong partnerships with schools and universities to strengthen our pipeline of graduates.

Looking ahead, 2014 will be a year of milestones, as we celebrate the company's 60th anniversary, 30 years of domestic gas production and 25 years of LNG exports.

These achievements not only show how far we have come in a relatively short space of time, they are testament to the hard work and belief of everyone who has contributed to that journey.

Lastly, I would like to thank our many partners for their support. I look forward to continuing to work together as we progress towards our aspiration to be a partner of choice and our mission to deliver shareholder wealth.

PETER COLEMAN

13 March 2014

WHERE WE'RE GOING

OUR MISSION
To deliver superior shareholder returns.

OUR VISION
Our aim is to be a global leader in upstream oil and gas.

OUR STRATEGIC DIRECTION
Maintain our leading Australian position by optimising our producing assets and commercialising our growth projects and other premium opportunities.

Grow our portfolio by leveraging our core capabilities for global upstream growth.

HOW WE'LL GET THERE

PARTNER OF CHOICE
We are the premium choice for partnerships based on our distinctive capabilities, culture and track record as a great partner.

ENGAGED PEOPLE
We work for a highly regarded and successful company. We are part of a team working together for great results and have opportunities to contribute and grow.

FUNCTIONAL EXCELLENCE
We leverage our core capabilities and the latest technology to create new opportunities and sharpen our competitive edge.

DECISION EFFECTIVENESS
We make and execute decisions in line with our business priorities and our values.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY COMMITTEE MEMBERS

David McEvoy (Committee Chairman)

Melinda Cilento

Christopher Haynes

Andrew Jamieson

Sarah Ryan

Sustainable development involves balancing short and long-term interests and integrating health and safety, environment, social and economic considerations into our decision making

Our approach to sustainability is incorporated in our policies and Code of Conduct which outlines the principles, practices and standards of personal and corporate behaviour, expected of directors, officers, staff and contractors in their daily business activities. It is also integrated into the Woodside Management System (WMS). Working sustainably is one of Woodside's six values.

The WMS provides a structured governance framework across all Woodside sites and locations with defined accountabilities and performance requirements for Woodside's managers, employees and contractors.

Woodside's policies and Code of Conduct are available on our website.

Woodside's sustainability performance in 2013 was linked to remuneration through process and personal safety indicators which accounted for 25% of the company scorecard and helped determine the annual variable incentive award for employees and executives (go to 28) .

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

Woodside's Board of Directors has oversight of the company's management and business activities. The Sustainability Committee assists the Board to meet its responsibilities in relation to the company's sustainability policies and practices. The Committee's duties include reviewing and making recommendations to the Board on Woodside's policies and performance in relation to health, safety, process safety, the environment, heritage and land access, security and emergency management, and community relations.

The Sustainability Committee is comprised of five independent, non-executive directors. The Committee met six times in 2013.

The Sustainability Committee reviewed this 2013 Sustainable Development Report before recommending it to the Board for approval. The report was then approved by the Board of Directors.

Woodside's management team is accountable for the implementation of sustainability-related processes and delivering against our sustainability targets and goals.

Woodside's internal audit program is designed to ensure that the design and operation of Woodside's risk management and internal control system is effective.

A risk-based audit approach is used to ensure that the higher risk activities are targeted by the audit program. In 2013, 42 audits and reviews were conducted by our internal audit team. Key findings from audits and assurance reviews are reported to Woodside's Audit & Risk Committee at each meeting.

IDENTIFYING AND MANAGING OUR RISK

By understanding and managing our risks, we provide greater protection to our people, communities, environment and assets, and increased certainty and confidence for our shareholders, customers and suppliers. We recognise that risk is inherent to our business and effective management of risk is vital to the success and growth of the Group.

Woodside's Board Audit & Risk Committee oversees our Risk Management Policy and is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. We operate a standardised enterprise-wide risk management process that provides an over-arching and consistent framework for the identification, assessment, monitoring and management of material business risks. The risk management process is aligned with the International Standard for risk management (ISO 31000 Risk Management).

We systematically assess the consequences of risks in areas such as: health and safety, environment, social and cultural, reputation and brand, legal and compliance and financial.

The success of our risk management system relies on the responsibility placed on Woodside staff at all levels to proactively identify, manage, review and report on risks relating to the objectives those staff are accountable for delivering. Management is responsible for promoting and applying the Risk Management Policy.

Within each major business and functional area there is a designated senior risk role, with specific responsibilities to ensure appropriate application of Woodside's risk management process and regular risk review and reporting.

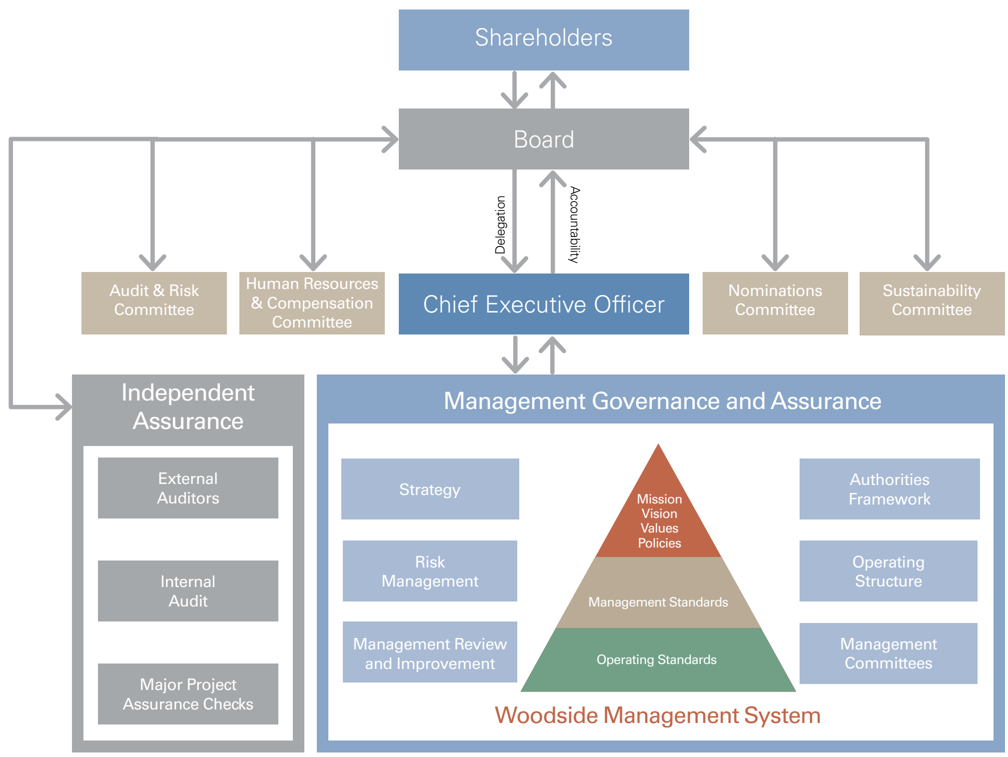
Our most significant risks, and how they are being managed, are continually reviewed and summarised in a corporate risk profile. This includes risks relating to the resourcing and safe delivery of our business projects, the integrity of our operating assets, compliance with regulation, and the potential impact of our activities on the environment and our communities. The corporate risk profile is reviewed twice yearly by the executive management team and the Audit & Risk Committee.

These reviews consider the maximum foreseeable exposure if the risk were to be realised, the current residual level of exposure with risk controls applied, the effectiveness of the risk controls, and progress on risk improvement activities.

Further information on risk management is available in our 2013 Annual Report on 18 and 19.

A copy of our Risk Management Policy is available on our website.

WOODSIDE CORPORATE GOVERNANCE MODEL



KEY ISSUES

Each year we conduct a materiality assessment to identify the sustainability issues of significance to our stakeholders and our business. The outcomes of this process guide the content of our Sustainable Development Report

Major incident prevention and response

Issue:

The global oil and gas industry is a high-risk environment where operators must establish, implement and maintain a robust process safety framework – including policies, standards and procedures, training and assurance - to prevent an unplanned or uncontrolled loss of containment of hydrocarbons. While the likelihood of a significant hydrocarbon event is low, the consequences for people, assets and the environment are potentially extremely high. Loss of containment, particularly in relation to an oil spill, remains a key risk within our company and there is an awareness within the communities in which we operate, of the potential impact from such an event on regional environmental and tourism values.

Response:

During 2013 we continued to strengthen our approach and response to the risk of a hydrocarbon incident or oil spill during Woodside operations and activities.

The company has a well-established and robust process safety framework with requirements embedded in policies, standards and procedures, training and assurance. In 2013 Woodside's corporate scorecard - which measures performance on health, safety and environment, total shareholder return (TSR), production and operating expenditure - was revised to include a process safety incidents measure. Information on our process safety framework is on 30.

We committed significant resources and funds in 2013 to improve our preparedness and response to an oil spill incident. This included advances in spill modelling, conducting shoreline assessments, establishing scientific monitoring programs to understand existing environments, collaborating with other petroleum operators and response agencies and securing access to spill response equipment.

Go to 39 for more information.

Social impacts on communities

Issue:

Woodside recognises that large resource projects impact local communities and towns. Local aspects that can be placed under pressure include housing and accommodation, road and marine management, cultural heritage, emergency and medical services, education, community services, local infrastructure and utilities, and workforce behaviour and integration. The communities in which we operate value employment and training, local content and procurement and social investment opportunities

Response:

Our goal is to understand what is important to the impacted community and work alongside community members to achieve long term benefits. Our internal standards ensure that social, reputation and cultural risks are considered during project development, and that social impact management plans are developed and implemented.

Woodside undertook best practice social impact and baseline studies for the proposed Browse Development concept at James Price Point. This ensured the issues most important to local communities were recognised and understood. The studies assisted in developing plans to mitigate and manage both the impacts and opportunities from the proposed development on the local and wider community.

In 2013 Woodside has worked on ensuring there is a consistent approach in the processes around understanding stakeholders' interests and concerns and engaging and responding to their concerns.

Go to 18-21 for more information.

About the Materiality Assessment

An overview of our top five material sustainability issues, and where to find information relating to them in this report, is set out above.

Although not ranked in the top five issues for 2013, the following matters are also addressed in this report as they are important to Woodside's long-term perspective on sustainable development:

- Biodiversity *go to* 40
- Climate Change and Greenhouse Emissions *go to* 43
- Governance and Transparency *go to* 10
- Technology, Costs and Productivity *go to* 49.

Our report content is primarily driven by our materiality process. In consideration of the new GRI G4 guidelines materiality process released in May 2013, we applied a materiality determination methodology that can be broken down into four key steps:

Identify, Prioritise, Validate and Review.

First we identified key topics compiled from our risk registers, stakeholder registers, media, peer reports and discussions with our stakeholder advisers and senior management from key areas of the business. Further, material sustainability issues were considered within the context of our long term organisational and business goals. We also reviewed aspects that were material to the business in prior years.

Steps two and three involved the prioritisation and validation of the issues. Topics were considered material if they had a current or potential impact on our business or were of concern to our stakeholders. We were assisted in prioritising the issues by an internal panel of employees drawn from a wide cross-section of our business operations. An external panel comprised of people with leadership roles and expertise in economic, social and environmental disciplines also assisted us with prioritising and validation of our material issues. Senior management and the Sustainability Committee completed a final validation review and agreed on the key issues that have defined the primary content of this report.

Occupational health and safety

Issue:

At Woodside, we believe everyone has the right to leave work in the same condition as they started the day. Our aspiration is 'no-one gets hurt, no incidents'.

When we compare our current performance against global safety benchmarks, such as the top quartile of the International Association of Oil and Gas Producers, there is room for significant improvement in our health and safety performance.

Response:

In 2013 we commenced implemention of measures to achieve global top quartile health and safety performance by 2017. This included adopting a new corporate scorecard indicator with specific measures for process safety and personal safety.

Our behaviour framework, 'Our Safety Culture', helps everyone, including our contractors, understand the role they play in strengthening Woodside's safety culture. It is important that all our employees, contractors and suppliers share our values, and we work with them to meet our health and safety expectations.

Go to 28 for more information.

Members of the external panel who participated in the materiality assessment in October 2013 were:

Lyn Beazley, former Chief Scientist of Western Australia (WA)

Wally Cox, Director, The Ardross Group

Sue Dixon, CEO, United Way, WA

Nicole Roocke, Director, Chamber of Minerals and Energy, WA

John Langoulant, Chair, GESB

Tom Hatton, Group Executive Energy, CSIRO

Kevin Macdonald, CEO, Giving West

Panel members did not draft or review this report and members were not paid for their contribution to the panel. Neither the panel members nor their organisations endorse the contents of this report.

People capability

Issue:

Woodside's success as a global leader in upstream oil and gas is highly dependent on our ability to attract and retain an engaged, diverse and high performing workforce.

Driven by a tight labour market and increased competition for skilled employees, our global turnover rate increased in 2013 with engineering, operations and production experiencing the highest staff turnover, although the rate remained below the industry average.

As Woodside seeks to implement technology solutions and pursue international growth opportunities to achieve its growth aspirations, new capabilities will be required across our workforce.

Response:

While the labour market has shown signs of easing, certain skill sets continue to be in strong demand in the oil and gas sector, particularly as Woodside's local competitors prepare for operations.

Woodside continues to focus on retaining employees through engaging with our people and targeted retention initiatives.

In 2013, our attraction and retention strategy continued to focus on:

- growing our future workforce by recruiting entry career employees with the potential for technical and leadership capability;
- maintaining competitive remuneration;
- encouraging employee engagement, learning and development; and
- external promotion of our organisation.

In 2013, we invested A$24 million in learning and development activities and remain committed to investing in developing future talent through our traineeships, apprenticeships, Indigenous employment pathway and graduate programs in 2014.

A three-year Indigenous employment strategy launched in 2013 supports Woodside's Reconciliation Action Plan targets and seeks to continue to build cultural competency to aid our entry into new markets.

Woodside will continue to deliver its Gender Diversity Strategy in 2014.

Economic impact of projects

Issue:

Large-scale oil and gas developments bring significant direct and indirect socio-economic benefits to stakeholders, including the communities in which we operate and to governments through increased tax, royalties and other revenues.

Stakeholders had been expecting the proposed LNG Development near James Price Point to deliver significant returns to the local, state and national economy.

In 2013, Woodside completed the technical and commercial evaluation of the James Price Point development option and determined that the concept did not meet the company's commercial requirements for a positive final investment decision.

Later in the year the Browse Joint Venture selected floating LNG (FLNG) as a development concept and decided to enter the basis of design (BOD) phase.

The decision was welcomed by some and disappointed others – including the Western Australian Government, Indigenous groups and community members – over a perceived loss of anticipated economic benefits to the State and specifically, the Kimberley region including jobs, local content, government revenue and Native Title Agreement initiatives.

Response:

In 2013, approximately 80% of our expenditure on capital and exploration, materials, goods and services was spent in Australia.

In addition, we spent approximately $1.5 billion in royalties, excise and taxes to governments, almost all in Australia.

The Browse Joint Venture spent almost A$2 billion studying the feasibility of an onshore development concept and when the concept near James Price Point did not meet commercial threshold requirements to support a final investment decision, it selected FLNG technology as the development concept for entry into BOD.

With the selection of FLNG there is no longer a requirement for Woodside to be party to the Native Title Agreement to establish the LNG Precinct. As such, Woodside issued formal notice of withdrawal from the Agreement (effective 12 March 2014).

To date, Woodside has made A$25.6 million in payments to the Goolarabooloo and Jabirr Jabirr people under the Agreement. The funding is for a range of initiatives, including: the Reading Recovery childhood literacy program, a business development organisation, and education, healthcare and cultural assistance.

The broader economic impact of the Browse FLNG Development will be quantified during the BOD and front-end engineering phases in 2014/2015.

UNDERSTANDING OUR STAKEHOLDERS

Woodside actively seeks to build relationships with stakeholders who are interested in and affected by our activities. We understand that the way we engage is fundamental to building trust and understanding. We are guided by our values as we work with communities and key stakeholders to create opportunities for mutual benefit.

We promote and encourage stakeholder input and feedback on our activities. We ensure this occurs by conducting stakeholder assessments to identify potentially affected stakeholders based on the location, timing and potential impacts and opportunities of the proposed activity

Our External Stakeholder Engagement Operating Standard mandates the minimum requirements for engaging with our stakeholders.

We have guidelines assessing the potential impacts and benefits of our current and future activities, and identifying the best approach and mechanisms for successfully engaging those stakeholders affected by our business, and those that have demonstrated prior interest in the issue. We have mapped our key stakeholders according to these guidelines and focus on addressing their issues of interest and concern via a variety of engagement mechanisms as outlined.

Our engagement processes encourage open and transparent communication and feedback.

We acknowledge and, wherever feasible, seek to address and resolve key stakeholders' concerns and complaints.

LEGEND

STAKEHOLDERS | KEY INTERESTS & CONCERNS | 2013 STAKEHOLDER ENGAGEMENT / RESPONSE

EMPLOYEES

Woodside's strategic direction, productive work environment, health and safety, working conditions, organisational culture, benefits and clarity around career development opportunities.

- 2013 employee survey, refer to page 33 for more information
- Daily emailed newsletter, quarterly internal magazine and Woodside intranet site
- Staff briefings in Perth and Karratha with the CEO and executive management
- 'One Woodside' staff event to engage employees on Woodside values and direction
- Performance reviews and personal development plans for all employees
- Employee development system (We Learn)
- Woodside Awards which recognise outstanding achievement
- Organisational Effectiveness Campaign to reinforce Our Safety Culture and Compass Values
- Launch of Leadership and Management Development Framework

Go to 26-35 for more information on our engagement with employees.

CUSTOMERS

Reliability and safety of supply, product quality, cost and delivery.

- Regular communications and meetings
- In-country representatives
- Annual delivery plans for LNG supply
- Site visits, operation overviews and presentations
- Reciprocal secondments of staff to promote understanding of respective businesses
- Quality control of our hydrocarbon production

Go to 48 for more information on our engagement with our customers.

INVESTORS AND FINANCE PROVIDERS

Delivery of financial returns, mitigation and management of financial and non-financial risks and high quality corporate governance.

- Investor briefings are webcast and archived on our website
- Regular meetings with financiers, institutional shareholders and investor representatives
- Annual General Meeting
- Australian Securities Exchange (ASX) announcements
- Regular printed and electronic communications

JOINT VENTURE PARTICIPANTS

Ensuring that suitable governance mechanisms are in place, financial returns are delivered and risks are assessed and managed.

- Regular meetings with joint venture boards and operating committees
- Participation in business reviews and audits
- Assurance programs
- Site visits and operations overviews

NON-GOVERNMENT ORGANISATIONS (NGOS)

Ethical, social and environmental performance of operations and proposed operations such as:

- Revenue transparency
- Efficient use of resources
- Mitigation and management of financial and non-financial risks

- Non Government Organisation participation in social and environmental impact assessments
- Recognition of the Extractive Industries Transparency Initiative
- Participation in Industry forums and associations including IPIECA

LOCAL AND INDIGENOUS COMMUNITIES

Potential environmental and social impacts associated with operations. As most of our operations are located in remote locations we have a broad range of local and Indigenous community interests and concerns such as:

- Local content, employment and business opportunities
- Cost of living
- Access to community services and amenities
- Investment in social infrastructure
- Culture and heritage impacts
- Land access

- Community offices
- Ongoing operation of North West Shelf Visitors Centre
- Community consultation and engagement including community liaison groups and networks
- Supported a range of community events and programs
- Consultation Information page and Activity Update page on the Woodside internet
- Social impacts assessments and management planning which involves community input
- Reconciliation Action Plan
- Social investment
- Implementation and compliance with related protocols, frameworks and legally binding agreements

Go to 16-25 for a discussion of community engagement activities undertaken in 2013, and responses to community concerns.

GOVERNMENTS: COMMONWEALTH, STATE, LOCAL & INTERNATIONAL

Development of oil and gas resources through the whole project lifecycle. Environmental, social and fiscal performance and compliance.

- Regular engagement and consultation with regulators
- Meetings and workshops with government representatives
- Contributed to regulatory submissions covering approvals, local government rates, carbon policy and a broad range of tax issues in collaboration with industry associations
- Direct submissions to the WA Government's Parliamentary Inquiry into the Economic Implication of Floating Liquefied Natural Gas Operations and the Commonwealth Government's Streamlining Offshore Petroleum Environmental Approvals Draft Strategic Assessment Report

SUPPLIERS AND CONTRACTORS

Working closely with contractors in an environment where joint ownership of outcomes exists.

Transparent and effective communication throughout contract award process.

Compliance with Woodside performance standards.

- A world class Contract Management System to interface with suppliers; implementation due mid 2014
- Company resident teams in contractors, offices for major projects
- Regular supplier performance reviews
- Internal training for roles supporting contract management
- Focus on strategic supplier relationships
- Regular Supply Chain newsletters distributed to suppliers

GOVERNANCE AND TRANSPARENCY

We are committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect

OUR APPROACH

The Woodside Compass sets out our core values of Integrity, Respect, Working Sustainably, Working Together, Discipline and Excellence.

In 2013, we reviewed and updated Our Code of Conduct (the Code). The Code is underpinned by our values. It sets out our commitment to ethical principles and describes the personal and corporate behaviour Woodside expects from its directors, officers and employees. For more information on the Woodside Compass and the Code of Conduct go to:

www.woodside.com.au/About-Us/Pages/The-Woodside-Compass

Compliance with the Code of Conduct

Code of Conduct training is required to be completed by employees at induction and annually thereafter. Records of training are maintained electronically and monitored by Woodside's General Counsel. Directors and managers are asked to provide annual certification of their compliance with the Code and related policies.

Woodside has zero-tolerance for unethical behaviour and violations of the Code are investigated and may result in disciplinary action. All investigations and breaches are recorded and reported.

WOODSIDE COMPASS AND CODE OF CONDUCT

The Code is supported by Woodside's Whistleblower Policy. The policy documents our commitment to maintaining an open working environment in which employees and contractors are able to report instances of unethical, unlawful or undesirable conduct, without fear of retaliation or reprisal.

An externally managed, confidential helpline can be used to report unacceptable conduct. All calls received by the independent helpline are referred to Woodside's Chief Executive Officer, General Counsel and Vice President Internal Audit for action where required. In 2013 there were 12 calls to the confidential helpline.

Woodside's Audit & Risk Committee reviews reports on breaches of the Code and matters raised through the external helpline. The company has also appointed an anti-bribery and corruption lawyer to complement existing anti-fraud and corruption resources.

There were 68 investigated reports of improper behaviour or breaches of the Code in 2013. These resulted in two verbal warnings, 21 written warnings and ten contract terminations. Of these, eight terminations were fraud and corruption related and two matters involved complaints of harassment or inappropriate behaviour which resulted in one written warning and one contract termination. There was one conflict of interest issue identified which resulted in a written warning. 21 issues are under or pending investigation.

There were no legal findings against Woodside in relation to harassment, discrimination or equality in employment in 2013.

ANTI-CORRUPTION

Woodside has a zero tolerance stance toward fraud and corruption. We comply with all relevant Australian and international anti-bribery and corruption laws. In 2013 we strengthened our approach to anti-corruption through implementation of a specific Anti-Bribery and Corruption Policy. We also implemented a fraud and corruption control program, aligned with AS 8001-2008, which prescribes a risk proportionate framework for the prevention, detection and response to fraud and corruption within or upon Woodside.

We embedded standardised anti-bribery and corruption due diligence procedures throughout the company, to screen and evaluate all third parties with whom we do business, including suppliers, contractors, joint venture partners, new opportunities and social investment beneficiaries. We implemented a corporate platform for the recording of gifts and entertainment in line with the Anti-Bribery and Corruption Policy and undertook forensic data analysis of information management systems to identify behaviours indicative of fraudulent or corrupt conduct.

For more information on Woodside's Anti-Bribery and Corruption Policy, go to:

www.woodside.com.au/Investors-Media/Corporate-Governance/Pages/Policies-Procedures

Woodside's Social Investment Operating Standard prohibits the provision of charitable donations or corporate philanthropy to influence an individual, organisation or government to make a business decision in Woodside's favour.

For more information on Woodside's Social Investment processes, go to:

www.woodside.com.au/Our-Approach/Our-Communities/Pages/Community-Investment

FINANCIAL TRANSPARENCY

Companies operating in countries implementing the Extractive Industries Transparency Initiative (EITI) work with host governments and local civil society organisations to increase the transparency of revenue flows from extractive industries. Through this process EITI has become the international standard for improved transparency adopted by a growing number of resource-endowed countries via the publication and verification of company payments and government revenues from industries such as oil, gas and mining. As a member of the EITI since 2005, Woodside is committed to reporting our petroleum tax and fee payments in respect of operations in implementing countries.

Timor-Leste is the only country in which Woodside currently has an interest that has adhered to and fully implemented the EITI. In Timor-Leste and other countries in which Woodside historically had interests, the company has played an active role in the setting up and implementation of the EITI principles and reporting mechanisms.

Woodside welcomes the preparatory work undertaken by the Myanmar Government in 2013 to support its adherence to EITI. Compliance with EITI standards and principles will assist in the management of revenue received from Myanmar's resources sector.

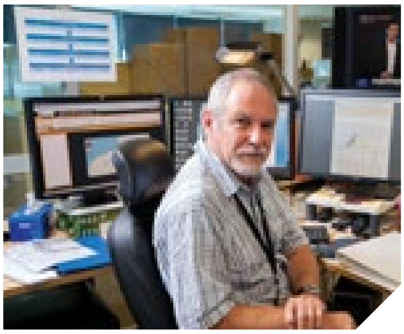
HUMAN RIGHTS

Woodside recognises and respects the basic human rights of all people and seeks to ensure that we are not complicit in human rights abuses committed by others.

Our values, the Code and policies reflect and support this commitment. We comply with Australian legislation enacted to uphold human rights treaties and declarations, such as the Universal Declaration of Human Rights.

Woodside is not aware of any incidents of human rights violations with respect to people, communities, contractors or suppliers under our supervision in 2013.

SECURITY



Woodside applies its Security Operating Standard with the aim of protecting our people, assets and information according to the Woodside Risk Management Standard and ISO 31000. Security risks are identified though a hazard identification process supported by research and engagement with government and other stakeholders. Our security arrangements are designed to comply with applicable international and Australian laws.

All security service providers are subject to appropriate due diligence to ensure that ethical conduct, adherence to applicable laws, and respect for human rights is maintained at all times. Woodside has strict procedures in respect of the use of armed security guards. No such services were engaged in 2013.

COMMUNITY

We seek to manage our business activities in a manner which delivers benefits to the community, our employees, our stakeholders and our partners

Woodside seeks to make a positive contribution to the communities in which we operate. We are focused on creating value by developing relationships which support positive outcomes for all stakeholders.

KEY 2013 COMMUNITY TARGETS	HOW WE PERFORMED		KEY 2014 COMMUNITY TARGETS
Launch a refreshed social investment strategy which includes a collaborative initiative on identifying and addressing a key area of social need.	Woodside Development Fund approved. The fund is a ten year A$20 million commitment to target the social outcome area of early childhood development.	Achieved	Establish Woodside Development Fund with agreed goals and parameters, feedback mechanism and measurement of results.
Improve communications to stakeholders and the wider community about our social investment activities.	New on-line forum developed to connect with a broad stakeholder base in an engaging and interactive way.	Underway	Community discussion and collaboration initiatives are evident in areas where we operate.
Social investment of 0.4% of Profit Before Tax (PBT) for 2013. Target of 0.5% of PBT by 2015.	0.35% PBT in 2013 based on three year average (2011-2013).	Not achieved	Social investment of 0.45% of PBT for 2014. Target of 0.5% of PBT by 2015.
Identify community organisations and key stakeholders in our new areas of activity and plan for implementation of agreed programs, where appropriate.	Early identification of stakeholders and social aspects in new country entry initiatives.	Underway	Implement Community Relations Framework which outlines requirements for improved stakeholder engagement and impact management.
100% increase in Woodside's Reconciliation Interest Group (RIG) membership and evidence of active participation by 2015.	Woodside RIG membership has decreased from 195 people at the end of 2012 to 142 at the end of 2013.	Not achieved	100% increase in Woodside's RIG membership on 2010 membership and evidence of active participation by 2015 as this is the target outlined in the RAP.
Continue with cultural awareness programs to increase cultural competency including the placements of ten employees on the Jawun Program by 2013.*	At the end of 2013 Woodside has placed six employees in Jawun programs.	Underway	Progress towards reconciliation action plan target of 10 employees by 2015.

Achieved Underway Not achieved

**The Jawun 2013 target has been updated to align with the Reconciliation Action Plan which identifies ten employees by 2015.*

SOCIAL IMPACTS ON COMMUNITIES

Understanding and managing our impacts and engaging key stakeholders are critical to Woodside maintaining its licence to operate

OUR APPROACH

Woodside is guided by its Sustainable Communities and Indigenous Communities policies to support the economic and social development of local communities and maintain long-term relationships.

Copies of these policies are on our website.

We aim to manage our operations and projects in a way that benefits the community, our employees, our shareholders and our partners.

Social impacts are identified and managed through our development and project planning processes and we focus on stakeholder engagement to ensure potential impacts are well understood. Issues that have been identified by communities include:

- improving living standards through economic development;
- localised issues relating to traffic, amenities and services;
- access to recreation areas and resources; and
- maintaining strong Indigenous cultural and local community identities.

In 2013 we focused on improving our standard of practice to support our entry into new countries and the changing dynamics of communities in which we already operate.

OUR PERFORMANCE

Woodside undertakes activities and operations in a number of regions within Australia - the Pilbara, North West Cape and the Kimberley - and internationally we are increasing our footprint to new countries including Myanmar.

We understand each community is unique and we have local representatives and processes in place to ensure we understand and respond to local community issues, aspirations and expectations.

Following is a summary of our social performance in the areas where we operate or have activities.

Pilbara

Woodside has a long-standing presence in the Pilbara community as operator of the North West Shelf Project and more recently, Pluto LNG.

Our employees and their families play a valuable part in creating a dynamic and vibrant community. Our people are actively engaged within the community through Woodside's Corporate Volunteering program and as members of local community groups.

In 2009 the West Australian Government launched the "Pilbara Cities" vision to address the issues associated with significant growth experienced in the area. As a result, there has been an increased focus on the delivery of infrastructure projects, land availability and development, community projects and engagement.

With the completion of Pluto LNG and other resource projects in the area, the town of Karratha is now transitioning to a more normalised growth rate.

In 2013 we continued to contribute to infrastructure projects within the Shire of Roebourne including the new St John Ambulance Sub Centre.

We also re-established the Woodside Shire of Roebourne Community Liaison Group (CLG). The CLG is comprised of stakeholders from local and West Australian government, community organisations and Indigenous corporations and provides feedback on Woodside activities and community issues.

The North West Shelf Visitor's Centre, the Karratha and Roebourne town offices and our public enquiry phone line, provide additional mechanisms for the public to actively engage with Woodside.

We seek optimal community benefit from our social investment program by aligning our investment with broader community and societal goals. We achieve this by establishing social investment focus areas and supporting programs that align with the Shire of Roebourne's community development aims.

Education remains a key focus for Woodside as evidenced by the flagship Karratha Education Initiative funded by the North West Shelf Project since 2008. The Roebourne Education Initiative was established in 2013 to support outcomes at the Roebourne District High School.

The North West Shelf Project and Pluto LNG together are the sole industry funding partners of a new Electrical and Instrumentation Centre of Specialisation at the Pilbara Institute Karratha Campus.

North West Cape

Woodside also has a long established presence in the Carnarvon Basin. The company operates and holds a 60% interest in the Enfield and Vincent oil fields and a 50% interest in the nearby Stybarrow oil field.

We have an active exploration program in the region that includes drilling and seismic survey activities across a number of petroleum permit areas.

Our offshore fly-in-fly-out workforce transit through the Learmonth Airport which is operated by the Shire of Exmouth. This activity generates local government revenues and helps support airline routes into the region.

Balancing economic benefits from the presence of the nearby oil and gas industry, while at the same time maintaining the community's identity, remains an ongoing focus for the community. In response to this we continued to operate the Exmouth Community Reference Group in 2013.

Woodside undertakes consultation with local stakeholders. These include tourism operators, fishing licence holders, local conservation interests and local government as part of our environmental approvals requirements, particularly in relation to offshore activities.

We support local organisations and initiatives and in 2013 established four partnerships and offered eleven community grants. These include ongoing support of the Ningaloo Turtle Monitoring Program, Ningaloo Whaleshark Festival, Exmouth Cultural Arts Centre and The Pilbara Swimming Championships.

Social impacts on communities (continued)

Kimberley

In April 2013, Woodside completed its technical and commercial evaluation of the suitability of processing gas at the Western Australian Government's proposed industrial precinct near James Price Point, 60km north of Broome.

As operator of the Browse Joint Venture, we undertook comprehensive baseline and impact studies for the onshore development concept. The Browse Social Impact Management Plan was prepared for final submission.

The decision to select a FLNG development concept for the basis of design phase drew a variety of responses from our stakeholders. Throughout the transition we have worked with stakeholders to provide information about the commercial evaluation and the prospective impacts of the FLNG development.

We remain committed to the local community and maintain a Broome office to continue to build local relationships through stakeholder engagement and investing in community-led projects that respond to local priorities. Woodside contributed just over A$1 million in social investments across the West Kimberley in 2013.

We place great value on maintaining our relationship with the Environment and Cultural Heritage Team which is the Traditional Owner advisory group. This team has played a key role in our stakeholder engagement on heritage matters, and more recently, has guided our site rehabilitation work near James Price Point.

In 2013, 34 Indigenous trainees were hosted by various businesses to gain accreditation and work experience. These training positions were varied with horticultural trainees and chef apprentices placed in local tourist resorts, logistics traineeships in local transport companies and other trainees with not-for-profit community services organisations.

The Kimberley Indigenous Marine Traineeship, in collaboration with Farstad Shipping, started in Broome in 2010. To date, seven Kimberley Indigenous men have completed a Certificate 3 Integrated Rating qualification and one has since graduated as a Second Mate. A further ten are currently in training and by the end of 2013, three of these trainees graduated.

The Browse Joint Venture is now in the preliminary stages of scoping the FLNG development concept. Woodside's future stakeholder and community priorities will be informed through understanding of social and environmental impacts arising from the FLNG model. Work has commenced on the Browse FLNG Social Impact Assessment. This work will build on the extensive studies undertaken for the onshore concept.

INTERNATIONAL

Timor-Leste

Woodside as operator of the Sunrise Joint Venture (SJV) is focused on creating economic benefits for the Timor-Leste community.

Our social investment program aims to support the sustainable growth and development of the community in the areas of health and wellbeing, education and capability building.

In 2013 the Timor-Leste and Australian Governments engaged in a dispute resolution process relating to the treaty on Certain Maritime Arrangements in the Timor Sea (CMATS) in accordance with the Timor Sea Treaty.

While Woodside and the SJV await the outcome of this process, we continue to engage with the community of Timor-Leste through our social investment program and our commitment to developing the Greater Sunrise resources.

In 2013 we partnered with local Timor-Leste organisation Empreza Di'ak to support the delivery of the Good Fish Community Network initiative. This initiative supports the economic empowerment of fishing communities on Atauro Island through technical and business skills training for dried fish and salt production.

Woodside's Timor-Leste Professional Development Program continued in 2013 with the participation of five Timor-Leste nationals.

Myanmar

Woodside continued to broaden its engagement with key stakeholders in 2013 in support of its exploration activities in the Rakhine Basin offshore Myanmar.

Woodside, in conjunction with the University of Western Australia, has agreed to establish the Woodside Myanmar Postgraduate Scholarship. The scholarship will support a student from Myanmar to undertake postgraduate studies in an area relevant to public health and will be awarded in 2014. It represents a first step in Woodside's commitment to deliver sustainable benefits to the Myanmar community.

INDIGENOUS ENGAGEMENT AND CULTURAL HERITAGE

Woodside maintains respectful relationships with Indigenous people with a view to creating opportunities that assist in the achievement of their aspirations

INDIGENOUS ENGAGEMENT

OUR APPROACH

The continued success of Woodside operations requires constructive relationships with our host Indigenous communities.

Throughout 2013 Woodside's formal commitments with Indigenous people included the Conservation Agreement, Browse LNG Precinct Project Agreement and Browse LNG Precinct Regional Benefits Agreement and our 2011 – 2015 Reconciliation Action Plan.

www.woodside.com.au/Our-Approach/Our-Communities/Documents/2011-2015%20RAP.pdf

OUR PERFORMANCE

Woodside's Reconciliation Action Plan includes 40 broad commitments with 82 measurable goals to be achieved by 2015. Commitments have been made in the areas of education, employment, governance, business development and cultural awareness. Woodside has exceeded, achieved or is on-track to deliver against the majority of its 2015 goals.

A report detailing our performance against our commitments can be found in our Annual Reconciliation Action Plan Report.

Woodside maintains offices in Roebourne and Broome. This ensures local community members have easy access to Woodside community relations advisers to talk about cultural heritage and other issues.

In 2013 Woodside supported:

- Hipbone Sticking Out - a major theatre production - from the Roebourne community that tells a story about the history of the Burrup.

www.yijalayala.bighart.org/category/performance/

- The Cultural Governance Project - a Kimberley Aboriginal Law and Culture Centre initiative, which aims to promote and preserve cultural ceremonial activities, consolidates cultural governance, and strengthens cultural and traditional foundations for Kimberley communities.
- The Digital Dreamtime Project - created by the Roebourne-based, Weerianna Street Media.

www.yijalayala.bighart.org/category/performance

digitaldreamtime.tumblr.com

- The Murujuga Rangers - operate on the Burrup Peninsula near Karratha, the team's scope of work includes land and sea management activities conducted in a manner consistent with cultural protocols that are set and approved by the Circle of Elders.

CULTURAL HERITAGE

OUR APPROACH

Woodside recognises the importance of obtaining the support and involvement of Indigenous people when seeking to access land for our activities.

Our Social Impact and Cultural Heritage Management Operating Standard specifies that all practicable and reasonable measures must be taken so that sites of significance are not disturbed. We are assisted in identifying and assessing sites of cultural significance by traditional owners or custodians and archaeologists.

Prior to Woodside undertaking any ground disturbing activities, a heritage due diligence process is undertaken. This process involves determining whether archaeological and ethnographic surveys have been conducted with traditional owners or custodians; confirming the presence of known heritage sites; and considering the existing protection measures in place.

Where Woodside's activities are conducted in the vicinity of cultural heritage sites, we develop Cultural Heritage Management Plans with traditional owners or custodian representatives. These plans ensure that all our activities can and do comply with heritage legislation, commitments and cultural directions.

OUR PERFORMANCE

Our acknowledgement of cultural heritage is demonstrated in our support of particular projects and activities in 2013, including:

- the Murujuga Cultural Management Plan - a project which consolidates knowledge and develops strategies for long term sustainability and holistic management of country and culture;
- establishment and on-going support of Traditional Owner advisory groups, including the Environmental and Cultural Heritage (ECHT) in the Kimberley and representatives from the language groups in the Pilbara; and
- engaging and training Traditional Owners to record sites and monitor ground disturbing activities to mitigate risk of harm to Aboriginal heritage.

In 2013 there were seven formal meetings with Indigenous organisations in the Pilbara and the Kimberley to ensure members of the local communities received reports and updates about our activities. These meetings also enabled Indigenous people to provide feedback direct to Woodside representatives.

In partnership with the Australian Government, we support the recognition, protection and conservation of the National Heritage Values of the Dampier Archipelago through our A$34 million Conservation Agreement.

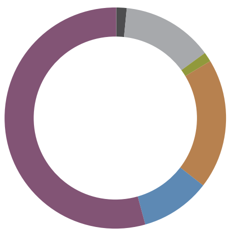
Woodside has continued to meet its cultural heritage obligations during our site rehabilitation work near James Price Point with the ongoing involvement of Traditional Owners and the ECHT.

There were no reported breaches of Woodside heritage approval conditions in 2013.

SOCIAL INVESTMENT

Contributing to the capability and capacity of our host communities is critical to creating positive social outcomes

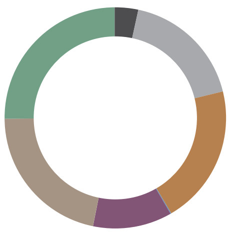
Social investment by region 2013



	%
International	2
National	14
Exmouth	1
Pilbara	19
Kimberley	10
WA (Other)	54

The majority of our social investment spend is in Western Australia.

Social investment categories for 2013



	%
Economic Development	3
Social Welfare	18
Health	20
Environment	12
Arts & Culture	22
Education & Young People	25

Social investment for 2013 focused on education and young people.

** Includes cash value, in-kind and voluntary hours (Woodside share).*

OUR APPROACH

We believe our social investment contribution can assist in building the capability and capacity of host communities.

We aim to make a positive impact through philanthropy, corporate volunteering, sponsorships and partnering.

In 2013 we made a commitment to contribute A$20 million over the next ten years via the Woodside Development Fund. It is our intent to energise and advocate for collaboration in the social sector by providing long-term funding and encouraging different organisations and sectors to work together toward a shared social outcome.

OUR PERFORMANCE

We are a member of the London Benchmarking Group (LBG) which uses its methodology to track, measure, benchmark and report on our social investment performance. Woodside seeks to contribute 0.5% profit before tax (PBT) by 2015 to our social investment programs.

Highlights of our social investment program in 2013 included:

- the direct contribution of A$10.1 million worth of social investment* to our host communities;
- employee contribution of 5,400 volunteering hours, valued at A$979,380; and
- voluntary social investment contribution equating to 0.35% of a three-year averaged profit before tax (2011 to 2013).

During 2013 we focused on implementing the recommendations of our 2012 Corporate Social Investment Review. The key improvement opportunities included formal collaboration with other groups on an area of social outcome and to significantly improve communications regarding the impact and outcomes achieved by community partners and their programs.

In response we have developed a new on-line community forum 'Canvas' to promote and report on the impact our social investment contribution is having in the community and to also encourage discussion about the outcomes achieved by community partners and program participants.

Please register to join our community forum at canvas@woodside.com.au

EMPLOYEE VOLUNTEERING AND ENGAGEMENT

Our contribution to communities through social investment is complemented by our employee engagement and corporate volunteering program. The program is run in collaboration with Volunteering WA which offers participation in social programs and Conservation Volunteers which offers participation in environmental programs.

Our corporate volunteering program provides employees with the opportunity to contribute 12 hours of paid volunteering leave each year, to support community based organisations.

In addition to volunteering, our employees donated A$206,149 through workplace giving in 2013.

CASE STUDY: THE IMPACT OF CORPORATE VOLUNTEERING

Woodside supports organisations that support others, ensuring a flow of volunteering energy throughout the community.

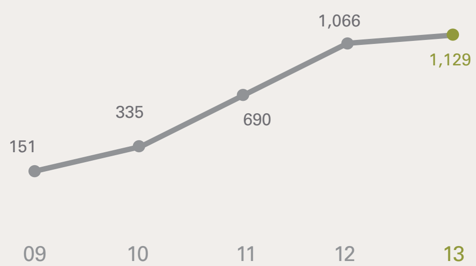
In 2010, Woodside became the first major corporate partner of Volunteering WA, which acts as a broker and liaison point between individuals and companies, and community groups.

The partnership has been a catalyst for significant growth in the corporate volunteering movement in Western Australia. For Volunteering WA, our partnership was critical to their capacity and capability to cater for corporate members.

While Volunteering WA had a fledgling and ad hoc corporate volunteering program, our partnership provided it with the opportunity to fully develop its corporate volunteering program – establishing frameworks, systems and resources to leverage and maximise the impact of corporations' potential to contribute corporate volunteers.

"Woodside was a turning point for us. In the year before working with Woodside, we placed just over 150 corporate volunteers; in 2013 we brokered over 1100 volunteer opportunities for our corporate members. We were able to use Woodside as a test case, and now we have a fantastic corporate volunteering system in place." (*Volunteering WA*, 2013).

Growth in Corporate Volunteering - Volunteering WA



Number of corporate volunteers

This graph shows the increasing number of corporate volunteers supporting Volunteering WA since Woodside joined in 2010 (Volunteering WA, 2013).

volunteeringWA

PEOPLE

People, health and safety are the foundations of our success and sustainability

We are focused on getting the right people into the right jobs, and keeping them engaged and motivated to deliver high performance

KEY 2013 HEALTH, SAFETY & PEOPLE TARGETS	HOW WE PERFORMED		KEY 2014 HEALTH, SAFETY & PEOPLE TARGETS
HEALTH AND SAFETY			
Adopt new scorecard measures for process and personal safety that can be benchmarked globally.	Total Recordable Injury Rate (TRIR)* and process safety events* adopted as new scorecard measures.	Achieved	
Achieve a TRIR of less than 3.9.	Our TRIR was 3.0.	Achieved	Achieve a 30% improvement on the 2013 TRIR target of 3.9, we are aiming for a TRIR of 3.0 in order to reach global top quartile health and safety performance by 2017.
Zero Tier 1 process safety events (PSEs) and no more than three Tier 2 PSEs.	There were zero Tier 1 and four Tier 2 PSEs in 2013.	Not achieved	An outcome of zero Tier 1 PSEs and three or less, Tier 2 PSEs in 2014.
Commence implementation of measures to achieve global top quartile health and safety performance by 2017.	Strategic delivery model completed and strategic imperatives set.	Achieved	Complete the planned 2014 activities in support of the health and safety strategic imperatives.
Implement a revised health and safety service delivery model to support global operations.	Senior health and safety leaders embedded in the production, development and exploration functions.	Achieved	
PEOPLE			
Execute the organisational effectiveness implementation plan.	Organisational effectiveness implementation plan on target.	Underway	Achieve organisational effectiveness milestone targets.
Conduct a company-wide employee survey.	2013 employee survey conducted receiving a 79% response rate. Employee Enablement and Engagement scores were 63%.	Achieved	Commence actions to address employee survey findings.
Further embed values and expected behaviours into the way we do business.	Values and behaviours embedded into core people processes including: recruitment, on boarding, performance management, promotions and capability development.	Achieved	
Achieve gender balance in graduate intake.	48% of graduates recruited in 2013 for 2014 intake are female, just short of 50% target.	Not achieved	Achieve gender balance in graduate intake.
Increase the representation of women in middle and senior management roles to 12%[1].	Representation of women in middle and senior roles increased to 12.4%, just above target.	Achieved	Increase the representation of women in middle and senior management roles to 13%.
Remuneration equity between men and women on salary line and job level basis.	Review conducted in 2013 demonstrated effective pay parity between men and women.	Achieved	Annual review of remuneration equity between men and women on salary line and job level basis.
Female turnover levels no greater than organisational turnover levels.	Female turnover was 9.4%, which was equal to the total turnover rate of 9.4%	Achieved	Female turnover levels no greater than organisational turnover levels.
Increase overall percentage of women employed by Woodside to 29%.	Overall percentage of women employed by Woodside is 27%, short of the 29% target.	Not achieved	Increase overall percentage of women employed by Woodside to 30%.
Woodside's Australian based workforce to reflect the demographics of the Western Australian Indigenous population (currently 3.1%) by 2015.	Indigenous employees currently represent 2.6% of Woodside's workforce.	Underway	Woodside's Australian based workforce to reflect the demographics of the Western Australian Indigenous population by 2015.

● Achieved ● Underway ● Not achieved

** Refer page 28 for a description of Total Recordable Injury Rate and Process Safety Events.*

[1] Clarification of role classifications from 2012 however this does not change the targeted internal levels

HEALTH AND SAFETY

Everyone has a role and responsibility to ensure a safe working environment, one in which we look out for each other and respect everyone's right to go home in the same condition as they started the day

OUR APPROACH

Our goal is to deliver health and safety performance that meets global top quartile as measured against our peers in the International Association of Oil and Gas Producers (OGP). This is reflected in our Health and Safety Policy, operating standards, supporting processes and other controls in place throughout our company.

Woodside's 'Our Safety Culture' framework, along with the Woodside Management System, defines our approach to ensuring the health and safety of our employees and contractors, and the integrity of our facilities.

We have four strategic imperatives:

- Streamline health, safety and environment systems and processes to improve internal efficiencies.
- Integrate human factors (see below) in the strategic and day-to-day activities to improve health, safety and operational effectiveness.
- Embed process safety across the asset lifecycle to demonstrate a clear understanding of our hazards, robust risk management plans and encourage a committed workforce at all levels.
- Partner and work in collaboration with our contractors to consistently deliver world-class health and safety performance.

Woodside's health and safety performance is linked to remuneration through process and personal safety measures that are benchmarked globally. Process safety events reflect occurrences of unplanned loss of containment from plant and equipment and the potential consequences created by these events.

Total Recordable Injury Rate (TRIR) is the measure of personal safety that takes into consideration work related injuries requiring more than first aid treatment.

Together, these two measures account for 25% of Woodside's corporate performance scorecard that determines employee and executive remuneration.

Woodside's behavioural framework - 'Our Safety Culture' - helps everyone, including contractors, understand their key roles in strengthening our health and safety performance. We believe it is important to engage contractors and suppliers who share our values, and we work with them to meet our health and safety targets.

OUR PERFORMANCE

There were zero Tier 1 Process Safety Events (PSEs) and four Tier 2 PSEs recorded in 2013.

There were no work-related fatalities recorded in 2013.

Our Total Recordable Injury Rate (TRIR) of 3.0 was a 27% improvement on 2012.

Our TRIR was impacted by a total of 42 injuries (compared to 79 in 2012), none of which had the potential to result in a fatality.

While significant improvement was recorded in personal safety performance during the year, both process safety and personal safety performance still indicate room for improvement when compared against global benchmarks.

STREAMLINING SYSTEMS AND PROCESSES

A continuous improvement effort commenced in 2013 to streamline our health, safety and environment processes and systems. By providing lean, simpler and more effective processes we can improve workforce engagement, health, safety and environment outcomes as well as productivity.

This improvement project will also reduce waste and unnecessary duplication of processes and documentation.

CONTRACTOR ENGAGEMENT

In November 2013, we brought together Woodside and contractor senior executives for a CEO Contractor Health and Safety Engagement Forum to discuss and improve our internal contracting processes.

The information obtained at the forum and throughout 2013 has led to a number of key changes to our health and safety in contracts process for implementation in 2014.

HUMAN FACTORS

Human factors consider how people, culture, equipment and processes interact to optimise human performance. Its application can improve safety, prevent major accident events and reduce operational events. Human factors is much more than just common sense, it is a scientific discipline and has to be explicitly managed.

In 2013, we developed a strategy to fully integrate human factors into day-to-day activities, at individual and organisational levels, to improve health, safety and operational effectiveness.

In 2014, we will progress two main activities. Firstly, we will produce and trial a toolkit that will enable critical tasks for safety and reliability to be assessed for potential human performance issues. Secondly, we will develop and implement an approach to ensure that organisational changes having the potential to directly or indirectly affect process safety management are understood and appropriately controlled.

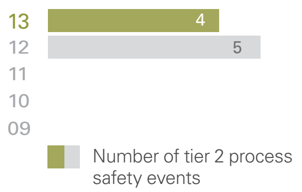
WE KEEP EACH OTHER SAFE

Keeping each other safe is integral to our 'Working Sustainably' value.

In 2013, we rolled-out the 'we keep each other safe' branding across various Woodside sites to provide a constant visual reminder to all employees and contractors that, whether we are walking on to site, flying offshore or driving our vehicles, health and safety is something we all value. The tag-line aims to put health and safety at the fore-front of everybody's mind each day.

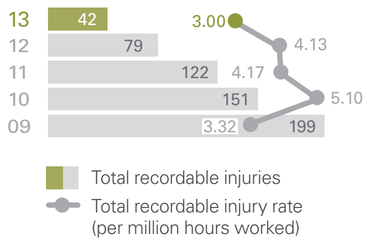
Although the tasks that our employees undertake can be incredibly complex, the responsibility to one another is simple - we keep each other safe.

Tier 2 process safety events



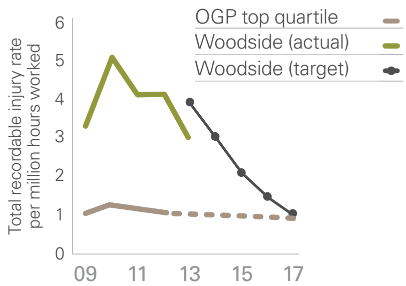
In 2012 Woodside commenced classifying process safety events in accordance with American Petroleum Institute Recommended Practice 754 (API RP 754). to enable global benchmarking.

Total recordable injuries



Our Total Recordable Injury Rate (TRIR) of 3.0 was a 27% improvement on 2012.

Total recordable injury rate

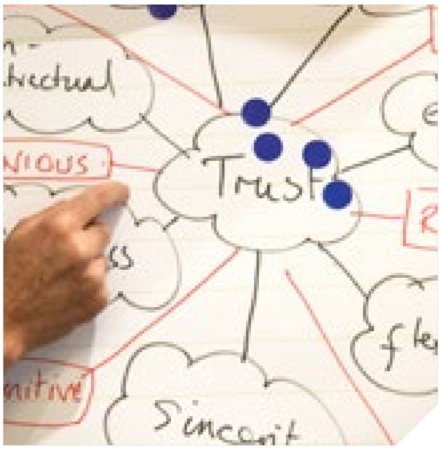


Woodside has benchmarked its total recordable injury rate against global top quartile performance of the International Association of Oil of Gas Producers (OGP). Woodside is targeting significant improvement to achieve top quartile performance by 2017.

Woodside regularly reviews its data and adjusts accordingly.

*Woodside regularly reviews its data and adjusts accordingly.

HEALTH AND SAFETY



PROCESS SAFETY

We work in a high risk industry where the effects of an incident can be catastrophic. The effective management of process safety risks is essential to our operations.

Process safety involves engineering and management practices, which focus on preventing high consequence, low frequency events.

Woodside's process safety framework provides a common understanding of requirements for all levels in the organisation - from senior management through to operational employees.

Our process safety requirements are defined in policies, standards and procedures and are an integral part of the Woodside Management System (WMS).

Each of our operating facilities has a safety case. The safety case demonstrates that the process safety requirements defined in the WMS are applied to reduce the residual risks to 'as low as reasonably practicable'. In the safety case, we describe the assurance that is undertaken to check that the major accident event preventative and mitigation controls remain effective.

As part of an engineering standards initiative project, many of the health and safety engineering standards were revised in 2013.

The Woodside engineering standards are suitable for use by Woodside employees and contractors and define technical requirements for existing and new facilities.

The standards reflect on lessons learnt while utilising international and industry standards and good practices to ensure safety and production integrity obligations and performance expectations are met.

In 2013, we worked towards consolidating a set of meaningful, high-value key performance indicators (KPIs) to measure process safety performance in Woodside. The KPIs will be monitored and reported on in 2014 to executives and the Sustainability Committee. This will give a clear line of sight to Woodside's process safety performance and the status of key management system controls that contribute to preventing or mitigating a major accident.

HEALTH AND WELLBEING

A healthy and productive workforce remains an important factor in Woodside's continuing success as we aspire to lead the way with enjoyable, effective and informative health and wellbeing initiatives.

In 2013, we implemented three pilot health and wellbeing programs focusing on healthy bodies, healthy living and healthy minds. The programs covered blood sugar and cholesterol checks, waist and weight measurements and raising awareness about alcohol use. Personalised discussions with health professionals helped to highlight early unhealthy indicators in some employees and strategies to increase personal wellbeing.

To raise awareness of health across Woodside, employees are invited to attend daily start-smart sessions. The 15 minute stretching program is specifically designed to reduce tension and strains and improve flexibility, as well as educate employees on key health information.

In 2013 more than 1000 Woodside employees took part in the world's largest corporate health initiative, the Global Corporate Challenge. The three-month team fitness challenge encouraged employees to record their daily steps and stay conscious of their physical activity.

A company-wide health survey was conducted to understand the wider issues that may affect the health and wellbeing of our workforce. We received feedback from over 1000 employees with a good response from employees at our operating facilities both onshore and offshore. The information collected is essential for the development of focused initiatives going forward.

In 2014, we will launch the Fit for Life Health Program. This will include seminars and online self-monitoring programs designed to support employees and improve their overall health status. The strategy is to educate, engage, enable and empower.

HEAT-STRESS MANAGEMENT ONLINE TRAINING SIMULATION

Woodside is always looking for innovative ways to use the latest technologies to communicate our key health and safety messages.

The heat-stress simulation was developed to educate employees and contractors about the hazards associated with working in hot and humid conditions. Heat stress and dehydration present a persistent risk to the health of many Woodside workers in the North West of Australia.

Moving beyond traditional classroom-based training to a virtual 3D environment, the interactive simulation teaches participants about what to look out for, how to prevent heat stress and the correct procedures to follow in emergency situations.

A particular benefit of the simulation is that it allows participants to 'fail safely' while training.

The simulation won the Platinum Award in the Games and Simulation category of the 2013 Learn X Impact Awards. It was also a finalist in APPEA's 2013 Health and Safety Awards.

STAND TOGETHER FOR SAFETY

In 2013, Woodside was again a lead participant in the Australian Petroleum Production Exploration Association's (APPEA) annual stop-work safety event, Stand Together for Safety. The event focused on the theme "protecting your team: who are you responsible for?"

The theme provided an ideal opportunity to involve contractors in activities and gave employees a chance to step away from their jobs and have a structured discussion about improving safety. The event encouraged employees to reflect on their responsibilities and the part they play to keep our workplace safe. Keeping each other safe is one of our core values and crucial to our aspiration of no one gets hurt, no incidents.

LINE OF FIRE AND AVATAR EVENT LESSONS

As process safety events are infrequent, lessons from past events need to be captured, shared and retold through the organisation to ensure the improvement opportunities are embedded in the culture of our organisation.

Using 3D imaging, avatar videos were produced providing short and informative re-enactments of high potential events that have occurred at Woodside facilities. Employees were interviewed and consulted during the production to ensure the complete story had been captured and the videos were as realistic as possible.

These videos were designed to support continuous learning and training for employees on key findings from actual events.

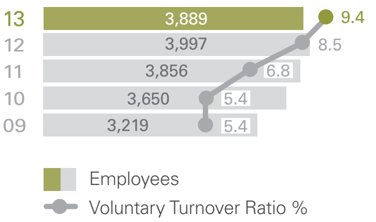
The videos assist in identifying similar warning signs in the future and how to respond to those signs.

Another safety training campaign involved video interviews conducted with offshore employees and managers regarding 'line of fire' incidents they have been involved in. These were presented to small groups consisting of employees, supervisors and managers who were then asked to make their own 'line of fire' commitments, aligned with Woodside's safety culture.

Both the line of fire and avatar videos have proved to be an effective way of engaging with employees on potential hazards inherent in their work as they used examples from the work place to add credibility to the messages.

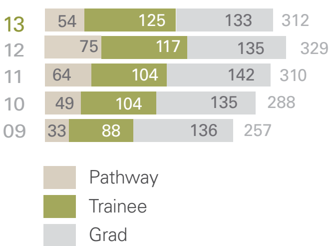
WORKING AT WOODSIDE

Number of employees and voluntary turnover



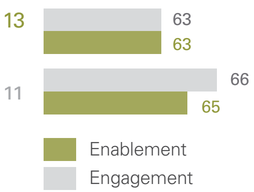
Woodside's voluntary global turnover rate increased from 8.5% in 2012 to 9.4% in 2013, attributed primarily to the ongoing industry demand for capability.

Number of training participants



Indigenous pathway participant numbers decreased with the majority transitioning to Woodside employment.

Enablement and engagement results



The 2013 survey showed a slight dip in both engagement and enablement levels from the 2011 survey.

Woodside understands that delivery of superior shareholder returns is dependent upon our ability to attract and retain an engaged, diverse and high performing workforce

OUR APPROACH

Woodside has comprehensive human resources and compensation policies and practices in place, overseen by the Board's Human Resources & Compensation Committee. Information on the Human Resources and Compensation Committee and its activities in 2013 are provided on 52 of Woodside's 2013 Annual Report which is available on our website.

Our attraction and retention strategy focuses on:

- growing our future workforce by recruiting at entry level employees with the potential for technical and leadership capability
- maintaining competitive remuneration
- encouraging employee engagement, learning and development
- promoting our organisation externally

Woodside's local workforce forms the core for developing, building and operating our assets within Australia. The majority, 99%, of our workforce is based in Western Australia and approximately 97% are Australian.

OUR PERFORMANCE

The Woodside global workforce reduced slightly to 3889 in 2013, driven primarily by completion and deferral of a number of projects, including Browse, which also resulted in the redeployment of a number of staff.

Recruitment activity reduced significantly in 2013 with 317 employees recruited, down from 535 in 2012.

While the labour market has eased in 2013, certain skill sets, particularly in operations, continue to be in demand in the oil and gas sector as Woodside's local competitors prepare for operations. This has led to an increase in turnover. Woodside's global voluntary turnover rate increased from 8.4% in 2012 to 9.4% in 2013.

Woodside is focused on building our future workforce through early career hires, including graduates. Our 2014 graduate program will see 71 graduates (including 12 international graduates) join Woodside, which is approximately 50%higher than the 2013 intake. It is planned to further increase graduate numbers for future intakes. Greater focus will be placed on early engagement activities including building strong partnerships with schools and universities to strengthen our pipeline of graduates, including through our summer vacation program.

To support the growing graduate numbers, the graduate development program was redesigned in 2013, and in 2014 our graduates will undertake a broader development program to support enhancement of both technical and leadership capability.

Woodside has extensive flexible working conditions utilised by 15.6% of the workforce and maintains market competitive remuneration, including the Woodside equity plan which allows employees to share in our future growth.

Leadership, climate and culture

Woodside recognises that a high performance culture is driven by strong values and leadership capability.

The company continued its journey to become a values-led organisation in 2013, with the company's values embedded into key people activities including the performance management process.

Significant focus was also placed on building leadership capability, driven by the launch of the Leadership and Management Development Framework. This framework supports Woodside's target of growing talent internally, providing a consistent framework to guide leaders, building a strong internal succession pipeline and enabling and engaging our workforce.

The Leadership and Management Development Framework is supported by a detailed curriculum of experience, mentoring and educational activities that employees can undertake to build the skills and competence required to become strong leaders.

Learning and development

Woodside continues to focus on internal development and training to drive high performance. In 2013 Woodside invested A$24 million in learning and development activities and is committed to investing heavily in developing future talent through our traineeships, apprenticeships, Indigenous employment pathway and graduate programs.

Additional leadership and management training was delivered throughout 2013 to address core skills development. As a result in 2013 there were 2407 participants at our Leadership Development programs, which is an increase of 179% on attendance in 2012.

The Karratha based Woodside Production Training Academy, which is focused on core skills development for trainees, apprentices and operators, continued to deliver successfully in 2013. Pleasingly 89% of trainees and apprentices converted to permanent employment at the successful conclusion of their programme.

Towards engagement and "One Woodside"

Almost 2200 employees gathered at Perth Arena in early May 2013 for the 'One Woodside' event.

Designed to encourage an understanding of the past, present and future of the company, the event supported the company's vision of becoming a global leader in upstream oil and gas.

A small cross organisational group engaged with hundreds of people across a range of Woodside disciplines to deliver the valuable event.

More than 100 employees volunteered to assist with traffic management, registrations, room management and supporting speakers.

Plenary sessions were held, as well as a series of concurrent sessions focusing on different topics including company finance, technology or developing a better understanding of our diversity ambitions.

One of the most popular aspects of the day was the Functional Excellence Expo where 24 Woodside functions displayed their contribution to the company's success in a 'market stall' setting.

Through the day attendees had access to interactive consoles, enabling them to respond individually to a variety of themes and topics.

A sustainable approach was also a key element of the day. Food and beverages were sourced locally, while all packaging and promotional materials were made from recyclable products.

2013 Employee Survey

Woodside conducts an employee survey every two years to measure employee enablement and engagement.

The 2013 employee survey delivered clear messages about what is working well and what needs improvement.

In 2013 we sought to understand employees' views on the impact of Woodside's organisational change program and our future plans for the business. The employee engagement survey attracted a 79% response rate from employees and delivered an engagement score of 63%.

An overwhelming majority of employees felt they had a strong understanding of Woodside's values, a result that supports our commitment to being a values-led organisation.

In comparison with the 2011 survey, employees reported improved confidence in communicating information, whether good or bad news, up the line and being encouraged to develop new ideas and better ways of doing things. Employees also believe Woodside has a strong commitment to ensuring equal opportunities and reported improved performance in relation to providing job-related training.

Overall, Woodside reported a slight dip in engagement and enablement levels in comparison with the 2011 employee survey. While this is not unusual in a company that is undergoing change, it is important this is addressed to ensure our employees are able to deliver their very best.

Feedback shows that our employees are seeking a more in-depth understanding of Woodside's strategic direction, looking for a work environment that enables them to be more productive and provision of greater clarity around the available career paths. In 2014 actions will be developed and implemented to address the survey findings.

DIVERSITY AND EQUAL OPPORTUNITY

Our policy is to recruit and manage our employees on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background

Our Diversity Policy is available on our website.

INCREASING INDIGENOUS PARTICIPATION

Woodside is committed to meeting our Reconciliation Action Plan (RAP) commitment where our Australian based workforce will reflect Western Australia's Indigenous population (currently 3.1%) by 2015.

At the end of 2013, Woodside had 101 Indigenous employees which equates to 2.6% of Woodside's workforce and is an increase from 92 Indigenous employees in 2012.

In 2013, Woodside introduced a three year Indigenous Employment Strategy to support continued growth and development of Indigenous employment. Across Woodside's employee and business life cycle processes, the strategy will focus on education, community engagement, broadening Indigenous pathway program entry points, career development and support programs.

Woodside will increase the number of Indigenous scholarships we sponsor and strengthen the transition of Indigenous participants from secondary and tertiary education into a Woodside work experience placement, cadetship program, graduate program or direct employment opportunity. We will broaden our key stakeholder partnerships with schools, universities and other community organisations.

To date, Woodside has been successful in increasing Indigenous employment at entry level, through training pathways such as business and production traineeships and apprenticeships.

In 2013, there were 54 Indigenous participants in the pathways training program. Since 2009, Woodside has seen 79% of Indigenous pathways participants convert to full time, direct employment.

CULTURAL AWARENESS

Woodside is focused on building cultural competency to provide our workforce with the knowledge and skills required for different work environments. This will also build a strong foundation as Woodside enters into new countries in line with our growth strategy.

Supporting this, Woodside continues to provide cultural awareness training across the organisation to raise awareness and build an understanding of Indigenous traditional societies and contemporary issues.

In 2013, 305 employees attended cultural awareness sessions. A total of 1159 employees have attended since 2011 which exceeds our RAP aspiration of 750 Woodside employees attending cultural awareness training by 2015.

GENDER DIVERSITY

In 2013, Woodside focused on delivering against the three-year Gender Diversity Strategy and measurable objectives implemented in 2012. The strategy focuses on leadership, process and practice, education, and government and community engagement to improve our ability to attract and retain talented women.

Key activities carried out in 2013 to support the strategy included improvements to the graduate development program which will be implemented in 2014. This will enable earlier operational site experience for graduates, and overcomes challenges encountered by women and men in balancing family responsibilities and long-term development and succession preparedness later in their careers.

Graduate recruitment process improvements continue to result in positive gender diversity results, with females representing 48% of the overall 2014 graduate intake, just short of our 50% target, and 36% of our technical intake, just above our 35% target.

In 2013, women held approximately 12% of middle and senior management roles, which is an improvement from 10% in 2012.

The annual remuneration review continues to demonstrate effective pay parity for males and females doing similar roles with all employees, regardless of employment type, having access to the same financial and non-financial benefits.

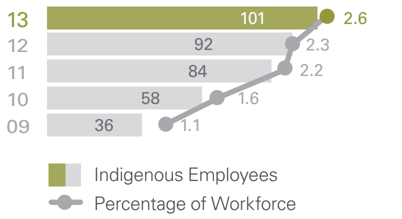
Education remained a focus to improve diversity outcomes. In 2013, Woodside's development curriculum was supplemented by two new programs with a diversity focus, 'Diversity - we give everyone a fair go' and 'Recruitment Selection', completed by 3555 and 66 employees respectively.

Community engagement continued in 2013, with Woodside sponsoring university scholarships for talented women, presenting at internal and external forums focused on diversity, and continued support to industry bodies to advocate for and raise the profile of women in the resources sector.

Despite this effort females comprise only 27% of our workforce. Woodside will continue to deliver its Gender Diversity Strategy in 2014 and progress towards an updated three year strategy which starts in 2015.

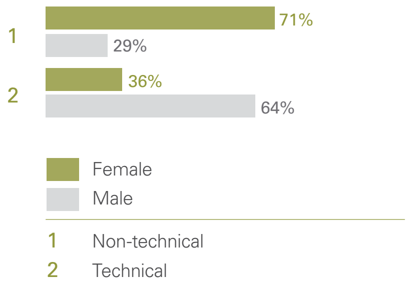
More information on Woodside's approach to gender diversity is provided on *27* *of Woodside's 2013 Annual Report which is available on our website.*

Indigenous employment outcomes



The number of Indigenous employees (permanent/ fixed) increased by 9.8% compared to 2012, representing 2.6% of the workforce.

2014 Graduate recruitment intake gender diversity outcomes



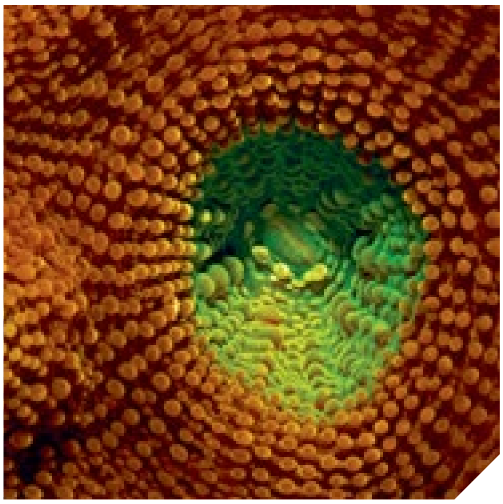
Females represented 36% of the technical and 48% of the overall 2014 Graduate intake.

EMPLOYMENT PRACTICES

Woodside complies with all Federal and State Government industrial relations legislation and respects and upholds all labour-related human rights (captured in our Code of Conduct) such as freedom of association and banning the use of forced and child labour. Our Employee and Industrial Relations Operating Standard defines our approach to managing employee and industrial relations. It is available to all employees through the company intranet.

ENVIRONMENT

Understanding the environments in which we operate and minimising our environmental footprint is critical to maintaining our legal and social licence to operate



As one of Australia's largest petroleum operators, our environment aspiration is "delivering today while protecting tomorrow". We aim to understand the environments in which we operate in order to responsibly manage our activities

KEY ENVIRONMENTAL TARGETS 2013	HOW WE PERFORMED		KEY ENVIRONMENTAL TARGETS 2014
Review and revise the environment strategy.	Environment strategy reviewed and updated environment strategy drafted.	●	Implement the revised environment strategy.
Maintain a low level of environmental incidents – four or less reportable environment incidents to regulators.	Four environmental incidents reported to regulators.	●	Maintain a low level of environmental incidents – three or less reportable environmental incidents to regulators.
Flaring intensity target less than 8.5t/kt (excluding commissioning).	Flaring intensity of 14.2 t/kt. (excluding commissioning).	●	Flaring intensity target less than 13.1 t/kt.
Greenhouse gas emission target less than 9.3 mtpa.	Greenhouse gas emission were 9.9 mtpa.	●	
Commence implementation of the water management strategy.	Woodside's position on water management finalised.	●	

● Achieved ● Underway ● Not achieved

ENVIRONMENT

Our environmental management framework provides a systematic approach for identifying, assessing, mitigating and managing environmental risks

OUR APPROACH

Woodside's approach to environmental management is detailed in our Environment Policy and mandatory Environmental Operating Standards that apply to all facilities and operations. The standards set compulsory environmental performance requirements through the life-cycle of projects and operations.

Our Environment Policy can be found on our website.

The Environment Policy is supported by our Environment Strategy which defines six focus areas for achieving excellent environmental performance:

- maximise resource efficiency;
- design to minimise lifecycle costs;
- maintain compliance and integrity;
- control environmental impacts;
- facilitate effective approvals; and
- work with stakeholders.

During 2013 Woodside commenced a review of its Environment Strategy. The revised Environment Strategy will be implemented during 2014.

OUR PERFORMANCE

During 2013 we reported four incidents to State and Commonwealth regulators as part of our licence conditions.

Two incidents occurred at the Karratha Gas Plant: a spill to land (28m^3 of a diluted low toxicity chemical vapour/solution) and discharge of air emissions outside licence limits. The third and fourth incidents occurred at the Goodwyn A Platform with spills to ocean (160 litres of hydraulic oil and 100 litres of diesel fuel).

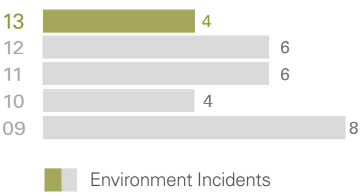
Woodside did not receive any environmental fines or penalties in relation to environmental incidents which occurred in 2013.

During 2013, Woodside did not achieve its greenhouse emissions and flaring targets, as a result of flaring during extended commissioning of the Pluto Gas Plant and Okha Floating Production, Storage and Offloading (FPSO) facility and a range of technical issues during production at the Karratha Gas Plant.

In the following sections we have detailed our 2013 performance in the key areas related to the identified material sustainability issues:

- major incident prevention and response;
- biodiversity and ecosystems;
- maximising resource efficiency; and
- climate change and greenhouse gas emissions.

Environmental incidents



Four environmental incidents were reported to regulators in 2013.

The response to a major loss of containment event is identified as one of Woodside's key material sustainability issues in 2013◢

Loss of containment, particularly in relation to an oil spill, remains a key risk within our company.

We recognise the potential long-term environmental consequences from a significant loss of containment on the marine environment and shorelines in and adjacent to our areas of operation. During 2013 we committed to an oil spill preparedness improvement project with the objective of making a step change in capability including:

- undertaking site visits to assess shorelines to develop more effective response plans;
- increased collaboration with other petroleum operators and response agencies for spill response planning; and
- secured access to spill response equipment such as well capping stack systems and oiled wildlife response equipment.

Shoreline assessment

Western Australia's northern coast and near and offshore reefs and islands are typically remote and difficult to access which can pose significant logistical challenges. The lack of accessibility could cause delays in responding and ineffective implementation of spill responses.

Woodside along with other operators has identified limited understanding of operating environments as a significant risk when developing response plans.

To address this we have undertaken site visits in 2013 to key coastal areas to better understand access requirements. Areas visited include Kimberley coast and the Rowley Shoals.

Subsea first response tool kit

Woodside is one of 12 Australian oil and gas operators that are signatories to a Memorandum of Understanding (MoU) to provide mutual assistance in the event of a well control incident requiring transfer of drilling units and well-site services between operators. During 2013 Woodside secured access to a Subsea First Response Toolkit through Australian Marine Oil Spill Centre Pty Ltd (AMOSC) located in Fremantle, Western Australia and separately secured access to capping stack equipment from Wild Well Control located in Aberdeen, Scotland. The equipment is maintained ready for rapid deployment to a well location and can potentially reduce the duration and severity of a loss of well control event.

'Vesper' raising the bar on spill exercises

During 2013, Woodside conducted 'Exercise Vesper' to test our response capacity in the unlikely event of a significant spill off the North West Cape in northern Western Australia.

'Vesper' raised the bar in spill exercises with its scale in testing the logistics of deploying response teams and equipment offshore and onshore to areas with high conservation, tourism and social values.

The exercise tested our capacity to work with our oil spill service providers, other oil and gas companies in the region and local, State and Commonwealth government agencies.

The exercise highlighted the challenges of responding to potential large spill events which could impact on coastlines with access constraints due to their remoteness and environmental sensitivity.

In addition to exercise Vesper, twenty one exercises for operational assets and international locations to ensure capabilities in relation to Prevention, Preparedness, Response and Recovery (PPRR) were practiced and in accordance with the Emergency Management Operating Standard. Six of these exercises included oil spill response.

External, independent benchmarking of Woodside's crisis and emergency management capabilities ranked the company's arrangements equal first within our peer companies in Australia.

BIODIVERSITY AND ECOSYSTEMS

Understanding the biodiversity of the environments in which we operate or wish to operate is an important aspect of environmental management

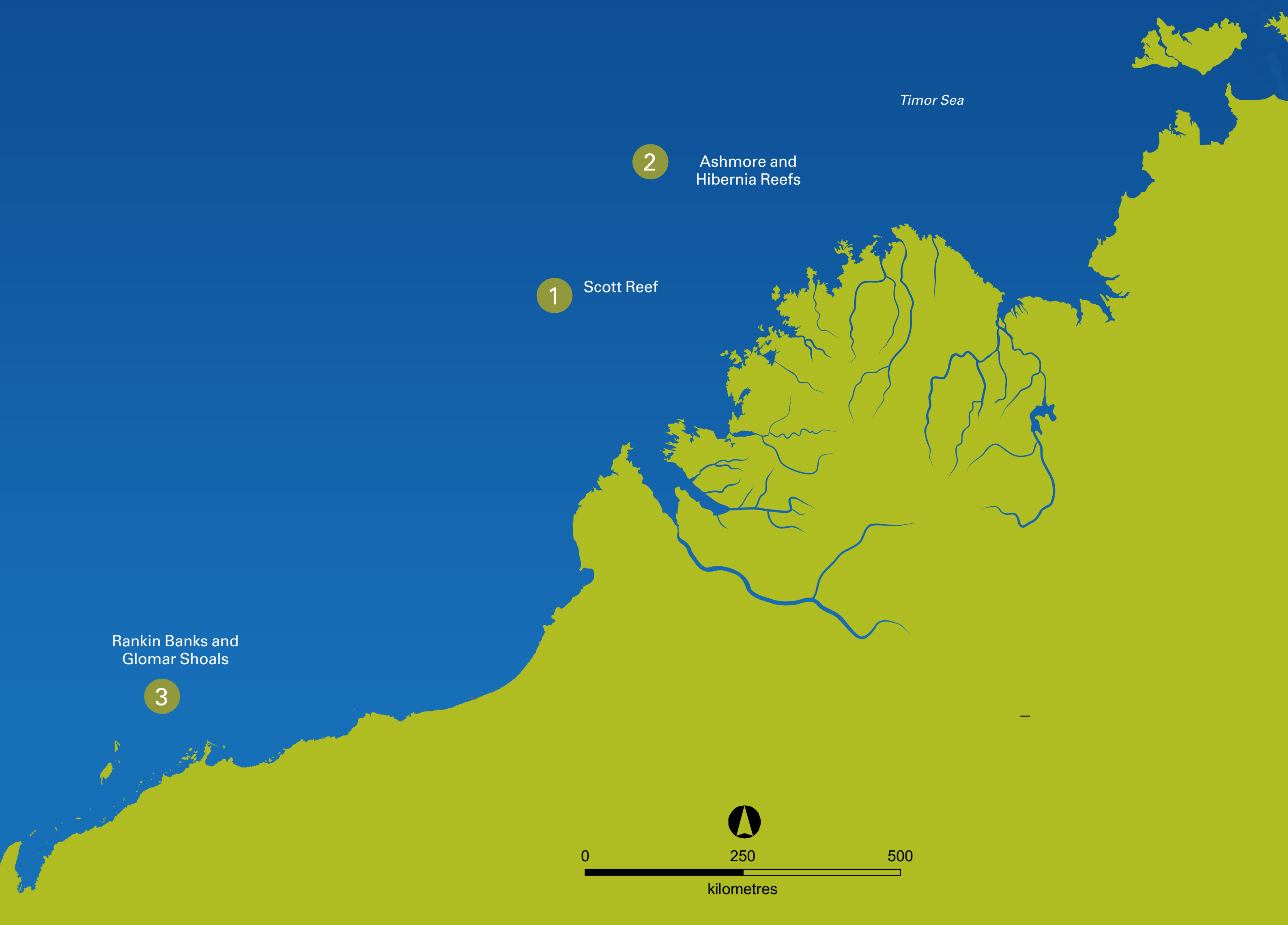
UNDERSTANDING WESTERN AUSTRALIA'S CORAL REEFS

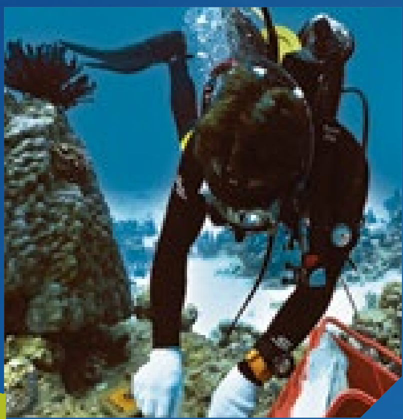
Australia's northwest has many globally significant coral reef ecosystems. These include the iconic fringing Ningaloo Reef as well as some of the world's best examples of offshore reefs such as Scott Reef, the Rowley Shoals and the lesser known Rankin Bank and Glomar shoals.

As a leading explorer and operator in this region we have long recognised a need for "good science" to underpin our decision making. We are committed to ensuring our operations in this region remain sustainable by understanding reef function and the pressures faced from global warming, cyclones, over fishing and industry.

Woodside has taken the approach of co-investing with Australian researchers to utilise and develop their independent expertise. The outcome of these collaborations has resulted in increased understanding and knowledge sharing among stakeholders of the biodiversity value and impacts of this region.

In 2013 Woodside co-funded the Australian Institute of Marine Science (AIMS) and the Western Australian Museum to undertake over 50 days of field-based environmental research to better understand and document the tropical ecosystems of Australia's northwest. In addition, five scientific papers were published by our research partners in internationally peer-reviewed journals.





1 Scott Reef

Over the past 20 years Woodside has worked with, and co-funded research undertaken by AIMS at Scott Reef. This work has resulted in the creation of a "world class" knowledge database of the biodiversity and functioning of Scott Reef.

In 2013 Woodside in conjunction with AIMS and the Australian Government released the book "Discovering Scott Reef" which provides a review of 20 years of exploration and research at Scott Reef.

Download the book at www.aims.gov.au/publications/discovering-scott-reef

2 Marine life of the Kimberley region

To improve current understanding of the Kimberley's marine biodiversity, Woodside provided funding to the Western Australian Museum to review and analyse existing data and undertake further field sampling.

Fieldwork undertaken during 2013 included biodiversity surveys of the offshore Ashmore and Hibernia Reefs 2 which resulted in the identification of many new species.

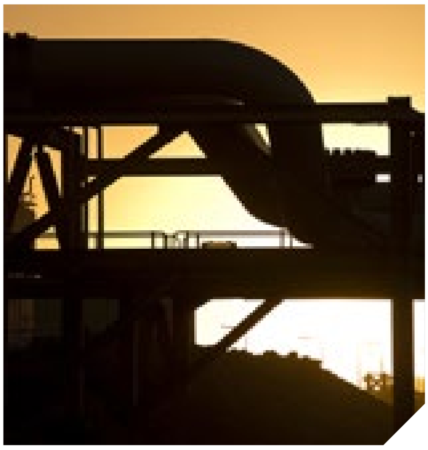
For more information: www.museum.wa.gov.au/kimberley/marine-life-region

3 Rankin Banks and Glomar shoals

In 2013, Woodside carried out biodiversity surveys of the Rankin Banks and Glomar shoals to collect biodiversity data to add to the limited qualitative observational data that existed for these areas. Preliminary survey results indicate that the biodiversity and ecological value of these areas are higher than first considered.

An increased understanding of these types of areas will assist industry in oil spill risk assessments, and planning for industry operations in the region.

MAXIMISING RESOURCE EFFICIENCY



Woodside seeks continual improvements in resource use efficiency, which are achieved through both design and operating practices

ENERGY

Achieving energy efficiency from aging assets and reservoirs presents an ongoing challenge for us, as more energy is used to recover less product.

During 2013 we completed Energy Efficiency Opportunity (EEO) assessments of three facilities, as part of a five year assessment cycle. Seventeen opportunities were identified, representing facility energy savings of 12%. While most are still under investigation, six opportunities have already been actioned, with an expected energy saving of 1%.

Nganhurra FPSO facilitiy

During 2013, the engine controls of the Nganhurra FPSO producing oil from the Enfield field were remapped and options for additional hull cleaning were investigated. This initiative will reduce the number of times the facility will need to be disconnected in the event of a cyclone, thereby reducing flaring, diesel consumption and production loss.

WATER

Best practice in LNG plant effluent treatment

The Pluto LNG Plant was designed to include an effluent treatment plant (ETP) allowing for the removal of nearly all dissolved hydrocarbons and organic contaminates from produced water. This ETP design represents a global first for the reuse of high quality treated LNG produced water. The system allows produced water to be returned onshore for reuse or discharged to near shore waters. The design capacity of the treatment plant is sized to satisfy the Pluto LNG site service water demand of up to 291 kl/day.

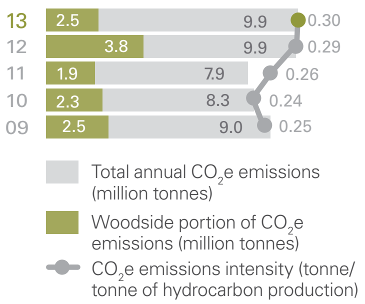
WASTE

During 2013 we recycled 16% of hazardous waste generated and 37% of non-hazardous waste generated.

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

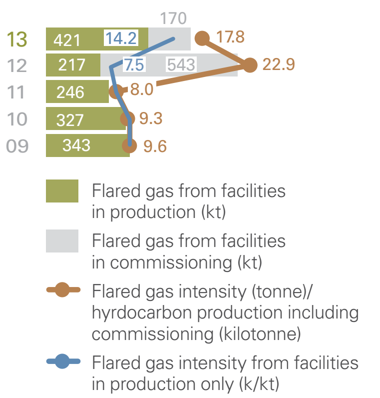
As Australia's largest exporter of natural gas, Woodside continues to contribute to the reduction of greenhouse gas emissions in customer countries, as natural gas is the lowest greenhouse gas emitting fossil fuel

Greenhouse gas emissions and intensity



The intensity of greenhouse gas emissions continued to gradually trend upwards in 2013 largely due to emissions from increased flaring associated with the Pluto and Karratha gas plants.

Flare gas and intensity



The intensity of flared gas in 2013 showed a decline from the peak recorded in 2012 but remained higher than that reported in 2011 due to onshore plant performance.

CLIMATE CHANGE

Woodside has recognised the need to integrate climate change measures (both adaptation and mitigation) into its long-term strategy. This includes responding to both physical and regulatory risks that may arise in relation to climate change.

GREENHOUSE GAS EMISSIONS

Woodside greenhouse gas emissions are predominately associated with power generation used to operate our facilities, as well as from flaring, which is required for the safe operations of these facilities.

In 2013, we produced 9.9 million tonnes of CO_2 equivalent (CO_2e) (mt/pa) which was above our target of 9.3 mt/pa and a 2% increase from 2012. This increase was due to the Pluto Gas Plant, Okha floating production storage offloading (FPSO) facility commissioning, production activities and required flaring.

In 2013, we exceeded our flaring intensity target of 8.5 tonnes per kilotonne of produced hydrocarbon (t/kt), with 14.2 t/kt reported for production operations (excluding commissioning). This increase was mainly due to Karratha Gas Plant unplanned outages and equipment underperformance which is being managed through our shut-down program.

Woodside is continually looking for options to reduce flaring emissions during normal operations.

Going flareless

In July 2013 Woodside implemented a flare and recovery system at the Okha FPSO, which produces oil from the Cossack, Wanaea, Lambert and Hermes fields. This was a first for FPSO operations in Australia. In addition a pellet ignition flare system was installed which removed the requirement for a continuously burning pilot flame.

The Okha FPSO will target zero flaring. The benefits of this system are a reduction in emissions of volatile organic compounds, a daily reduction of 128t CO_2e of carbon emissions (reducing annual carbon liability by A$1.07 million) and an increase in production worth A$7 million per year.

CARBON OFFSETS

We have also made significant investment into offsetting emissions as part of delivering Pluto LNG. Through Woodside's $100 million offset project undertaken in conjunction with CO_2 Australia, Woodside has now planted over 25 million trees across 7000 hectares in rural NSW and WA through what is now Australia's largest commercial native planting offset. In 2013, these plantings were recognised as being in compliance with the Carbon Farming Initiative. As such, an audit of the carbon sequestered by certain areas of these plantations was undertaken and submitted to the Clean Energy Regulator resulting in Woodside being issued with approximately 88,000 Australian Carbon Credit Units.

CARBON DISCLOSURE PROJECT

We continued to participate in the global Carbon Disclosure Project (CDP) and in 2013 we received a disclosure score of 72% (climate performance band of C based on a scale of A to E). This was above the average score for both Australian (ASX-listed) and international companies.

A copy of our public report is available at: www.cdpproject.net

CARBON PRICE

In 2013 Woodside incurred an expense of US$36 million for its carbon emissions under the *Clean Energy Act*.

ECONOMIC

Woodside is committed to growth and value-creation by maximising its core business, leveraging its capabilities and growing its asset portfolio

When we do what's right, it's right for Woodside, for our people, for our partners, for our shareholders and for the community

KEY 2013 ECONOMIC TARGETS	HOW WE PERFORMED		KEY 2014 ECONOMIC TARGETS
Meet 2013 production target guidance of between 88-94 MMboe.	Record production of 87 MMboe barrels of oil equivalent up 2% on 2012.	Not achieved	Meet 2014 production target guidance of between 86-93 MMboe.
Fully ramped up and stable production from Pluto LNG.	Stable and reliable LNG production was achieved in 2013.	Achieved	
Maintain product quality.	100% of all NWS gas products and Pluto gas products were on specification.	Achieved	Maintain product quality.
Demonstrated growth of value of contracts awarded to Indigenous enterprises and continued target of 50 contracts by 2015.	Delivered 67 contracts against cumulative Reconciliation Action Plan (RAP) target of 30 contracts by 2013.	Achieved	A stretch RAP target of 100 cumulative contracts (doubling our commitment of 50 cumulative contracts between 2011 and 2015).
Develop an Indigenous Enterprise Capacity Building program and provide support to five Indigenous enterprises.	Commenced delivery of Enterprise Capacity Building program to 16 Indigenous enterprises.	Achieved	Provide ten Indigenous enterprises with support through the Enterprise Capacity Building program.

Achieved Underway Not achieved

OUR ECONOMIC CONTRIBUTION

During 2013, the company's values-led, disciplined approach saw us take key steps towards achieving our mission to deliver superior shareholder returns

OUR APPROACH

Against a backdrop of increasing competition, high costs and productivity challenges, Woodside remained focused on generating new value through effective investment decision making.

Woodside's commitment to growth and value-creation is underpinned by a strategy which involves maximising our core assets, commercialising our growth opportunities and broadening our portfolio with opportunities that leverage our capabilities.

This strategy is central to our mission of delivering superior shareholder returns and is critical to reaching our vision of becoming a global upstream leader in oil and gas.

With increasing supply competition in a complex national regulatory environment, Woodside took significant steps towards becoming a leaner, more innovative and cost-competitive organisation.

The agreement by the Browse Joint Venture participants to adopt floating LNG technology for the basis of design phase was a strong demonstration of our ongoing commitment to embrace new technology to deliver cost effective, value creation for the company.

FINANCIAL PERFORMANCE

In 2013 the company delivered a record production result of 87.0 MMboe, up from the previous year of 84.9 MMboe.

Sales revenue of US$5.78 billion was down 7% from 2012, adversely impacted by a higher gas proportion in the production mix. This was due to a full year of Pluto LNG production and the Vincent vessel being off station for majority of the year and natural field decline. This resulted in a lower average realised price.

Subsequent to year end, our Pluto LNG Project achieved the milestone of 100 LNG cargoes loaded since the start of production in 2012. The overall LNG train reliability of Pluto since start-up continues to exceed our expectations.

Reported net profit after tax was US$1.75 billion and underlying net profit after tax a healthy US$1.70 billion.

A record full year dividend of US249 cps was declared, up 92% on the previous year.

With strong cash flows, decreasing net debt and a solid investment grade credit rating, the company is well placed to invest in new growth opportunities.

Detailed information on Woodside's financial performance is available in our 2013 Annual Report.

ECONOMIC CONTRIBUTION

In 2013, approximately 80% of expenditure on capital and exploration, materials, goods and services purchased was spent in Australia.

In 2013, we paid approximately $1.5 billion in royalties, excise and taxes to governments, almost all of which was paid to the Australian Government.

LOCAL CONTENT AND PROCUREMENT

In 2013, Woodside sought to embed value-creation processes across our business to support local industry participation and workforce development to deliver both direct and indirect benefits to stakeholders including local suppliers and communities.

As a result, 80% of our 2013 annual capital spend on exploration, materials, goods and services and materials was invested in Australia, with Australian businesses and in Australian communities.

In 2013 Woodside partnered with the Federal Government's Department of Industry "Buy Australian at Home and Abroad" agency to pilot a study titled "Pilbara – Mapping the Connections". The study examined the Pilbara Indigenous industry's capability, capacity, constraints and growth opportunities in the resources sector of the West Pilbara region of Western Australia.

Woodside partnered with the Department of Industry to introduce Indigenous-owned businesses to Resources Industry Supply Chain Index (RISCI) workshops. These workshops help business owners to baseline their capability, allowing them to understand what is required to participate in long-term sustainable oil and gas contracts.

The Woodside RISCI initiative targeted 18 Indigenous organisations in 2013 and in 2014, the company plans to utilise RISCI and the Department of Industry's Resources Connect "Resources Sector Enterprise Development Program" to better prepare small, regional and Indigenous business participation in oil and gas sector contracts.

During the year we also piloted the training of key members of our contracting supply chain on how to better engage with indigenous businesses through Supply Nation's www.supplynation.org.au "First Steps Supply Diversity" training program.

Indigenous-owned businesses delivered 42 small works contracts for Woodside (22 contracts) and its principal contracting (20 contracts) partners in 2013 significantly increasing the number and value of contracts from the previous two years of the RAP.

For more information on Woodside's Local Industry Participation, go to: www.woodside.com.au/ supplying_to_woodside/Pages/default. aspx

SUPPLY CHAIN

Woodside's 2013 Supply Chain Strategy seeks to deliver seven key imperatives by 2017 in the following areas:

- Health and safety
- Material management
- Aviation and facilities services
- Customers and stakeholders
- Value and cost
- Our people and
- Processes and systems.

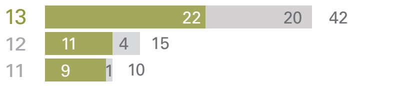
The strategy of continuous improvement aims to drive a lean Supply Chain that delivers long-term value to the company by eliminating waste and optimising services.

For more information on Woodside's Supply Chain policies and procedures, go to:

In 2013 Finance completed five major contract audits and five contracts over $50 million were reviewed by Commercial.

Woodside's Internal Audit conducted audits of Supply Chain's Transactional Procurement and Inventory Management Systems during 2013 as well as a health and safety focused audit of one of our major logistics contractors.

New contract awards with indigenous enterprises



Principal contracting partners (Tier 2)	
Woodside	
Total	67

Woodside significantly increased new contact awards with Indigenous enterprises in 2013, meeting their performance target.

CUSTOMERS, MARKET AND TECHNOLOGY

MARKET OUTLOOK

The robust growth outlook in the LNG industry is based on a combination of global demand for natural gas and the increasing role of LNG in the global gas supply mix. It is expected that by 2030 global demand for LNG will be more than double the current 2013 level of approximately 240 million tonnes per annum, corresponding to an average growth annual rate of 4% to 5%.

Currently, Japan accounts for about one third of total LNG imports. While Japan is expected to remain the largest LNG importer, demand from China, India and other emerging Asian LNG import markets is growing rapidly. For Japan and South Korea, the future role of nuclear power remains the key uncertainty in the outlook for LNG demand growth. At the end of 2013 all of Japan's nuclear reactors remained shut-down, and the proposed restart of some of these facilities may be subject to further delays.

The dynamics of global LNG demand are also being affected by increasing demand from the Middle East and South America.

In addition to LNG demand growth in power generation, commercial, and residential gas use, LNG demand, for transport use is also growing rapidly. There is increasing investment in infrastructure for LNG as a fuel for ships and heavy-duty trucks, particularly in China, Europe and North America.

Long-term LNG sales and purchase agreements typically have periodic price reviews that recalibrate price to reflect the prevailing market conditions for comparable supply.

A key marketing highlight for 2013 was the signing of a non binding Heads of Agreement for the sale of LNG to Chubu Electric, which was formalised into a binding Sales and Purchase Agreement in early 2014. This sales arrangement is underpinned by supply from the Pluto LNG Project and provides significant seller flexibility. The arrangement is for the supply of up to 1.5 million tonnes of LNG over the three year period from 2014 to 2017. This new mid-term sales agreement adds to the long term relationship with Chubu Electric. Notwithstanding this commitment, LNG production is expected to be available for other short term and/or spot LNG sales.

For more on market outlook, please see 32 of the Woodside 2013 Annual Report.

CUSTOMER RELATIONS

We have a diverse range of international customers, which include a number of the region's leading power and gas utilities. Woodside has its own offices in Perth, Beijing, Seoul, Tokyo, Singapore and Myanmar.

We are the only independent Australian LNG company with direct representation in all these customer countries and this allows us to develop a close relationship with our customers and a deeper understanding of their business requirements.

Woodside understands that gas security for Western Australian households and commercial users is paramount.

As operator of the North West Shelf (NWS) Project Woodside has provided Western Australia with a reliable supply of domestic gas for twenty nine years. Through its interest in the NWS domestic gas joint ventures Woodside has delivered a substantial proportion of natural gas into the local market throughout this period.

Major customers include gas distribution and aggregation companies, electricity producers, industrial enterprises and gas traders.

Our strong supply performance was demonstrated through 1000 days of uninterrupted domestic gas supply.

Domestic pipeline gas supply is a core Woodside business and we continue to seek out opportunities to market to new and existing customers on commercial terms.

We support the development of a competitive market where prices and contracts for domestic gas are determined by the market.

Woodside markets its own LNG produced by Pluto LNG. It also manages the marketing of LNG produced on behalf of its two co-venturers, Tokyo Gas Co., Ltd, and Kansai Electric Power Co., Inc, who are also foundation LNG buyers from Pluto LNG.

To further optimise the value from Pluto, Woodside added a dedicated fourth ship to the integrated fleet - the 'Woodside Rogers'. The Rogers has been taken on a long-term charter and is named in honour of former Chairman Bill Rogers.

The vessel provides shipping capacity to maximise value from Pluto LNG sales and will support our expansion of our LNG trading and shipping business.

Further to this, in 2013 Woodside established a dedicated office in Singapore. The office will support our growing LNG marketing, trading and shipping capabilities, in line with the company's expanding international portfolio.

In late 2013 Woodside commenced trading with the 'Woodside Goode', our first LNG ship not dedicated to a specific project. The ship will be managed from the Singapore office, originating third party LNG trades from outside Australia to markets in South America or north Asia. The Woodside Goode is named in honour of former Chairman Charles Goode.

Woodside understands that our customers operate in a dynamic environment and we work to ensure unexpected production outcomes or changes in supply are kept to a minimum.

Further, we maintain regular communication with our customers, via a range of avenues; including customer visits and formal exchange projects.

PRODUCT QUALITY

Liquefied natural gas quality control is a key consideration for Woodside and our customers. In 2013 we achieved an LNG 'on specification' rate of 100% for both the North West Shelf Project and Pluto LNG. Domestic gas supplied to the Western Australian market has to meet a strict specification and Woodside's quality compliance rate in 2013 was 100%. Oil products are sold 'as produced' and are therefore not bound by a specification.

TECHNOLOGY, COSTS AND PRODUCTIVITY

Woodside operates in a dynamic industry, characterised by a constantly evolving global market.

A defining feature of our industry is increased competition, both globally and within Australia. This increasing competition has a range of implications for a company like Woodside, and we are responding proactively through a revised strategy and extensive process of organisational and cultural change.

Technology is key element of our approach and the company has made a renewed commitment to be a leader in technology and innovation, not only in Australia, but internationally.

Technology has been a fundamental driver of change in the global LNG industry, and we see it as critical not only to accessing new energy reserves, but also to breaking the current cycle of rising costs and making us a partner of choice globally.

Woodside has established a new Technology Division, to both develop in-house capabilities and ensure we were leveraging off the very best service and technology providers to maintain our competitive edge.

We strive to ensure our distinct capabilities are being leveraged to their maximum extent.

Using technology to increase our range of development solutions is central to this goal.

We have recognised that to become a top quartile performer, we need to focus our attention on improving productivity. Our company-wide Productivity Challenge is focused on delivering sustainable productivity improvement by the end of 2014. All initiatives will ultimately impact our bottom-line, through increased revenue or decreased operating and capital expenditures.

RESPONDING TO THE CHANGING ECONOMIC ENVIRONMENT: FLOATING LNG TECHNOLOGY FOR BROWSE

Prospective Australian LNG developments face cost competition not just from other locations, but increasingly from alternative sources of gas supply.

The emergence of new players into the gas supply market increases the need for Australian LNG producers to improve competitiveness. Technology is playing a vital part in this journey.

In 2013 Woodside announced that it had completed the technical and commercial evaluation of the proposed Browse LNG Development near James Price Point north of Broome, and determined that the development concept did not meet the company's commercial requirements for a final investment decision.

In September 2013, the Browse Joint Venture participants agreed to adopt Shell's floating LNG (FLNG) technology as the basis of design (BOD) to enable earliest commercialisation of the world-class Browse resource. Concept selection was underpinned by a rigorous assessment of the changing commercial realities for onshore developments, as well as recent gains made in FLNG technology.

The innovation of FLNG is in the co-location of two existing, proven industry technologies: offshore gas receiving with LNG processing. FLNG technology sees the LNG processing plant brought to the field, removing the need for a costly, long-distance pipeline network that can otherwise render remote developments unviable. An FLNG facility can also move to different areas of a field, allowing for optimal extraction of the resources.

Using FLNG technology to develop Browse offers an innovative and potentially commercial solution to extract world-class Australian gas resources.

WA already has a substantial oil and gas services sector which supports six out of seven operational LNG trains in Australia. As a new technology, FLNG will have a unique combination of requirements from the services sector. As a WA-based oil and gas operator Woodside has an interest in the evolution of local capability to support whole-of-life project requirements.

We will understand the scope and scale of impact on the economy with more clarity at the completion of the BOD phase in 2014.

For more information go to Community section on page 20.

DATA TABLES

ENVIRONMENTAL PERFORMANCE

	2013	2012	2011	2010	2009
HYDROCARBON PRODUCTION *					
Total Hydrocarbon Production (t) (including production during commissioning)	33,231,583	34,483,850	30,931,704	35,019,658	35,851,818
Woodside Portion of Hydrocarbon Production (t) (Including production during commissioning)	11,228,386	10,235,338	6,556,460	9,070,200	9,887,859
Total Hydrocarbon Production (t) (Production Only)	29,683,414				
Woodside Portion of Hydrocarbon Production (t) (Production Only)	8,415,237				
EMISSIONS [1]					
Greenhouse gas emissions					
Total CO_2 equivalent (t) including commissioning	9,892,521	9,986,610	7,898,603	8,326,529	8,979,762
Woodside Portion of CO_2 equivalent (t) including commissioning	2,505,834	3,870,173	1,907,332	2,258,013	2,516,990
Intensity (CO_2e (t) per t of Hydrocarbon Production)including commissioning	0.30	0.29	0.26	0.24	0.25
Total CO_2 equivalent (t) Production Only	7,589,459				
Woodside Portion of CO_2 equivalent (t) production Only	1,652,554				
Intensity (CO_2e (t) per t of Hydrocarbon Production) Production Only	0.26				
Flared gas					
Total Flared Gas (t) including commissioning	590,953	790,258	246,170	326,500	343,224
Woodside Portion of Flared Gas (t) including commissioning	270,646	542,605	78,945	125,838	149,783
Intensity (Flared Gas (t) per kt of Hydrocarbon Production) including commssioning	17.8	22.9	8.0	9.3	9.6
Total Flared Gas (t) Not including commissioning	421,394	247,653	246,170	326,500	343,224
Woodside Portion of Flared Gas (t)	128,687				
Intensity (Flared Gas (t) per kt of Hydrocarbon Production)	14.2	7.5	8.0	9.3	9.6
Volatile organic compounds [1]					
Total VOCS (t)	18,442	19,375	25,116	17,674	17,364
Woodside - share of VOCS (t)	4,803	6,304	4,683	3,593	3,763
Oxides of nitrogen emissions					
Total NOx emissions (t)	20,176	19,342	15,397	18,295	19,120
Woodside - share of NOx emissions (t)	8,011	7,074	3,790	5,042	5,645
Oxides of sulphur emissions					
Total SOx emissions (t)	62	534	476	381	525
Woodside - share of SOx emissions (t)	32	326	332	153	241
Ozone depleting emissions					
Total CFC11 equivalent (t)	0.15	0.12	0.12	0.18	0.12
Woodside share of CFC11 equivalent (t)	0.03	0.06	0.04	0.03	0.02
RESOURCE USE					
Energy consumption					
Total energy consumption (TJ)	131,426	126,514	110,814	115,660	114,948
Woodside-share of energy consumption (TJ)	43,739	35,399	25,495	26,043	26,127
Intensity (energy consumption (TJ) per kt of hydrocarbon production) (total operated)	4.4	4.4	3.6	3.3	3.2
DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE (TJ)					
Gas	128,781	123,321	107,862		
Oil	2,614	3,158	4,094	Not previously reported	
Total direct energy consumption	131,395	126,479	111,956		
INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE (TJ)					
Electricity	31.4	35	68	Not previously reported	
Total indirect energy consumption	31.4	35	68		
WATER USAGE					
Ground water (m^3)	0	0	Not previously reported		
Surface water (m^3)	0	0			
Municipal water supply (m^3)	524,408	417,245	493,616	351,325	347,600
Total	524,408	417,245	493,616	351,325	347,600
PRODUCED FORMATION WATER					
Volume discharged (m^3)	8,069,245	7,005,566	Not previously reported		
Oil load (kg)	71,056	45,024			
TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL[2]					
Hazardous waste:					
Recycled (t)	1,481	2,078	2,568	1,407	716
Incinerated (t)	848	976			
Evaporated (t)	6,146	4,311	1,178	1,839	1,107
Landfill (t)	412	353			
Other (t)	758				
Total	9,645	7,718	3,746	3,246	1,823
Non-hazardous waste:					
Recycled (t)	2,403	1,410	1,242	1,979	2,217
Incinerated (t)	0	0			
Evaporated (t)	0	121	4,466	2,165	5,040
Landfill (t)	4,216	3,263			
Other (t)	0				
Total	6,619	4,794	5,708	4,144	7,257
ENVIRONMENTAL INCIDENTS					
Total number of environmental incidents reported to regulators	4	6	6	4	8
Oil spills (m^3)[3]	0.21	0.32	0.80		
Other spills (e.g. chemical) (m^3)[3]	2.8	0	4.10		
FINES					
Total number of environmental fines and penalties	0	0	0	0	0

* *Total Hydrocarbon production includes liquid and gas products that are exported (sold) and gas used as fuel. Reinjected gas and liquids not included. International data not included.*

[1] *To align with the National Greenhouse and Energy Reporting System (NGERS) an emission source at the Karratha Gas Plant was not included in the 2012 data sets. The relevant 2012 values in this report have been revised to include that source.*

[2] *In 2009 our understanding of disposed and recycled waste improved through vendor record keeping.*

[3] *Previously reported by number of spills.*

Note: The values in this table do not, as yet, take into account the error of uncertainty associated with the acquisition of the raw data and the subsequent calculations.

HEALTH AND SAFETY PERFORMANCE

	2013	2012	2011	2010	2009
Workforce exposure (hours)					
Employees	7,357,245	8,153,514	8,320,623	7,563,720	7,170,520
Contractors	6,637,001	10,952,768	20,937,696	22,035,351	52,781,386
Total	13,994,246	19,106,282	29,258,319	29,599,071	59,952,906
Number of incidents					
Fatalities	0	0	0	0	0
Total recordable injuries (Total recordable cases)[1]	42 (52)	79 (86)	122 (140)	151 (177)	199 (229)
Lost time injury events (Lost workday cases) [1]	6 (10)	18 (19)	18 (20)	21 (28)	33 (41)
High potential incidents	36	30	35	54	40
Total recordable occupational illnesses	10	7	18	26	30
Frequency rates[2]					
Total recordable injury rate (Total recordable case frequency) [1]	3.00 (3.72)	4.13 (4.50)	4.17 (4.78)	5.10 (5.98)	3.32 (3.82)
Lost time injury frequency (Lost workday case frequency) [1]	0.43 (0.71)	0.94 (0.99)	0.62 (0.68)	0.71 (0.95)	0.55 (0.68)
High potential incident frequency	2.57	1.57	1.20	1.82	0.67
Total recordable occupational illness frequency	0.71	0.36	0.62	0.88	0.50
Total recordable injury rate by region (Total recordable case frequency by region[2])					
Australia	2.79 (3.53)	4.21 (4.58)	4.19 (4.82)	Not previously reported	
Asia	13.33 (13.33)	0	5.09 (5.09)		
Overall frequency	3.00 (3.72)	4.13 (4.50)	4.17 (4.78)		
Total recordable occupational illness frequency by region[2]					
Australia	0.74	0.37	0.63	Not previously reported	
Overall frequency	0.71	0.36	0.62		
Lost days by region					
Australia	107	513	1,027	Not previously reported	
Asia	4	0	0		
Total	111	513	1,027		
Lost days by gender					
Male employees	39	336	94	Not previously reported	
Female employees	22	6	0		
Male contractors	50	170	932		
Female contractors	0	1	1		
Total	111	513	1,027		
Number of injuries by gender					
Male employees	7	21	15	Not previously reported	
Female employees	0	2	2		
Male contractors	34	52	98		
Female contractors	1	4	7		
Total	42	79	122		
Occupational illness by gender					
Male employees	4	0	2	Not previously reported	
Female employees	2	1	0		
Male contractors	4	5	11		
Female contractors	0	1	5		
Total	10	7	18		
Training time spent on health and safety by region (hours)					
Australia	5,406	4,553	6,908	Not previously reported	
Asia	0	0	344		
Total	5,406	4,553	7,252		
Significant Loss of Containment (LOC) events[3]					
Total	-	6	2	8	47
Major LOC events[3]					
Total	-	0	1	1	4
Process safety events[4]					
Tier 1	0	0	Not previously reported		
Tier 2	4	5			

PEOPLE

	2013	2012	2011	2010	2009
NUMBER OF EMPLOYEES					
Male	2,836	2,929	2,822	2,688	2,341
Female	1,053	1,068	1,034	962	878
Total	3,889	3,997	3,856	3,650	3,219
NUMBER OF CONTRACTORS	331	590	734	1,198	1,139
Number of staff by employment type					
Permanent	3,325	3,481	3,375	3,166	2,782
Fixed term	294	283	276	308	276
Part time	270	233	205	176	161
Total	3,889	3,997	3,856	3,650	3,219

1. In 2013 Woodside adjusted the calculation to report Total Recordable Injuries (TRI) and rates and Lost Time Injury (LTI) events and frequencies. All data is now stated in line with this methodology. The figures in the parentheses above reflect the previously publicly reported data, which includes all recordable illnesses.
2. Frequency rates are calculated per million hours worked.
3 As defined by the Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR) hydrocarbon release classification. Woodside ceased use of RIDDOR in 2013.
4 Classified in accordance with American Petroleum Institute Recommended Practice 754 (API RP 754).

DATA TABLES

PEOPLE CONTINUED

	2013	2012	2011	2010	2009
Number of staff by employment category					
Administration - Male	111	121			
Administration – Female	221	234			
Technical – Male	1,085	1,076			
Technical – Female	359	366			
Supervisory/Professional – Male	1,040	1,089			
Supervisory/Professional – Female	388	395			
Middle Management – Male	560	602			
Middle Management – Female	80	69			
Senior Management - Male	40	41			
Senior Management – Female	5	4			
Total	3,889	3,997			
Board Members – Male	7	7			
Board Members – Female	2	2			
Number of staff by region					
Australia	3,863	3,934	3,679	3,499	3,058
Middle East	0	0	0	0	1
Africa	0	0	0	4	21
Asia	4	8	72	62	34
Europe	2	4	21	3	18
USA	20	51	84	82	87
Total	3,889	3,997	3,856	3,650	3,219
WOODSIDE STAFF AGE DISTRIBUTION (YEARS)					
≤ 30 Male	392	406	391		
≤ 30 Female	291	316	315		
31 - 50 Male	1,748	1,841	1,774	Not previously reported	
31 - 50 Female	643	649	618		
51+ Male	696	682	657		
51+ Female	119	103	101		
Total	3,889	3,997	3,856		
INDIGENOUS WORKFORCE					
Employees	101	92	84	58	36
Pathways	54	75	64	49	33
Contractors construction	0	0	83	128	137
Total	155	167	231	235	206
EMPLOYEE TURNOVER (NUMBER)					
Male employees	295	256	243	Not previously reported	
Female employees	105	91	136		
Total	400	347	379	204	201
VOLUNTARY TURNOVER (NUMBER)	366	334	262	189	155
Turnover by region (number)					
Australia	391	340	335		
Africa		0	4		
Asia		1	2	Not previously reported	
USA	9	6	38		
Total	400	347	379		
Employee turnover by age group (years)					
≤30	73	53	102		
31 - 50	236	202	192	Not previously reported	
51+	91	92	85		
Total	400	347	379		
RETURNING FROM MATERNITY LEAVE (PERCENTAGE)	84	89	92	90	81
TRAINEESHIP AND APPRENTICESHIP PROGRAM (NUMBER)	125	117	104	104	88
Male employees	80	89			
Female employees	53	46			
EMPLOYEES IN GRADUATE PROGRAM (NUMBER)	133	135	142	135	136
TOTAL HOURS OF TRAINING BY GENDER					
Male	65,310				
Female	12,048				
Total	77,358				
AVERAGE PER PERSON HOURS OF TRAINING BY GENDER					
Male	23.03				
Female	11.44				
Total	19.89				
AVERAGE PER PERSON TRAINING BY GENDER - PROFESSIONAL/MANAGEMENT					
Male	16.49				
Female	12.47				
Total	15.59				
TOTAL HOURS OF TRAINING BY EMPLOYEE TYPE					
Permanent	7,1818				
Fixed Term	3,567				
Part Time	1,973				
Total	77,358				
AVERAGE PER PERSON HOURS OF TRAINING BY EMPLOYEE TYPE					
Permanent	21.60				
Fixed Term	12.13				
Part Time	7.31				
Total	19.89				
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER.					
Male	97%				
Female	93%				
Total	96%				
SOCIAL INVESTMENT					
Social investment (A$)	$10,128,662	9,484,494	7,711,306	4,912,333	6,088,074

NOTES AND DEFINITIONS

ENVIRONMENT

Total hydrocarbon production	Includes gross liquid and gas products but does not include re-injected hydrocarbons.
Total energy consumption	Comprises direct and indirect energy consumption.
Fresh water use	Supplied by water utility.
Produced formation water	Water that is brought to the surface during the production of hydrocarbons.
Incidents	Environment incidents reported to regulators and/or those that contributed to our Good Day Frequency measure.
Ozone depleting emissions	The values represent the amounts of ozone depleting emissions purchased in the reporting period for replacement and not the actual emissions. This accounts for the variation between reporting periods.

HEALTH AND SAFETY

Frequency rates	Frequency rates are calculated per million hours worked.
Workforce exposure hours	The total number of hours of employment including paid overtime and training but excluding leave, sickness and unpaid overtime hours. Hours are recorded separately for Woodside Employees (includes permanent and fixed term contractors) and Contracting personnel. Contracting personnel are defined as people employed by another company to perform activities for Woodside (includes Third Party Contractors, service providers).
Total Recordable Injury Rate (TRIR)	The number of recordable injuries (fatalities + lost workday cases + restricted workday cases + medical treatment cases) per 1,000,000 hours worked.
Lost Time Injury (LTI)	A fatality or lost workday case. The number of LTIs is the sum of fatalities and lost workday cases.
Incident	Is one, or more, of the following: an unplanned release of energy that actually resulted in injury, occupational illness, environmental harm or damage to assets, a near miss, damage or potential damage to company reputation, breach of regulatory compliance and/or legislation, security breach.
High Potential Incident (HPI)	Is an incident, regardless of actual consequence, which could have resulted in the worst realistic consequence of Category C or above in accordance with the Woodside Event Reporting Impact Table.
Occupational injury	Is harm to a person such as a cut, fracture, sprain, amputation etc that resulted from a single, instantaneous incident. All injuries are classified for work-relatedness and severity in accordance with OSHA Regulations – Record Keeping Standard No: 1904.
Occupational illness	Is any work-related abnormal condition or disorder, other than one resulting from a work injury, caused by or mainly caused by exposures at work such as inhalation, absorption, ingestion of, or direct contact with, as well as exposure to, physical and psychological situations. All illnesses are classified for work-relatedness and severity in accordance with OSHA Regulations – Record Keeping Standard No: 1904.
Lost Workday Case (LWC)	Occurs where any work-related injury results in a person being unfit for work on 'any day' after the day of the event occurring. 'Any day' includes scheduled rest days, weekend days, leave days, public holidays or days after ceasing employment. Lost work days are counted as the total number of calendar days from the day of injurys where the person was unable to return to work as a result of their injury.
Restricted Workday Case (RWC)	Is the result of a work-related injury when a person undertakes restricted work duties or job transfer as they are not able to perform their normal routine functions i.e. work activities regularly performed at least once a week. Restricted work days are counted as the total number of calendar days from the day of the injury where the person was unable to return to work in their full capacity.
Medical Treatment Case (MTC)	Is defined as the 'management and care of a patient for the purpose of combating disease or disorder'. An MTC is when a work-related injury occurs and the person does not miss work nor undertakes restricted work duties but undergoes treatment beyond first aid by a doctor or other licensed health care professional.
Occupational illness frequency by region	This frequency rate includes Total Recordable Illnesses only i.e. the sum of all occupational illness related Fatalities, Lost Workday Cases, Restricted Work Cases and Medical Treatment Cases. It does not include first aid cases.
Lost days	The count of lost days begins on the day immediately after the day of injury/illness. It includes the total number of calendar days that were not able to be worked due to injuries and illness. It does not include days lost for one case where information on number of lost days was not available at the time of reporting. For purposes of calculation this has been counted as one day lost.
Training time spent on health and safety	Includes Woodside in-house training courses only. Training records for third party contractors have not been collated by Woodside. Does not include health and safety site or office inductions. Does not include Helicopter Underwater Escape Training (HUET) or external training courses.
Number of injuries by gender	The figure expressed in the report is the number of recordable injuries only – it does not include first aid cases or injuries.
Occupational diseases by gender	The figure expressed in the report is the number of recordable illnesses only – it does not include first aid cases or injuries.
Process safety event	An unplanned or uncontrolled loss of primary containment (LOPC) of any material including non-toxic and non-flammable materials from a process, or an undesired event or condition that, under slightly different circumstances could have resulted in a LOPC of a material, as defined by API RP 754

PEOPLE

Total employees	Total number of employees including permanent, fixed term and part time. Does not include secondees or contractors.
Contractors	Non-Woodside employees, working within Woodside to support specific activities.
Total turnover	Permanent and fixed term employees who left Woodside voluntarily or involuntarily.
Voluntary turnover	Permanent and fixed term employees who left Woodside voluntarily for reasons not initiated by the company.
Social investment	Social investment data has been verified by the London Benchmarking Group (LBG) methodology. The LBG verified data includes donations, community investment and commercial initiatives. For more information please visit www.lbg-australia.com.

ASSURANCE STATEMENT

Building a better working world

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INDEPENDENT LIMITED AND REASONABLE ASSURANCE REPORT TO THE DIRECTORS OF WOODSIDE PETROLEUM LTD

Scope

We have performed an assurance engagement in relation to the subject matter contained in Woodside Petroleum Ltd's ('Woodside') 2013 Sustainable Development Report ('the Report') in order to state whether:

- anything has come to our attention that causes us to believe that the subject matter for limited assurance detailed below, and as presented in the Woodside 2013 Sustainable Development Report, is not presented, in all material respects, in accordance with the criteria as presented below for the year ended 31 December 2013; and
- the subject matter for reasonable assurance detailed below, and as presented in the Woodside 2013 Sustainable Development Report, is presented, in all material respects, in accordance with the criteria as presented below for the year ended 31 December 2013.

Subject matter for limited assurance

The subject matter for limited assurance over the full content of the Woodside 2013 Sustainable Development Report includes the published information relevant to the year ended 31 December 2013 for the activities of the Woodside group of companies, with the exclusion of Woodside's self-declared material aspects, as set out below.

Subject matter for reasonable assurance

The subject matter for reasonable assurance is the published information relevant to the year ended 31 December 2013 for the activities of the Woodside group of companies specifically related to the following five material aspects as determined by Woodside's materiality assessment and communicated to us:

- Major incidents prevention and response
- Social impacts on communities
- Occupational health and safety
- People capability
- Economic impact of projects

Criteria

The criteria is Woodside's approach to report in adherence to the Global Reporting Initiative's ('GRI') G3.1 Principles for Defining Report Content of materiality, stakeholder inclusiveness, sustainability context and completeness, as disclosed in its Sustainable Development Report; and

The GRI Principles for Ensuring Report Quality of: balance; comparability; accuracy; timeliness; clarity; and reliability ('the criteria').

In order to provide reasonable assurance that the material nature of Woodside's disclosures in its report reflects those most material to the business and its stakeholders, we have reviewed Woodside's materiality assessment process.

Management Responsibility

The management of Woodside ('Management') is responsible for the collection, preparation and presentation of the subject matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited and reasonable assurance conclusion as to whether the subject matter related to each level of assurance is presented in accordance with the criteria. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ASAE 3000').

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls testing and other evidence-gathering procedures that is at least sufficient for us to obtain a meaningful level of assurance as the basis for a negative form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

A reasonable assurance engagement consists of making enquiries and applying analytical, substantive and other reasonable assurance procedures.

The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Approach

Our assurance procedures performed included, but were not limited to:

- Assessing Woodside's process for determining material aspects;
- Determining whether material topics and performance issues identified during our procedures had been adequately disclosed;
- Interviewing selected corporate and site personnel to understand the key sustainability issues related to the subject matter and processes for the collection and accurate reporting of performance information;
- Assessing the organisation's responsiveness and awareness of material aspects, through reviewing Woodside's policies, processes and targets, and communication of responses to stakeholders;
- Where relevant, performing walkthroughs of systems and processes for data aggregation and reporting;
- Performing tests of details and substantive testing for material qualitative and quantitative information;
- Checking the accuracy of calculations performed;
- Obtaining and reviewing evidence to support key assumptions in calculations and other data;
- Reviewing selected management information and documentation supporting assertions made in the subject matter;
- Comparing year on year data;
- Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report; and
- Reviewing the presentation of claims and data against the relevant GRI principles contained in the criteria.

Limitations

There are inherent limitations of any assurance engagement arising from the evidence on which the assurance practitioner draws conclusions upon being persuasive, as it relies on selected data to be representative, rather than conclusive. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions that are developed by the reporting entity. Finally, adherence to GRI principles is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Sustainable Development Report 2013 only and did not include financial data or forward looking statements of Management; nor whether the report met the GRI application level self-assessed by Woodside. Whilst our assurance procedures included reviewing information contained on Woodside's website at the date of this assurance report, our opinion does not extend to statements, data or information presented therein.

Use of Report

Our responsibility in performing our assurance activities is to the Directors of Woodside only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for the purposes described above.

Our Independence and Assurance Team

The firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. EY has provided a range of services to Woodside including but not limited to the provision of certain statutory financial audit services. We believe the provision of these services has not impaired our impartiality with respect to this work. Our team has the required competencies and experience for this assurance engagement.

Assurance conclusions

Based on our limited assurance procedures as described in this statement, nothing has come to our attention that causes us to believe that the subject matter for limited assurance as presented in the Woodside 2013 Sustainable Development Report is not presented, in all material respects, in accordance with the criteria detailed above.

Based on our reasonable assurance procedures as described in this statement, the subject matter for reasonable assurance as presented in the Woodside 2013 Sustainable Development Report is presented, in all material respects, in accordance with the criteria detailed above.

Ernst & Young

Ernst & Young

Michele Villa

Michele Villa
Partner

Perth Australia
13 March 2014

GLOSSARY

APPEA	Australian Petroleum Production and Exploration Association Ltd.
ASX	Australian Securities Exchange.
Board	Woodside's governing body – the Board of Directors.
Code	Woodside's code of conduct.
Condensate	Hydrocarbons which are gaseous in a reservoir but which condense to form liquids as they rise to the surface.
EEO	The Australian Government's energy efficiency opportunity program. This program encourages large energy-using businesses to improve their energy efficiency.
FPSO	Floating, production, storage and offloading vessel.
Greenfield	The development of exploration outside the area of influence of existing operations/infrastructure.
GRI	The Global Reporting initiative is a network based organisation that promotes sustainability reporting worldwide. The GRI Reporting framework sets out principles and indicators that organisations can use to measure and report their economic, environmental and social performance. A GRI supplement providing references for information contained in the report that corresponds with the GRI sustainability reporting framework is available on our website www.woodside.com.au.
KGP	Karratha Gas Plant.
LBG	London Benchmarking Group.
LNG	Liquefied natural gas.
LPG	Liquefied petroleum gas.
NWS	North West Shelf.
PBT	Profit before tax.
RAP	Woodside's Reconciliation Action Plan.
WMS	Woodside Management System. This is the company's structured governance framework.

UNITS

A$	Australian dollars.
bbl	barrel.
bn	Billion.
boe	barrel of oil equivalent.
CFC	chlorofluorocarbon.
CO2e	carbon dioxide equivalent.
GJ	gigajoules.
kt	kilotonne.
L	litres.
ML	megalitres.
MMbbl	million barrels.
MMboe	million barrels of oil equivalent.
Mtoe	million tonnes of oil equivalent.
Mtpa	million tonnes per annum.
NOx	oxides of nitrogen.
SOx	oxides of sulphur.
t	tonne.
TJ	terajoules.
US$	US dollars.
VOCs	volatile organic compounds.

OUR NETWORKS

IN 2013 WE WERE MEMBERS OF:

- Australian Petroleum Production and Exploration Association
- Business Council of Australia
- Chamber of Minerals And Energy of Western Australia
- Extractive Industries Transparency Initiative
- International Association of Oil & Gas Producers
- International Gas Union
- International Petroleum Industry Environmental Conservation Association
- London Benchmarking Group.

WOODSIDE PROVIDES PERFORMANCE DATA FOR:

- CDP (formerly the Carbon Disclosure Project) – Woodside has participated in CDP's climate change program since 2007. CDP is an international, not-for-profit organisation providing a global system for companies and cities to measure, disclose, manage and share vital environmental information.
- The Dow Jones Sustainability Indices track the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for companies who want to adopt sustainable best practices. As a member company of DJSI World, DJSI Asia Pacific and DJSI Australia, Woodside is in the leader group oil and gas producers in terms of sustainability.
- London Benchmarking Group (LBG) – Woodside became a member of the LBG in 2009, joining many other companies around the world who report, by way of a consistent methodology, on contributions to the community, including financial support, time, in-kind donations and management costs.

LONDON BENCHMARKING GROUP

Verification Statement from LBG Australia & New Zealand – 2014

The LBG model helps businesses improve the measurement, management and reporting of their corporate community investment programs. It covers the full range of contributions (cash, time and in-kind donations) made to community causes.

As managers of LBG Australia & New Zealand, we can confirm that we have worked with Woodside Energy to verify its understanding and application of the LBG model with regard to the wide range of community programs supported.

Our aim has been to ensure that the evaluation principles have been correctly and consistently applied and we are satisfied that this has been achieved. It is important to note that our work has not extended to an independent audit of the data.

We can confirm that Woodside Energy has invested the following amounts in the community in this 2014 reporting year as defined by LBG methodology.

Cash	$9,038,106
Time	$979,381
In-kind	$111,175
Management Costs	$2,835,476
TOTAL	$12,964,138

Verified by Simon Robinson
On behalf of LBG Australia & New Zealand
January 2014

woodside

2013 SUSTAINABLE DEVELOPMENT REPORT

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