

ASX Announcement

Thursday, 17 April 2014

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OTC: WOPEY

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FIRST QUARTER REPORT FOR PERIOD ENDED 31 MARCH 2014

Highlights

- Sales revenue for the quarter was US\$1,675 million, up 15.9% on Q1 2013.
- Signed two new sales and purchase agreements with Korea Gas and Chubu Electric for volumes primarily sourced from Pluto LNG.
- Awarded four new exploration blocks in Myanmar.
- Pluto loaded its 100th LNG cargo since the start of LNG production in April 2012.

Comparative performance at a glance

Previous quarter		Q1 2014	Q4 2013	Change %
Production	MMboe	23.0	23.2	- 0.9
Sales	MMboe	23.2	23.0	+ 0.9
Revenue	\$ million	1,675	1,648	+ 1.6
Corresponding quarter, prior year		Q1 2014	Q1 2013	Change %
Production	MMboe	23.0	21.9	+ 5.0
Sales	MMboe	23.2	21.7	+ 6.9
Revenue	\$ million	1,675	1,445	+ 15.9

All dollar amounts are in US dollars unless otherwise stated

Key production and sales points for the quarter

Previous quarter:

- Production volumes were 0.9% lower than the previous quarter mainly due to lower LNG volumes produced at Pluto, partially offset by increased oil volumes predominantly due to a full quarter of Vincent production. Sales volumes were 0.9% higher than the previous quarter reflecting a draw-down of inventory volumes on hand at the end of the previous quarter.
- Revenue for the quarter was 1.6% higher than the previous quarter broadly reflecting the higher sales volumes. Revenue in Q4 2013 was positively impacted by sales contracts adjustments for volumes already delivered by Pluto.

Corresponding period:

- Production volumes were 5.0% higher and sales volumes were 6.9% higher than the corresponding period predominantly due to the re-start of the Vincent FPSO in late 2013.
- Revenue for the quarter was 15.9% higher than the corresponding period predominantly due to additional oil volumes sold and higher realised prices for Pluto LNG volumes sold in the period. The average Brent price for the quarter was \$107.87/bbl, below the \$112.64/bbl in the corresponding period.

Production Summary

Woodside's share of production and sales for the quarter ended 31 March 2014 with appropriate comparatives:

		Q1 2014	Q4 2013	Q1 2013	Year To Date 2014	Year To Date 2013
NWS PIPELINE NATURAL GAS ¹	Production(TJ)	20,418	20,410	19,985	20,418	19,985
	Sales (TJ)	20,418	20,410	19,985	20,418	19,985
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	625,407	602,959	612,649	625,407	612,649
	Sales Delivered (t)	597,930	598,144	590,933	597,930	590,933
	Cargoes Delivered	60	61	60	60	60
NWS CONDENSATE	Production (bbl)	1,553,681	1,581,155	1,644,567	1,553,681	1,644,567
	Sales (bbl)	1,521,157	1,805,480	1,763,553	1,521,157	1,763,553
NWS OIL	Production (bbl)	856,916	793,839	694,640	856,916	694,640
	Sales (bbl)	875,346	840,920	629,667	875,346	629,667
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	24,914	21,589	27,767	24,914	27,767
	Sales (t)	27,293	21,116	21,464	27,293	21,464
PLUTO LIQUEFIED NATURAL GAS (LNG)	Production (t)	964,989	1,086,893	972,101	964,989	972,101
	Sales Delivered (t)	1,018,439	1,089,513	896,487	1,018,439	896,487
	Cargoes Delivered	16	18	15	16	15
PLUTO CONDENSATE	Production (bbl)	687,404	744,310	718,004	687,404	718,004
	Sales (bbl)	1,019,192	360,311	885,307	1,019,192	885,307
LAMINARIA-CORALLINA OIL	Production (bbl)	178,919	199,528	307,344	178,919	307,344
	Sales (bbl)	0	231,962	256,796	0	256,796
ENFIELD OIL	Production (bbl)	168,168	489,766	331,010	168,168	331,010
	Sales (bbl)	421,417	447,315	417,829	421,417	417,829
STYBARROW OIL	Production (bbl)	286,000	314,591	328,157	286,000	328,157
	Sales (bbl)	287,947	557,485	552,744	287,947	552,744
VINCENT OIL	Production (bbl)	1,369,761	365,495	0	1,369,761	0
	Sales (bbl)	1,007,695	0	221,051	1,007,695	221,051
GULF OF MEXICO PIPELINE NATURAL GAS ²	Production (MMBtu)	79,932	142,840	237,759	79,932	237,759
	Sales (MMBtu)	79,932	142,840	237,759	79,932	237,759
GULF OF MEXICO CONDENSATE ²	Production (bbl)	166	386	219	166	219
	Sales (bbl)	166	386	219	166	219
GULF OF MEXICO OIL ²	Production (bbl)	137,997	148,830	201,688	137,997	201,688
	Sales (bbl)	137,997	148,830	201,688	137,997	201,688
Total	Production (boe) #	22,960,436	23,227,342	21,876,504	22,960,436	21,876,504
	Sales (boe) #	23,243,121	22,958,711	21,661,351	23,243,121	21,661,351

1 Woodside's equity share is 50% of the first 414 TJ per day (contract flexibilities allow Woodside to receive 50% up to 517.5 TJ per day) and 16.67% for all gas produced above this amount.

2 Gulf of Mexico production and sales volumes are reported net of royalties.

Conversion Factors are identified on page 8.

Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 31 March 2014, with appropriate comparatives:

Amounts in US\$ million		Q1 2014	Q4 2013	Q1 2013	Year To Date 2014	Year To Date 2013
Sales Revenue						
North West Shelf	Pipeline Natural Gas	83.7	95.5	89.1	83.7	89.1
	LNG	412.9	410.6	411.1	412.9	411.1
	Condensate	161.2	195.3	191.9	161.2	191.9
	Oil	96.3	93.7	73.8	96.3	73.8
	LPG	24.4	16.8	21.0	24.4	21.0
Pluto	LNG	576.6 ¹	641.2 ²	371.7	576.6 ¹	371.7
	Condensate	111.6	38.1	97.2	111.6	97.2
Laminaria-Corallina ³	Oil	0.0	25.1	26.8	0.0	26.8
Mutineer-Exeter ⁴	Oil	0.0	0.0	0.2	0.0	0.2
Enfield	Oil	48.7	52.2	47.8	48.7	47.8
Stybarrow	Oil	32.8	64.9	66.7	32.8	66.7
Vincent	Oil	112.6	0.0	24.9	112.6	24.9
Gulf of Mexico ⁵	Pipeline Natural Gas	0.5	0.9	1.2	0.5	1.2
	Condensate	0.0	0.1	0.0	0.0	0.0
	Oil	13.5	13.9	21.5	13.5	21.5
Total		1,674.8	1,648.3	1,444.9	1,674.8	1,444.9
Exploration and Evaluation Expense						
Exploration Expensed		73.6	31.9	84.0	73.6	84.0
Permit Amortisation		10.9	22.9	7.1	10.9	7.1
Evaluation Expensed		6.4	2.8	2.2	6.4	2.2
Total		90.9	57.6	93.3	90.9	93.3
Capital Expenditure						
Exploration Capitalised ^{6,7}		9.1	13.5	31.1	9.1	31.1
Evaluation Capitalised ⁷		28.6	39.2	50.7	28.6	50.7
Oil and Gas Properties ⁷		73.8	77.5	110.9	73.8	110.9
Other Property, Plant and Equipment		3.8	13.2	4.1	3.8	4.1
Total		115.3	143.4	196.8	115.3	196.8

1 Pluto LNG revenue in Q1 2014 was reflective of ~28% of total sales being at a new price following the completion of the price review. This is expected to increase to ~35% in Q2 2014 and reach a steady state of ~75% from Q3 2014 (representing total foundation customer volumes).

2 Pluto LNG revenue in Q4 2013 was impacted by a one-off price adjustment for volumes already delivered.

3 Although producing, there were no product liftings from Laminaria-Corallina during the quarter.

4 Woodside signed a sale and purchase agreement with Santos on 21 December 2012 to sell its 8.2% interest in the Santos-operated Mutineer-Exeter oil project with effect from 1 July 2012. The agreement completed on 26 February 2013.

5 Gulf of Mexico revenue is reported net of royalties.

6 Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.

7 Project Final Investment Decisions result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil & Gas Properties. The table above does not reflect the impact of such transfers.

Production Activities

Field	Woodside share		Full field		
	Q1 2014	Q4 2013	Q1 2014	Q4 2013	Remarks
Australia NWS - Average daily production					
Pipeline gas (TJ)	227	222	459	444	Production was driven by customer demand for the quarter.
LNG (t)	6,949	6,554	43,314	41,747	Production was higher due to increased reliability and deliverability associated with completion of the North Rankin Redevelopment Project. During Q2 a planned shut-down in the order of one month duration is scheduled for LNG Train 3.
Condensate (bbl)	17,263	17,186	81,399	81,769	Production was higher due to condensate associated with pipeline natural gas.
Oil (bbl)	9,521	8,629	28,564	25,886	Production was higher due to improved facility utilisation in the period.
LPG (t)	277	235	1,714	1,481	Production was higher consistent with the associated increase in gas production for the quarter.
Australia Pluto - Average daily production					
LNG (t)	10,722	11,814	11,913	13,127	Production was lower due to lower plant reliability for the quarter. During Q2 a planned shut-down of approximately five days duration is scheduled.
Condensate (bbl)	7,638	8,090	8,486	8,989	Production was lower in line with LNG production.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	1,988	2,169	3,111	3,450	Production was lower due to reduced facility utilisation in the period.
Enfield Oil (bbl)	1,869	5,324	3,114	8,873	Production was lower primarily due to issues with the Gas Lift Compressor leading to an approximate eight week unplanned facility shutdown. At the end of the quarter, production was approximately 9,750 bbl/day (Woodside share 5,850 bbl/day).
Stybarrow Oil (bbl)	3,178	3,419	6,356	6,839	Production was lower due to natural reservoir decline.
Vincent Oil (bbl)	15,220	3,973	25,366	6,621	Production was higher due to full quarter of production. At the end of the quarter, production was approximately 28,500 bbl/day (Woodside share 17,100 bbl/day).
United States - Woodside share average daily production					
	Q1 2014	Q4 2013			
Gas (MMBtu)	888	1,553	Production for the period decreased due to the sale of Power Play in Q4 2013		
Oil and Condensate (bbl)	1,535	1,622	Production for the period decreased due to the sale of Power Play in Q4 2013		

Development Activities

Australia

Browse LNG

During the quarter Woodside continued basis of design (BOD) activities for the floating LNG (FLNG) development concept. The BOD phase involves studies and work required by the Browse Joint Venture participants to be in a position to consider entering front-end engineering and design (FEED) in 2H 2014.

On 10 January 2014, Woodside was advised by the Commonwealth Department of Environment that the proposed Browse FLNG Development will be assessed by an Environmental Impact Statement (EIS). Woodside has commenced development of the EIS and anticipates that the draft EIS will be available for public review and comment in 2H 2014.

On 12 March 2014, Woodside issued a notice of withdrawal from the Browse LNG Precinct Regional Benefits Agreement (RBA). Woodside's withdrawal from the RBA and the Browse LNG Precinct Project Agreement took effect on that date.

North West Shelf

Persephone

The Persephone development continued FEED activities with a Final Investment Decision planned for 2H 2014. Persephone is the next major gas development for the North West Shelf Project and involves a subsea tieback to the North Rankin Complex (North Rankin A and North Rankin B).

Greater Western Flank Phase 1 Project

The A\$2.5 billion Greater Western Flank Phase 1 project continued fabrication, subsea and pipeline installation activities. The project remains on budget and on schedule for start-up in early 2016.

International

Leviathan

On 7 February 2014, Woodside and the Leviathan Joint Venturers, Noble Energy Mediterranean Ltd, Delek Drilling LP, Avner Oil Exploration LP and Ratio Oil Exploration (1992) LP entered into a memorandum of understanding (MOU).

The parties have not executed the definitive agreements contemplated in the MOU. Discussions continue with the parties and the Israeli Government with a view to resolving the remaining issues and executing definitive agreements.

Sunrise LNG

During the quarter the Timor-Leste and Australian Governments remained engaged in a dispute relating to the Treaty on Certain Maritime Arrangements in the Timor Sea in accordance with the dispute resolution procedure in the Timor Sea Treaty. Woodside remains committed to developing Greater Sunrise once government alignment is achieved.

Canada

During the quarter Woodside signed a Sole Proponent Agreement with the Government of British Columbia to access land at Grassy Point to undertake feasibility studies for a potential LNG development.

The agreement is for three years and is subject to Woodside meeting milestones, including making annual payments, obtaining an export license and commencing environmental approvals processes. Work has commenced on technical, economic and consultation activities required to meet our obligations under the agreement and to assess the feasibility of the opportunity in British Columbia.

Exploration and Appraisal Activities

Australia

The North West Shelf Fortuna 3D marine seismic survey (4,050km²) commenced on 6 January 2014 following vessel mobilisation in December 2013. Survey completion is expected by the end of May 2014.

Myanmar

The outcome of the Myanmar Government's 2013 Offshore Bid Round was announced on 26 March 2014 with Woodside successful in four blocks.

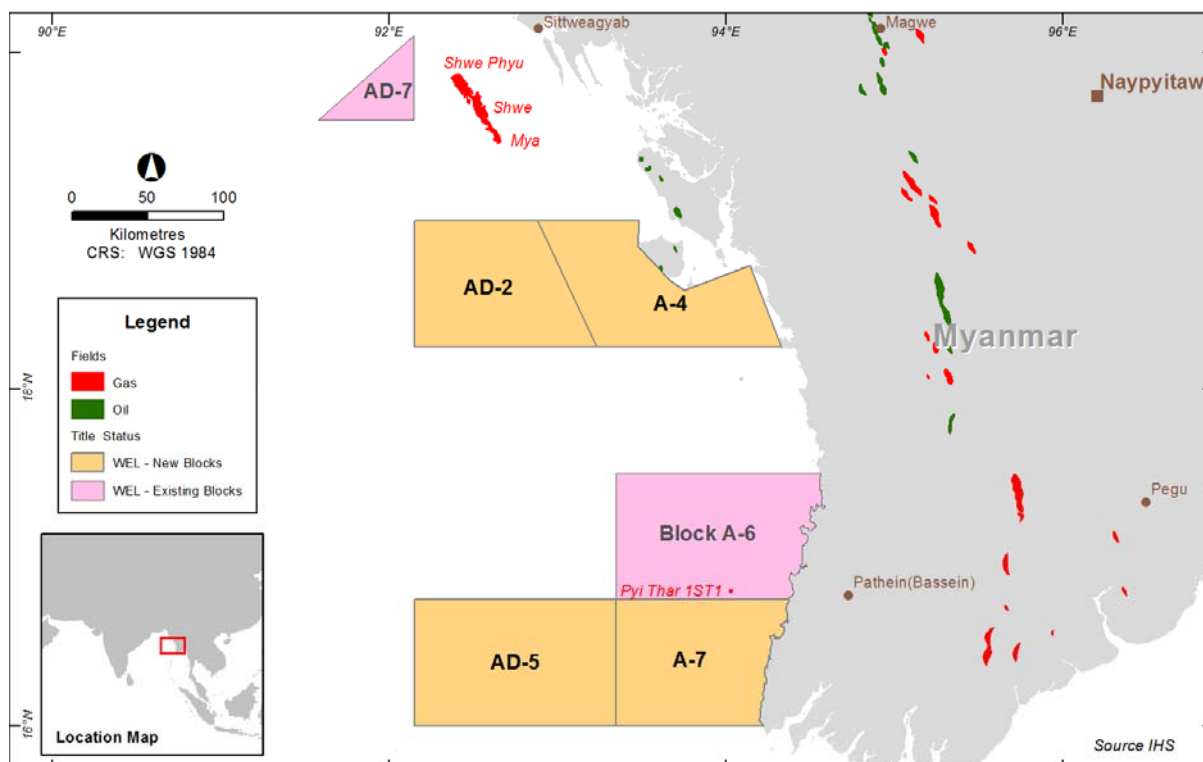
Woodside's new acreage, located in the Rakhine Basin off the west coast of Myanmar, comprises:

Block	Woodside	BG	MPEP*	Area sq km
A-7	45% (Operator)	45%	10%	8,220
AD-5	55% (Operator)	45%	-	10,560
A-4	45%	45% (Operator)	10%	7,479
AD-2	45%	55% (Operator)	-	8,098

*Myanmar Petroleum Exploration & Production Company Limited

The entry into A-7, AD-5, A-4 and AD-2 builds on our existing position in the Rakhine Basin through interests in Production Sharing Contracts for Blocks A-6 and AD-7. It supports Woodside's efforts to grow the scale and long-term value of our Myanmar and global exploration business.

The bid round was a competitive bidding process in which a wide range of companies participated. Success in the round demonstrates the value of our recognised technical capabilities and reputation as a partner of choice.



Ireland

During the quarter, Frontier Exploration Licence (FEL) 3/14 (previously Licensing Option 11/4), FEL 4/14 (previously Licensing Option 11/6) and FEL 5/15 (previously Licensing Option 11/10) were awarded by Ireland's Petroleum Affairs Division. This completes the process of converting Woodside's License Options in Ireland to FELs.

Peru

Subsequent to the end of the quarter, on 4 April 2014, Woodside completed the sale and purchase transaction for transfer of an additional 15% of Block 108 from joint venture participant Reliance Exploration and Production DMCC (Reliance), increasing Woodside's equity in the permit to 35%. The remaining 15% of Reliance's participating interest was acquired by joint venture participant Pluspetrol E&P S.A. who remains operator.

Exploration or appraisal wells drilled during Q1 2014

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Rydal-1	Carnarvon Basin, WA-255-P	Oil	50.00	13/01/2014	752	3,268	Exploration, non-commercial discovery

Notes:

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

Permits and Licences

Key changes to permit and licence holdings during the quarter are noted below. Some transactions may be subject to government and regulatory approval.

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
AUSTRALIA				
Browse Basin	AC/P48	(70.00)	0.00	Relinquished ¹
INTERNATIONAL				
Porcupine Basin (Ireland)	FEL 3/14, FEL 4/14 ²	85.00	85.00	License award
Porcupine Basin (Ireland)	FEL 5/14 ³	60.00	60.00	License award
Rakhine Basin (Myanmar)	Block A-4, A-7, AD-2	45.00	45.00	License award ⁴
Rakhine Basin (Myanmar)	Block AD-5	55.00	55.00	License award ⁴
Maranon Basin (Peru)	Block 108	15.00	35.00	Equity acquisition increase ⁵
Santos Basin (Brazil)	BM-S-48	(12.50)	0.00	Relinquished ¹
UNITED STATES				
GOM	AT 187, AT 188	(100.00)	0.00	Relinquished

Notes:

- 1 Subject to Government approval.
- 2 Formerly Licensing Option 11/4 and Licensing Option 11/6.
- 3 Formerly Licensing Option 11/10.
- 4 Subject to agreement of Production Sharing Contract terms with the Government of the Republic of the Union of Myanmar.
- 5 Effective from 4 April 2014.

Geophysical surveys conducted during Q1 2014

Location	Survey name	Progress
AUSTRALIA		
North West Shelf Venture Petroleum titles and WA-448-P (Carnarvon Basin)	Fortuna 3D	2,764 km ² of 4,050 km ² in Q1 (Incomplete)
WA-478-P (Carnarvon Basin)	Centaurus 3D	1,143 km ² in Q1 (Complete)
WA-483-P (Carnarvon Basin)	Babylon 3D	845 km ² of 1,264 km ² in Q1 (Incomplete)
INTERNATIONAL		
Block AD-7 (Myanmar - Rakhine Basin)	2014 AD-7 3D	1,204 km ² in Q1 (Complete)

Exploration or appraisal wells planned to commence in Q2 2014

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres) ¹	Proposed Total Depth (metres) ²	Remarks
AUSTRALIA						
Toro-1	Carnarvon Basin, WA-430-P	Gas	70.00	1,163	3,788	Exploration
Hannover South-1	Outer Canning Basin, WA-466-P	Gas	55.00	821	5,583	Exploration

Notes:

1 Water depth measured at lowest astronomical tide.

2 Reported depths referenced to the rig rotary table.

Corporate Activities

LNG Marketing

During the quarter Woodside signed two sale and purchase agreements (SPA) with Korea Gas (as announced on 28 February 2014) and Chubu Electric (as announced on 14 January 2014).

In addition an SPA for three years and up to six cargoes was executed with Kansai Electric in March 2014.

These deals are illustrative of strong market conditions and allow for LNG to be supplied from Pluto LNG and other sources, providing commercial flexibilities to Woodside.

CONVERSION FACTORS

(boe) = barrel of oil equivalent (TJ) = Terajoules (t) = tonne (bbl) = barrel (MMBtu) = Million British Thermal Units

(MMcft) = million cubic feet of gas (Bcf) = billion cubic feet of gas (kt) = thousand tonnes

Product	Factor	Conversion Factors*
Australian Pipeline Natural Gas	1TJ =	163.6 boe
Liquefied Natural Gas (LNG)	1 tonne =	8.9055 boe
Condensate	1 bbl =	1.000 boe
Oil	1 bbl =	1.000 boe
Liquefied Petroleum Gas (LPG)	1 tonne =	8.1876 boe
Gulf of Mexico Pipeline Natural Gas	1 MMBtu =	0.1724 boe

* minor changes to some conversion factors can occur over time due to gradual changes in the process stream

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