



facsimile

To: ASX Company Announcements Platform **Fax:** 1300 135 638
&
Mr Michael Abbott, Mr Warren Baillie **Fax:** (08) 9348 4990
Woodside Petroleum Limited [WPL]
From: Mersina Mouhtariss **Fax:** (02) 8225 5114
Citigroup Global Markets Australia Pty Limited
Date: 19 June 2014 **Pages:** [41] (including cover sheet)
Subject: Submission of Form 603 re: Woodside Petroleum Limited [WPL]

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Notice of initial substantial shareholder – Woodside Petroleum Limited (WPL)

Citigroup Global Markets Australia Pty Limited (Citi) and Goldman Sachs Australia Pty Ltd (Goldman Sachs collectively, **Joint Lead Managers**) have underwritten the sale of 78,271,512 WPL fully paid ordinary shares (**Sale Securities**) by Shell Energy Holdings Australia Limited (**Seller**). In connection with the sale, The Joint Lead Managers entered into a block trade agreement with the Seller on 17 June 2014 (**Agreement**).

Upon signing the Agreement, pursuant to the operation of the Corporations Act 2001(Cth), the Joint Lead Managers obtained a technical relevant interest in the Sale Securities.

The relevant interest obtained by the Joint Lead Managers under the Agreement in the Sale Securities does not represent a shortfall.

Citi will cease to hold this relevant interest following settlement of the Sale Securities (scheduled for Monday, 23 June 2014).

Yours sincerely,

Mersina Mouhtariss
Head of Markets Compliance

Notice of initial substantial shareholder

Form 603
Corporations Act
Section 671B

To: Woodside Petroleum Limited (WPL, Fully Paid Ordinary Securities)

1. Details of substantial shareholder

Citigroup Global Markets Australia Pty Limited (ACN 003 114 832) and each of the related bodies corporate in the Citigroup group of companies worldwide (for more details please visit www.citigroup.com).

The holder became a substantial holder on 17 June 2014.

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate had a relevant interest in on the date the substantial holder became a substantial holder are as follows:

Class of securities	Number of securities	Person's vote	Voting Power
WPL, Fully Paid Ordinary Securities	79,161,178	79,161,178	9.61%

3. Details of relevant interests

Holder of relevant interest	Nature of relevant interest	Class and number of securities
Citigroup Global Markets Limited	Citigroup Global Markets Limited holds a relevant interest in these shares pursuant to an obligation to return under a securities lending agreement.	109,893 WPL fully paid ordinary shares
Citigroup Global Markets Australia Pty Limited	Citigroup Global Markets Australia Pty Limited holds a relevant interest in these shares pursuant to contracts entered into in the ordinary course of business on a stock market of a stock exchange, containing no terms and conditions other than standard terms and conditions.	715,499 WPL fully paid ordinary shares
Citigroup Global Markets Australia Pty Limited	Citigroup Global Markets Australia Pty Limited and Goldman Sachs Australia Pty Ltd (collectively, Joint Lead Managers) entered into a block trade agreement with Shell Energy Holdings Australia Limited on 17 June 2014 (Agreement), please see attached. Upon signing the Agreement, pursuant to the operation of the Corporations Act 2001(Cth), the Joint Lead Managers obtained a technical relevant interest.	78,271,512 WPL fully paid ordinary shares
Various Citigroup entities	Collectively various Citigroup entities hold as immaterial relevant interest (being 0.008%) in these shares as part of their ordinary course business.	64,328 WPL fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Class and number of securities
Citigroup Global Markets Limited	Citicorp Nominees Pty Ltd	109,839 WPL fully paid ordinary shares
Citigroup Global Markets Australia Pty Limited	Citicorp Nominees Pty Ltd	715,499 WPL fully paid ordinary shares
Citigroup Global Markets Australia Pty Limited	N/A – block trade agreement does not result in any securities registered under Citi's name	78,271,512 WPL fully paid ordinary shares
Various Citigroup entities	Citicorp Nominees Pty Ltd	64,328 WPL fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration	Class and number of securities
Citigroup Global Markets Limited	Various	Various	109,839 WPL fully paid ordinary shares
Citigroup Global Markets Australia Pty Limited	Various	Various	715,499 WPL fully paid ordinary shares
Citigroup Global Markets Australia Pty Limited	17 June 2014	N/A	78,271,512 WPL fully paid ordinary shares
Various Citigroup entities	Various	Various	64,328 WPL fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

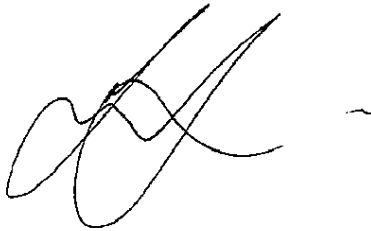
Name and ACN/ARSN (if applicable)	Nature of association
Citigroup Global Markets Limited	Each of the related bodies corporate in the Citigroup group of companies worldwide (for more details please visit www.citigroup.com).
Citigroup Global Markets Australia Pty Limited, ACN 003 114 832	Each of the related bodies corporate in the Citigroup group of companies worldwide (for more details please visit www.citigroup.com).

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Citigroup Global Markets Limited	Citigroup Centre 33 Canada Square London, E14 5LB
Citigroup Global Markets Australia Pty Limited	Level 22, Citigroup Centre 2 Park St Sydney NSW 2000

Dated this day, 19 June 2014



Mersina Mouhtar
Head of Markets Compliance
Citigroup Global Markets Australia Pty Limited

Appendix: Prescribed Information

Schedule	
Type of Agreement	AMSLA
Parties to Agreement	Various
Transfer date	Various
Holder of voting rights	Borrower under separate securities lending transaction
Are there any restrictions on voting rights?	No
Scheduled return date	Unknown
Does the borrower have the right to return early?	Yes
If yes, details	Standard AMSLA terms
Does the lender have the right to recall early?	Yes
If yes, details	Standard AMSLA terms
Will the securities be returned on settlement?	n/a
Statement	If requested by WPL to whom the prescribed form must be given, or if requested by ASIC, Citigroup Global Markets Australia Pty Limited will give a copy of the AMSLA to WPL or ASIC.

:

17 June 2014

COMMERCIAL IN CONFIDENCE

Shell Energy Holdings Australia Limited
Level 2 LS
8 Redfern Road
Hawthorn East VIC 3123

Dear Sirs

Sale of Shares in Woodside Petroleum Ltd**1. INTRODUCTION**

This agreement (the "**Agreement**") sets out the terms and conditions upon which Shell Energy Holdings Australia Limited ABN 69 054 260 776 (the "**Vendor**") engages each of Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897) (together, the "**Lead Managers**") to jointly sell and otherwise jointly manage the disposal of 78,271,512 existing fully paid ordinary shares ("**Ordinary Shares**") in Woodside Petroleum Ltd (ABN 55 004 898 962) (the "**Company**") held by the Vendor (the "**Vendor Shares**") and to severally provide underwriting (in respect of their Respective Proportions (see Schedule 1)) in respect thereof (the "**Sale**") in accordance with the terms of this Agreement.

This Agreement is conditional on:

- (a) the Vendor having entered into an agreement with the Company to undertake a selective buy-back of 78,271,512 Ordinary Shares held by the Vendor ("**Buy-Back Shares**") at a price of USD\$34.24 per Buy-Back Share (the "**Buy-Back**") on the date of this Agreement; and
- (b) the ASX having made a market release on the Company's ASX announcement platform that the Ordinary Shares be placed in trading halt session state with such trading halt to have commenced on or before 10am (Sydney time) on the date of this Agreement and to expire no earlier than 10am (Sydney time) on the Trade Date.

2. SALE OF SHARES

2.1 Announcement

The Vendor's ultimate parent company intends to announce the Sale and the Buy-Back (including the Vendor's name, the number of Vendor Shares to be sold, the number of Buy-Back Shares to be sold and a statement by the Vendor to the effect that, subject to certain exceptions, it will not dispose of any residual Ordinary Shares in the Company owned by it after completion of the Sale for a period of 90 days), the form and content of such announcement having been determined in accordance with clause 8.1. The Lead Managers may not make any announcement until the Vendor's ultimate parent company makes that announcement, the form and content of such announcement by the Lead Manager having been determined in accordance with clause 8.

2.2 Sale of Vendor Shares and Settlement

- (a) Subject to the terms and conditions of this Agreement, the Vendor agrees to sell the Vendor Shares at the price of AUD\$41.35 per Vendor Share ("**Sale Price**").
- (b) The Lead Managers agree to:
 - (i) jointly manage the sale of the Vendor Shares by procuring purchasers for the Vendor Shares at the Sale Price in respect of each Vendor Share; and
 - (ii) underwrite and guarantee the sale of the Vendor Shares by purchasing at the Sale Price per Vendor Share those of the Vendor Shares (in respect of their Respective Proportions (see Schedule 1) which have not been purchased by purchasers in accordance with clause 2.2(b)(i) as at 9.30am (Sydney time) on the next Business Day immediately following the date of this Agreement (or such other date and time the parties agree in writing) ("**Balance Shares**"),

in accordance with the terms of this Agreement.
- (c) The Lead Managers agree that the sale of the Vendor Shares will be effected:
 - (i) subject to paragraph (ii) immediately below, by way of one or more special crossings in accordance with the Operating Rules of the Australian Securities Exchange (the "**ASX**") and the ASX Settlement Operating Rules by 10.00am (Sydney time) on the next Business Day immediately following the date of this Agreement (the "**Trade Date**"); and
 - (ii) in respect of any Retention Shares (defined in clause 2.4), in accordance with clause 2.4 and:
 - (A) by way of one or more special crossings in accordance with the Operating Rules of the ASX and the ASX Settlement Operating Rules; and/or

- (B) by way of one or more regular brokered transactions on the ASX on the condition that neither it, nor any person acting on its behalf, knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.
- (d) The Lead Managers must pay (in respect of their Respective Proportions (see Schedule 1)) to the Vendor an amount equal to the Sale Price multiplied by the number of Vendor Shares less any fees payable under clause 3 (the "Net Sale Proceeds"), in cleared funds, to the account nominated by the Vendor and, subject to clause 2.4, against the delivery of the Vendor Shares, by 5.00pm (Sydney time) on the third Business Day (as defined in the ASX Settlement Rules) following the Trade Date (referred to as "T + 3" basis) (the "Settlement Date"). For the avoidance of doubt, payment of the Sale Price in respect of each of the Vendor Shares to be sold under this clause 2.2 will be made on the Settlement Date, notwithstanding clause 2.4.
- (e) If, for any reason other than the non-performance by the Vendor of its obligations under this Agreement, the Lead Manager has not paid its Respective Proportion of the Net Sale Proceeds on the Settlement Date in accordance with clause 2.2(d) or as the Vendor directs, then interest will accrue at a rate equal to the 1 Month London Interbank Offered Rate plus 100 basis points on that part of the outstanding Net Sale Proceeds on and from the Settlement Date until that part of the Net Sale Proceeds are paid in full (plus accrued interest) and will be payable to the Vendor or as the Vendor directs together with the Net Sale Proceeds.

2.3 Account Opening

On the date of this Agreement, each Lead Manager or its nominated Affiliate will (where relevant) open an account in the name of the Vendor in accordance with its usual practice, and do all such things necessary to enable it to act as a Lead Manager to sell the Vendor Shares in accordance with this Agreement.

2.4 Retention Shares

- (a) Where acquisition of some or all of the Balance Shares by a Lead Manager is prohibited or restricted by the application of the takeover provisions in the Corporations Act 2001 (Cth) (the "**Corporations Act**") or the prohibition on the acquisition of share provisions in the Foreign Acquisitions and Takeovers Act 1975 (Cth) or related policy, the Vendor and the Lead Manager agree:
 - (i) that no Vendor shall retain such number of Balance Shares as the Lead Manager ("**Relevant Lead Manager**") advises the Vendor that the Vendor is required to retain in order to prevent the Relevant Lead Manager or its Affiliates breaching the Corporations Act or the Foreign Acquisitions and Takeovers Act 1975 (Cth) or related policy (the "**Retention Shares**");
 - (ii) the Relevant Lead Manager must still comply with its obligations to pay the Net Sale Proceeds to the Vendor pursuant to clause 2.2(d) provided

that the portion of that payment that is equal to the number of any Retention Shares multiplied by the Sale Price is provided to the Vendor as an interest free loan ("**Advance Amount**");

- (iii) the Vendor is not required to repay the Advance Amount other than from, and to the extent it receives monies directly from the sale of the Retention Shares, provided always that the Vendor is not responsible for any shortfall in repayment from the proceeds of the sale of Retention Shares and the Relevant Lead Manager will bear the loss arising from the shortfall, if any;
 - (iv) the Relevant Lead Manager may, during a period of six Business Days from the date of this Agreement, issue a notice or notices instructing the Vendor to transfer some or all of the Retention Shares to the Relevant Lead Manager or to a third-party nominated by the Relevant Lead Manager, provided that the Relevant Lead Manager may issue the notice referred to in this paragraph on more than one occasion;
 - (v) the Relevant Lead Manager must sell any Retention Shares (including via sales on the ASX in accordance with clause 2.2(c)) prior to 7.00pm on the date that is the sixth Business Day after the Business Day immediately following the Trade Date that settlement of the sale of Retention Shares must occur on or before the third Business Day following the sale of the relevant Retention Shares (the "**End Date**"); and
 - (vi) the Relevant Lead Manager is entitled to apply, by way of set off, the proceeds for the purchase of any Retention Shares against the Advance Amount, immediately upon the Lead Manager's receipt of those proceeds. The Relevant Lead Manager has no recourse to the Vendor for any shortfall in repayment from the sale proceeds of the Retention Shares.
- (b) For the avoidance of doubt, the Relevant Lead Manager must make the payment required by clause 2.2(d) on the Settlement Date notwithstanding that all of the Retention Shares may not have been transferred by the Vendor by that date.
 - (c) The Vendor acknowledges that the Relevant Lead Manager does not acquire any interest or relevant interest in, or rights in respect of, any Retention Shares except to act as agent for the Vendor in procuring sales for the Retention Shares.

2.5 Manner of Sale

- (a) The Lead Managers will conduct the Sale by way of an offer only:
 - (i) in Australia, to persons who do not need disclosure under Part 6D.2 of the Corporations Act and do not otherwise require any regulatory approvals (including under the Corporations Act, Foreign Acquisitions

and Takeovers Act (and related policy) and/or the Competition and Consumer Act);

- (ii) to persons that are:
 - (A) in the United States;
 - (B) "U.S. persons" (as defined in Rule 902(k) under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")) ("U.S. Persons"); or
 - (C) acting for the account or benefit of U.S. Persons in the United States,

and in accordance with clauses 2.2 and 2.6;

- (iii) to persons in those jurisdictions listed in Schedule 2 to whom offers or sales of securities may lawfully be made without requiring the preparation, delivery, lodgement of filing of any prospectus or other disclosure document or any lodgement, registration or filing with, or approval by, a government agency, in accordance with the selling restrictions specified in Schedule 2,

and otherwise in accordance with the terms of this Agreement.

- (b) Any investor that purchases Vendor Shares (other than any Retention Shares sold in regular brokered transactions on the ASX in accordance with clause 2.2(c)) will be required to confirm, including through deemed representations and warranties, among other things:
 - (i) its status as an investor meeting the requirements of this clause 2.5 and clause 2.6;
 - (ii) its compliance with all relevant laws and regulations (including the takeover and insider trading provisions of the Corporations Act and the Foreign Acquisitions and Takeovers Act 1975 (Cth) and related policy); and
 - (iii) its agreement to certain resale restrictions.

2.6 U.S. Securities Act

- (a) The Vendor Shares shall only be offered and sold:
 - (i) to persons that are:
 - (A) not in the United States;
 - (B) not U.S. Persons; and
 - (C) not acting for the account or benefit of U.S. Persons,

in each case, in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"); or

(ii) to persons that are:

(A) in the United States;

(B) U.S. Persons; or

(C) acting for the account or benefit of U.S. Persons,

each of whom (i) is a qualified institutional buyer ("**QIB**"), as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144A thereunder and (ii) who is required to execute a letter on or prior to the Settlement Date in the form agreed in writing by the Vendor and the Lead Managers (and as may be amended by mutual agreement in writing, such agreement not to be unreasonably withheld or delayed) (the "**Confirmation Letter**").

(b) The Vendor will procure that Clifford Chance, legal counsel to Vendor, provides the Lead Managers with an opinion on the Settlement Date and dated as of that date and expressed to be for its benefit, such opinion to be substantially in the form of the draft provided to the Lead Managers prior to the execution of this Agreement and in a form reasonably acceptable to it, to the effect that no registration of the Vendor Shares is required under the U.S. Securities Act for the offer, sale and delivery of the Vendor Shares in the manner contemplated by this Agreement (the "**U.S. Opinion**").

3. FEES AND COSTS

- (a) In consideration of performing its obligations under this Agreement, each Lead Manager will be entitled to such fees as the Vendor and that Lead Manager agree in writing.
- (b) The Vendor and the Lead Managers will each bear their own legal costs (if any) and all their other out-of-pocket expenses (if any) in connection with this Agreement and the transactions contemplated by it.

4. GST

4.1 Input Tax Credit

Any fees which the parties agree to be payable to the Lead Managers and any other amounts payable to the Lead Managers under this Agreement are to be agreed and calculated to be exclusive of GST. However, if any amounts payable to the Lead Managers under this Agreement are calculated by reference to a cost or expense incurred by the Lead Managers, the amount payable to the Lead Managers under any other provision of this Agreement must be reduced by the amount of any input tax credit to which the Lead Managers reasonably determine they are entitled for an acquisition in connection with that cost or expense.

4.2 Tax invoice

If any supply made under this Agreement is a taxable supply, the entity making the taxable supply ("**Supplier**") must issue a valid tax invoice to the party providing the consideration for that taxable supply ("**Recipient**"). The tax invoice issued by the Supplier must set out in detail the nature of the taxable supply, the consideration attributable to the taxable supply, the amount of GST payable by the Supplier in connection with the taxable supply and any other details reasonably requested by the Recipient. The GST amount means, in relation to a taxable supply, the amount of GST for which the Supplier is liable in respect of the taxable supply ("**GST Amount**").

4.3 Timing of Payment

The Recipient must pay the GST Amount in connection with a taxable supply at the same time that the Recipient must provide the consideration for that taxable supply (under the other provisions of this Agreement), or if later, within 5 Business Days of the Recipient receiving a tax invoice for that taxable supply.

4.4 Payment Differences

If the GST payable by the Supplier in connection with the taxable supply differs from the GST Amount paid by the Recipient under this clause, the Supplier must repay any excess to the Recipient or the Recipient must pay any deficiency to the Supplier, as appropriate within 5 Business Days of the Supplier providing the Recipient with a written notification regarding the difference in the GST payable. Where the difference in the GST payable results from an adjustment event, the written documentation provided by the Supplier under this clause must include an adjustment note or tax invoice as required by the GST law.

4.5 Defined Terms

The references to "**GST**" and other terms used in this clause 4 (except Recipient and GST Amount) have the meanings given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (Cth) (as amended from time to time). However, any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 4.

4.6 References

A reference to something done (including a supply made) by a party includes a reference to something done by any entity through which that party acts.

5. UNDERTAKINGS

5.1 Moratorium

- (a) The Vendor represents and warrants that it will not in the 90 days after completion of the transfer of the Vendor Shares on the Settlement Date, Deal in all or any Ordinary Shares held by it after the sale of the Vendor Shares pursuant to this Agreement excluding:

- (i) in order to satisfy demand from eligible shareholders under a Company initiated dividend reinvestment plan (if any);
 - (ii) a repurchase (including under the Buy-Back or otherwise by buy-back, reduction of capital or other means) of Ordinary Shares by the Company;
 - (iii) any acceptance by the Vendor of a takeover offer for the Company in accordance with Chapter 6 of the Corporations Act or transfer pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act;
 - (iv) a sale, transfer or disposal to a third party where it is a condition of the sale that the third party announce an intention to acquire, or propose a transaction to acquire, greater than 50% of all Ordinary Shares;
 - (v) a sale, transfer or disposal of a number of Ordinary Shares to a strategic third party purchaser that is subject to a representation and warranty on substantially the same terms as this clause 5.1(a). For the avoidance of any doubt, any agreement by the strategic third party purchaser will be in respect of the residual term of the 90 day period;
 - (vi) the sale of any Retention Shares in accordance with clause 2.4; and
 - (vii) a sale, transfer or disposal to an Affiliate of the Vendor that is subject to a representation and warranty on substantially the same terms as this clause 5.1(a) in respect of the Ordinary Shares sold, transferred or disposed. For the avoidance of any doubt, any agreement by the Affiliate will be in respect of the residual term of the 90 day period.
- (b) Each party to this Agreement acknowledges that the representation and warranty in clause 5.1(a) is not intended to and does not give the Lead Managers any power to dispose of, or control the disposal of, the Ordinary Shares the subject of the representation and warranty to the extent that the Lead Managers would be in breach of applicable laws to have such power, and a breach of the representation and warranty in those circumstances will only give rise to a right to damages and the parties acknowledge that, in such circumstances damages are an adequate remedy for a breach of the representation and warranty. Each party acknowledges that the representation and warranty in clause 5.1(a) has been provided to only address the financial consequences of the Vendor disposing of, or dealing with, any Ordinary Shares held by it. Each party to this Agreement acknowledges that the Lead Managers are not entitled to a remedy of specific performance for a breach of the representation and warranty set out in clause 5.1(a).
- (c) For the purposes of clause 5.1(a), "**Deal**", in respect of the "Ordinary Shares", means:
- (i) sell, assign, transfer or otherwise dispose of;
 - (ii) agree or offer to sell, assign, transfer or otherwise dispose of;

(iii) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Vendor to sell, assign, transfer or otherwise dispose of; or

(iv) decrease or agree to decrease an economic interest in,

the Ordinary Shares.

5.2 Conduct of sale

The Lead Managers undertake to the Vendor that:

(a) **(Sale Jurisdictions only)** they will only conduct the Sale in Australia, the United States of America, and the jurisdictions specified in Schedule 2 (each a "Sale Jurisdiction");

(b) **(compliance with law)** it will, and will procure that its relevant Affiliates, conduct the Sale in accordance with this Agreement, including:

(i) for offers in Australia, in accordance with the Corporations Act; and

(ii) for offers in the jurisdictions specified in Schedule 2, in accordance with the selling restrictions specified in Schedule 2;

and, in the case of all offers in any Sale Jurisdiction, in accordance with the procedures set out in clauses 2.2, 2.4, 2.5 and 2.6 and this clause 5.2, provided that the Lead Managers shall not be in breach of this undertaking to the extent any breach is caused by an act or omission which constitutes a breach by the Vendor of its representations, warranties and undertakings in clause 6.1 or the Lead Managers' reliance on final written legal advice provided by or on behalf of the Vendor and which is addressed to the Lead Managers;

(c) **(filings)** if required it will make, and promptly provide the Vendor with, any Form 45-106F filing it makes in Canada in connection with the Sale;

(d) **(conduct and methodology)** the Sale will be conducted by the Lead Managers, in consultation with the Vendor and its advisers, as follows:

(i) the Vendor and its advisers are to be given all reasonable access to feedback from prospective and targeted participants;

(ii) the Lead Managers must give regular information to the Vendor and its advisers about the progress of the Sale, including information as to the Lead Managers' current views on demand and allocation, through meetings or teleconferences, and in any event must provide such information upon reasonable request by the Vendor; and

(iii) allocations of the Vendor Shares to purchasers must be made by the Lead Managers in consultation with the Vendor; and

(e) **(confirmation letter)** the Lead Managers will only sell the Vendor Shares (other than any Retention Shares sold in regular brokered transactions on the

ASX in accordance with clause 2.2(c)) to persons specified in clause 2.6(a)(ii) that execute a Confirmation Letter.

Each of these undertakings are material terms of this Agreement.

6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

6.1 Representations, warranties and undertakings by the Vendor

With the exception of the representation and warranty in clause 6.1(i) which is made only at the time of execution of this Agreement by the Vendor, as at the date of this Agreement and on the Settlement Date, the Vendor represents and warrants to the Lead Managers that each of the following statements is true, accurate and not misleading and undertakes that:

- (a) **(body corporate)** the Vendor is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) **(capacity)** the Vendor has full legal capacity and power to enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) **(authority)** the Vendor has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out of the transactions that this Agreement contemplates;
- (d) **(agreement effective)** this Agreement constitutes the Vendor's legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) **(ownership, encumbrances)** the Vendor is the registered holder and sole legal owner of the Vendor Shares. The Vendor will transfer the full legal and beneficial ownership of the Vendor Shares free and clear of all liens, charges, security interests, claims, equities and pre-emptive rights, subject to registration of the transferee(s) in the register of shareholders of the Company;
- (f) **(Vendor Shares)** so far as the Vendor is aware, immediately following sale by the Vendor, the Vendor Shares will rank equally in all respects with all other outstanding Ordinary Shares of the Company, including their entitlement to dividends;
- (g) **(control)** the Vendor does not control the Company (for purposes of this clause 6.1(g), "control" having the meaning given in s50AA of the Corporations Act);
- (h) **(power to sell)** the Vendor has the corporate authority and power to sell the Vendor Shares under this Agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Vendor Shares, or any of them;
- (i) **(no insider trading offence)** at the time of execution of this Agreement by the Vendor, the sale of the Vendor Shares will not constitute a violation by the Vendor of Division 3 of Part 7.10 of the Corporations Act;

- (j) **(no general solicitation or general advertising)** none of the Vendor, any of its Affiliates or any person acting on behalf of any of them (other than the Lead Managers or their respective Affiliates or any person acting on behalf of any of them, as to whom the Vendor makes no representation) has offered or sold, or will offer or sell, any of the Vendor Shares in the United States or to, or for the account or benefit of, any U.S. Person using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;
- (k) **(no directed selling efforts)** with respect to those Vendor Shares sold in reliance on Regulation S, none of the Vendor, any of its Affiliates, or any person acting on behalf of any of them (other than the Lead Managers or their respective Affiliates or any person acting on behalf of any of them, as to whom the Vendor makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
- (l) **(foreign private issuer and no substantial U.S. market interest)** the Vendor reasonably believes the Company is a "foreign private issuer" (as defined in Rule 405 under the U.S. Securities Act) and the Vendor reasonably believes there is no "substantial U.S. market interest" (as defined in Rule 902(j) under the U.S. Securities Act) in the Vendor Shares or any security of the same class or series as the Vendor Shares;
- (m) **(no stabilisation or manipulation)** neither the Vendor nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Vendor Shares in violation of any applicable law;
- (n) **(no integrated offers)** none of the Vendor, any of its Affiliates or any person acting on behalf of any of them (other than the Lead Managers or their respective Affiliates or any person acting on behalf of any of them, as to whom no representation or warranty is made), has solicited any offer to buy, offered to sell or sold, and none of them will solicit any offer to buy, offer to sell or sell in the United States or to, or for the account or benefit of, any U.S. Person any security which could be integrated with the sale of the Vendor Shares in a manner that would require the offer and sale of the Vendor Shares to be registered under the U.S. Securities Act;
- (o) **(no registration required)** subject to compliance by the Lead Managers with their obligations, representations, warranties and undertakings under clauses 5.2 and 6.2 of this Agreement, it is not necessary in connection with the offer and sale of the Vendor Shares to purchasers or the Lead Managers or the initial resale to purchasers by the Lead Managers to register the offer and sale of the Vendor Shares under the U.S. Securities Act, it being understood that the Vendor makes no representation or warranty about any subsequent resale of the Vendor Shares;

- (p) **(Rule 144A eligibility)** the Vendor reasonably believes that the Vendor Shares meet the eligibility requirements of Rule 144A(d)(3) under the U.S. Securities Act;
- (q) **(Rule 12g3-2(b) status)** the Vendor reasonably believes the Company is exempt from reporting under Section 13 or Section 15(d) of the Exchange Act pursuant to Rule 12g3-2(b) thereunder; and
- (r) **(breach of law)** the Vendor will perform its obligations under this Agreement so as to comply with all applicable laws, including all applicable laws in Australia (including in particular the Corporations Act and the Foreign Acquisitions and Takeovers Act 1975 (Cth) and related policy), the United States of America and the jurisdictions specified in Schedule 2.

6.2 Representations, warranties and undertakings of Lead Managers

As at the date of this Agreement and on each day until and including the later of the Settlement Date and the End Date, each of the Lead Managers, in respect of itself, represents to the Vendor that each of the following statements is true, accurate and not misleading and undertakes that:

- (a) **(body corporate)** it is duly incorporated under the laws of its place of incorporation;
- (b) **(capacity)** it has full legal capacity and power to enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) **(authority)** it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out of the transactions that this Agreement contemplates;
- (d) **(consents)** all consents and approvals of any court, governmental authority or any other regulatory body or third party required by it to enter into and perform this Agreement have been obtained and are in full force and effect;
- (e) **(licences)** it holds all licences, permits and authorities necessary for it to fulfil its obligations under this Agreement and has complied with the terms and conditions of the same in all material respects;
- (f) **(agreement effective)** this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (g) **(status)** it is a QIB or is not a U.S. Person;
- (h) **(compliance)** the Sale will be conducted by the Lead Manager and its Affiliates in accordance with all applicable laws and regulations in any jurisdiction (including all applicable laws and regulations in Australia, United States, and the jurisdictions specified in Schedule 2), provided that the Lead Manager shall not be in breach of this warranty to the extent any breach is caused by an act or omission which constitutes a breach by the Vendor of its representations, warranties and undertakings in clause 6.1 or the Lead

Manager's reliance on final written legal advice provided by or on behalf of Vendor and which is addressed to the Lead Manager;

- (i) **(foreign private issuer and not substantial U.S. market interest)** the Lead Manager reasonably believes the Company is a "foreign private issuer" (as defined in Rule 405 under the U.S. Securities Act) and the Lead Manager reasonably believes there is no "substantial U.S. market interest" (as defined in Rule 902(j) under the U.S. Securities Act) in the Vendor Shares or any security of the same class or series as the Vendor Shares;
- (j) **(no registration)** it acknowledges that the Vendor Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (k) **(no general solicitation or general advertising)** none of the Lead Manager, any of its Affiliates or any person acting on behalf of any of them has solicited offers for or offered to sell or sold, and none of them will solicit offers for, or offer to sell or sell, the Vendor Shares in the United States or to, or for the account or benefit of any U.S. Person using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;
- (l) **(confirmation or notice)** until 40 days after the later of the Settlement Date and the End Date, the Lead Manager and its Affiliates and any person acting on behalf of any of them, at or prior to confirmation of sales of the Vendor Shares will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Vendor Shares from it, a confirmation or notice to substantially the following effect:

"The Vendor Shares covered hereby have not been registered under the U.S. Securities Act of 1933 as amended (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, any U.S. person (i) as part of their distribution at any time or (ii) otherwise until 40 days after the Settlement Date, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."
- (m) **(broker-dealer requirements)** all offers and sales of the Vendor Shares in the United States by the Lead Manager and any of its Affiliates will be effected by its registered U.S. broker-dealer Affiliate and in accordance with all U.S. broker-dealer requirements;
- (n) **(U.S. selling restrictions)** each of the Lead Manager, its Affiliates and any person acting on behalf of any of them has offered and sold the Vendor Shares, and will offer and sell the Vendor Shares only:
 - (i) to persons that are:

- (A) not in the United States;
- (B) not U.S. Persons; and
- (C) not acting for the account or benefit of U.S. Persons,

in each case, in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S; or

(ii) to persons that are:

- (A) in the United States;
- (B) U.S. Persons; or
- (C) acting for the account or benefit of U.S. Persons,

each of whom is a QIB, as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act thereunder,

and in the case of clause 6.2(n)(ii), has only sold and will only sell the Vendor Shares (other than any Retention Shares sold in regular brokered transactions on the ASX in accordance with clause 2.2(c)) to persons that have executed a Confirmation Letter;

- (o) **(no directed selling efforts)** with respect to those Vendor Shares sold in reliance on Regulation S, none of Lead Manager, any of its Affiliates nor any person acting on behalf of any of them has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
- (p) **(no stabilisation or manipulation)** each Lead Manager has not, nor has any of its Affiliates or any other person acting on its or their behalf, taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Vendor Shares in violation of any applicable law;
- (q) **(Regulation S offering restrictions)** each of the Lead Manager, its Affiliates and any person acting on behalf of any of them has complied and will comply with the offering restrictions requirements of Regulation S with regard to the Vendor Shares to be sold in reliance on Regulation S; and
- (r) **(breach of law)** the Lead Manager will perform its obligations under this Agreement so as to comply with all applicable laws, including all applicable laws in Australia (including in particular the Corporations Act and the Foreign Acquisitions and Takeovers Act 1975 (Cth) and related policy), the United States of America and the jurisdictions specified in Schedule 2; provided that the Lead Manager will not be in breach of this warranty to the extent that any breach is caused by an act or omission of the Vendor which constitutes a breach by the Vendor of its representations, warranties and undertakings in clause 6.1.

6.3 Reliance

Each party giving a representation, covenant, undertaking or warranty under this Agreement to another party acknowledges that the other party has relied on such representations, covenants, undertakings and warranties in entering into this Agreement and will continue to rely on these representations, covenants, undertakings and warranties in performing its obligations under this Agreement.

6.4 Notification

Each party agrees that it will notify the other parties promptly upon becoming aware of any of the following occurring prior to the completion of the sale of the Vendor Shares:

- (a) any material change affecting any of the representation, covenant or warranty made or given under this Agreement; and/or
- (b) any representation or warranty made or given under this Agreement becoming materially untrue or materially incorrect or being breached.

7. INDEMNITY

7.1 The Vendor agrees with the Lead Managers that it will keep each of the Lead Managers and each of their Related Bodies Corporate (as that term is defined in the Corporations Act), and their respective directors, officers and employees ("**Indemnified Parties**") indemnified against any losses, damages, liabilities, costs, claims, actions and demands (including any reasonable expenses arising in connection therewith) ("**Losses**") to the extent that such Losses are incurred or made as a result of a breach of this Agreement by Vendor, including any breach of any of the above representations, warranties or undertakings given by Vendor, and will reimburse the Lead Managers on behalf of any Indemnified Parties for all reasonable out of pocket costs, charges and expenses which either of them may properly pay or properly incur in connection with investigating, disputing or defending in good faith and on reasonable grounds any such action, demand or claim for which it is indemnified under this Agreement.

7.2 The indemnity in clause 7.1 does not extend to and is not to be taken as an indemnity against any Losses of an Indemnified Party that are indirect, special, punitive or consequential Losses or to the extent any Losses result from:

- (a) any fraud, recklessness, wilful misconduct, breach of applicable law or negligence of the Indemnified Party;
- (b) any penalty or fine which the Indemnified Party is required to pay for any contravention of any law;
- (c) any amount in respect of which the indemnity would be illegal, void or unenforceable under any applicable law;
- (d) any announcements, advertisements or publicity made or distributed in relation to this Agreement or the transactions contemplated by it without the Vendor's approval, unless that announcement, advertisement or publicity was made

under legal compulsion and time or legal requirement did not permit the Lead Managers to obtain the Vendor's approval;

- (e) a breach by a Lead Manager of this Agreement save to the extent such breach results from an act or omission on the part of the Vendor or person acting on behalf of the Vendor, where that Lead Manager took reasonable steps to avoid or mitigate the occurrence of such breach; or
- (f) the extent to which any Losses have been suffered simply as a result of a Lead Manager having acquired the Vendor Shares under clause 2.2.

7.3 An Indemnified Party must not settle any action, demand or claim to which the indemnity in clause 7.1 relates without the prior written consent of the Vendor, such consent not to be unreasonably withheld.

7.4 The indemnity in clause 7.1 is a continuing obligation, separate and independent from the other obligations of the parties under this Agreement and survives termination or completion of this Agreement. It is not necessary for the Lead Managers to incur expense or make payment before enforcing that indemnity.

7.5 The indemnity in clause 7.1 is granted to the Lead Managers both for each of them personally and on trust for each of their respective Indemnified Parties.

8. ANNOUNCEMENTS

8.1 The Vendor and the Lead Managers will consult each other in respect of the form and content of any written material public releases by any of them concerning the Sale.

8.2 The written consent of the Vendor must be obtained prior to the Lead Manager making any release or announcement or engaging in publicity in relation to the Sale and such release, announcement or engagement must be in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction.

9. EVENTS OF TERMINATION

9.1 Right of termination of Lead Managers

If, at any time during the Risk Period (as defined in clause 9.6), the Vendor is in default of any of the terms and conditions of this Agreement or breaches any representation, warranty or undertaking given or made by it under this Agreement (a "**Vendor Default Event**") then a Lead Manager may, following having complied with its obligations under clause 9.5, terminate this Agreement without cost or liability to itself at any time before the expiry of the Risk Period by giving written notice to the Vendor.

9.2 Materiality

A Lead Manager is not entitled to exercise its termination rights under clause 9.1 unless the relevant breach or default by the Vendor:

- (a) has, or would reasonably be expected to have, a material adverse effect on:

- (i) the outcome or settlement of the Sale; or
- (ii) the ability of the Lead Managers to market and/or promote the Sale; or
- (b) would reasonably be expected to give rise to a liability of the Lead Manager under the Corporations Act or any other applicable law.

9.3 Right of Termination of the Vendor

If, at any time during the Risk Period, a Lead Manager or any of its Affiliates is in default of any term or condition of this Agreement or breaches any representation, warranty or undertaking given or made by it under this Agreement at any time prior to the allocation of the Vendor Shares to transferee(s) (a "**Lead Manager Default Event**"), then the Vendor may at any time before the expiry of the Risk Period by giving written notice to the Lead Managers:

- (a) immediately terminating this Agreement in its entirety without cost or liability to itself; or
- (b) offer to the Lead Manager who has not committed the Lead Manager Default Event ("**Non Defaulting Lead Manager**") ("**Offer**") the right to elect to assume, by notice in writing to the Vendor within two hours of receipt of the notice and in any event before the end of the Risk Period, the rights and obligations of the Lead Manager who has committed the Lead Manager Default Event ("**Defaulting Lead Manager**") arising for performance after the time of the said notice ("**Default Exit Time**"),

AND, in the event of the giving of the Offer by the Vendor and the acceptance of the Offer by the Non Defaulting Lead Manager:

- (c) effective at the Default Exit Time, the Defaulting Lead Manager assigns to the Non Defaulting Lead Manager all its rights and obligations under this Agreement and is discharged at the Default Exit Time from all its obligations and liabilities of this Agreement, except to the extent the same accrued before the Default Exit Time, and, for avoidance of doubt, subject to sub-paragraph (d) in relation to fees; and
- (d) the Non Defaulting Lead Manager assumes, receives and takes the benefit of the rights and obligations of the Defaulting Lead Manager under this Agreement on and from the Default Exit Time, including the obligation under clause 2.2 to pay the Sale Price per Vendor Share and the entitlement to fees that would have been payable to the Defaulting Lead Manager if its rights and obligations had not been assigned and assumed in accordance with this clause 9.3,

PROVIDED THAT, in the event of a notice to terminate this Agreement under paragraph (a) or failure of the Non Defaulting Lead Manager to accept the Offer, this Agreement terminates in its entirety without cost or liability of the Vendor (in the event of an Offer being made, as if the Offer were a notice to terminate this Agreement).

9.4 Materiality

The Vendor is not entitled to exercise its termination rights under clause 9.3 unless the relevant breach or default by the Lead Manager or any of its Affiliates:

- (a) has, or would reasonably be expected to have, a material adverse effect on:
 - (i) the outcome or settlement of the Sale; or
 - (ii) the price at which Ordinary Shares in the Company may be sold pursuant to the Sale; or
- (b) would reasonably be expected to give rise to a liability of the Vendor or any of its Affiliates under the Corporations Act or any other applicable law.

9.5 Termination by Lead Manager

- (a) Without limiting clause 9.2, if a Lead Manager (called the "**Terminating Lead Manager**") wishes to rely on a Vendor Default Event to terminate its obligations under this Agreement under clause 9.1, it must promptly after the Vendor Default Event comes to its attention give written notice to:

- (i) the other Lead Manager (called the "**Remaining Lead Manager**"); and
- (ii) the Vendor,

of the Vendor Default Event and its wish to terminate ("**Alert Notice**"). The Remaining Lead Manager must by notice in writing to the Terminating Lead Manager and the Vendor promptly within 2 hours of receipt of the Alert Notice and before the end of the Risk Period either:

- (iii) confirm termination of its obligations under this Agreement, in which case this Agreement will terminate in its entirety under clause 9.1; or
- (iv) elect to assume the rights and obligations of the Terminating Lead Manager arising for performance after the time of the notice given by the Terminating Lead Manager under clause 9.1 of this Agreement ("**Exit Time**"), in which case:
 - (A) effective on the Exit Time, the Terminating Lead Manager assigns to the Remaining Lead Manager all its rights and obligations under this Agreement and is discharged on the Exit Time from all its obligations and liabilities of this Agreement, except to the extent the same accrued before the Exit Time, and, for avoidance of doubt, subject to sub-paragraph (B) in relation to fees; and
 - (B) the Remaining Lead Manager assumes, receives and takes the benefit of the rights and obligations of the Terminating Lead Manager under this Agreement on and from the Exit Time, including the obligation under clause 2.2 to pay the Sale Price per Vendor Share and the entitlement to fees that would have been payable to the Terminating Lead Manager if its rights and

obligations had not been assigned and assumed in accordance with this clause 9.5.

- (b) If the Remaining Lead Manager fails to give a notice under clause 9.5(a) or clause 9.1 the Alert Notice is deemed to be a notice to terminate this Agreement under clause 9.1 and this Agreement is terminated effective on the date of the Alert Notice.

9.6 Effect of termination

Where, in accordance with this clause 9, a party gives a notice to terminate this Agreement:

- (a) this Agreement will immediately terminate in accordance with this clause 9; and
- (b) any entitlements or rights of a party accrued under this Agreement, including the right to be indemnified, up to the date of termination survive.

9.7 Risk Period

For the purposes of this clause 9, the "Risk Period" means the period commencing on the execution of this Agreement and ending at the earlier of:

- (a) 10.00am on the Trade Date; and
- (b) the time of the special crossing (or if more than one special crossing, the occurrence of the first special crossing) of the Vendor Shares referred to in clause 2.2(c)(i).

10. LEAD MANAGERS' RELATIONSHIP

- (a) Unless expressly stated otherwise, an obligation of a Lead Manager under this Agreement (including an obligation to pay) is several and not joint nor joint and several.
- (b) Unless expressly stated otherwise, any reference to the Lead Managers in this Agreement is a reference to the Lead Managers acting separately so that (for example) a representation, warranty or undertaking is given by each of them separately.
- (c) A right of a Lead Manager under this Agreement (including a Lead Manager's right to terminate its obligations or assume the rights and obligations of the other Lead Manager under clause 9.5 of this Agreement) is held by that Lead Manager severally and no Lead Manager may exercise its right, powers and benefits under this Agreement on behalf of another Lead Manager unless expressly provided for by this Agreement.
- (d) Where the consent or approval of a Lead Manager is required under this Agreement, that consent or approval can be obtained from any Lead Manager.

- (e) Nothing contained or implied in this Agreement constitutes a Lead Manager, the partner, agent or representative of the other Lead Manager for any purpose or creates any partnership, agency or trust between them and neither Lead Manager has authority to bind the other in any way. Neither Lead Manager (or its associated Indemnified Parties) is liable for the acts or omissions of or advice given by the other Lead Manager (or its associated Indemnified Parties)

11. MISCELLANEOUS

11.1 Entire agreement

This Agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that matter.

11.2 Governing law

- (a) This Agreement is governed by the laws of New South Wales, Australia.
- (b) Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales (and courts of appeal therefrom), and waives any right to claim that those courts are an inconvenient forum.

11.3 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

11.4 Waiver and variation

A provision of or right vested under this Agreement may not be:

- (a) waived except in writing signed by the party granting the waiver; or
- (b) varied except in writing signed by the parties.

11.5 No merger

The rights and obligations of the parties will not merge on the termination or expiration of this Agreement. Any provision of this Agreement remaining to be performed or observed by a party, or having effect after the termination of this Agreement for whatever reason remains in full force and effect and is binding on that party.

11.6 No assignment

No party may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties.

11.7 Notices

Any notice, approval, consent agreement, waiver or other communication in connection with this Agreement:

- (a) must be in writing signed by a duly authorised representative of the sender;
- (b) will be conclusively taken to be duly given or made when delivered, received or left at the address specified below (or last notified by the intended recipient to the sender), and if the delivery or receipt occurs on a day that is not a Business Day in the place on which the notice is sent or later than 4:00pm (local time) at that place, it will be conclusively taken to have been duly given or made at 9.00am (local time) of the next Business Day in that place; and
- (c) if made to the Vendor or any of its related entities or nominees are to be addressed as follows (or to the address last notified by the Vendor to the Lead Manager):

Shell Energy Holdings Limited
2 Victoria Avenue, Perth WA 6000

Attention: Company Secretary

With a copy to:

Clifford Chance

Level 16, No 1 O'Connell Street

Sydney NSW 2000

Attention: Lance Sacks

- (d) if made to the Lead Manager or any of its related entities or nominees are to be addressed as follows (or to the address last notified by the Lead Manager to the Vendor):

Citigroup Global Markets Australia Pty Limited
Level 23, 2 Park Street
Sydney NSW 2000

Attention: John McLean Attention: General Counsel

and

Goldman Sachs Australia Pty Ltd
Level 17, 101 Collins St
Melbourne, VIC 3000

Attention: General Counsel

11.8 Affiliates

In this Agreement, the term:

- (a) **"Affiliates"** means any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a person;
- (b) **"control"** (including the terms **"controlled by"** and **"under common control with"**) means (other than where used in clause 6.1(g)) the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person, whether through the ownership of securities by contract or agency or otherwise;
- (c) **"person"** is deemed to include a partnership.

11.9 Business Day

In this Agreement, **"Business Day"** means a day on which:

- (a) ASX is open for trading in securities; and
- (b) banks are open for general banking business in Sydney, Australia.

11.10 No Fiduciary Relationship

The Vendor acknowledges and agrees that the Lead Managers have been engaged solely as an independent contractor to provide the services set out in this Agreement. In rendering such services the Lead Managers will be acting solely pursuant to a contractual relationship with the Vendor on an arm's length basis with respect to the Sale (including in connection with determining the terms of the Sale) and will not act as a fiduciary to the Vendor or any other person. Additionally, the Vendor acknowledges that the Lead Managers are not advising the Vendor or any other person as to any legal, tax, accounting or regulatory matters in any jurisdiction, the Vendor must consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and, except as provided by the terms of this Agreement, the Lead Managers will have no responsibility or liability to the Vendor with respect thereto.

11.11 Interpretation

In this Agreement and unless otherwise stated:

- (a) headings and sub-headings are for convenience, only and do not affect interpretation;
- (b) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (c) a reference to "dollars" and "\$" is to Australian currency; and
- (d) all references to time are to Sydney, New South Wales, Australia time.

11.12 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one agreement.

Executed as an agreement

SIGNED on behalf of)
SHELL ENERGY HOLDINGS)
AUSTRALIA LIMITED by its duly)
authorised attorney in the presence of:)

Signature of Attorney

Witness

Print name

Print name

Date

Date

Accepted and agreed to as of the date of this Agreement:

SIGNED on behalf of)
CITIGROUP GLOBAL MARKETS)
AUSTRALIA PTY LIMITED by its duly)
authorised signatories)

Signature of Authorised Signatory

Signature of Authorised Signatory

Print name

Print name

Date

Date

Executed as an agreement

SIGNED on behalf of)
SHELL ENERGY HOLDINGS)
AUSTRALIA LIMITED by its duly)
authorised attorney in the presence of:)

Signature of Attorney

Witness

Print name

Print name

Date

Date

Accepted and agreed to as of the date of this Agreement:

SIGNED on behalf of)
CITIGROUP GLOBAL MARKETS)
AUSTRALIA PTY LIMITED by its duly)
authorised signatories)



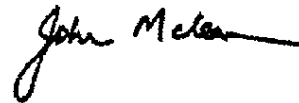
Signature of Authorised Signatory

Philip Graham

Print name

17 / 6 / 2014

Date



Signature of Authorised Signatory

JOHN MCLEAN

Print name

17/06/14

Date

SIGNED on behalf of
GOLDMAN SACHS AUSTRALIA PTY
LTD by its duly authorised attorneys

)
)
)
)
)




Signature of Attorney

Sam Wain

Print name

17 June 2014

Date



Signature of Attorney

SARAH RENNIE

Print name

17 JUNE 2014

Date

Schedule 1 – Lead Manager’s Respective Proportions

Each Lead Manager’s Respective Proportions are as follows:

Lead Manager	Respective Proportions
CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED	50%
GOLDMAN SACHS AUSTRALIA PTY LTD	50%

Schedule 2 – Foreign Jurisdictions and Selling Restrictions

As at the date of the Block Trade Agreement, no action has been taken to register or qualify the Vendor Shares or the Sale or to otherwise permit a public offering of the Vendor Shares outside Australia.

The Sale does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The Vendor Shares may be offered in a jurisdiction outside Australia where such offer is made in accordance with the laws of that jurisdiction.

Each purchaser of Vendor Shares under the Sale ("**Purchaser**") will be deemed to have acknowledged that it is aware of these foreign selling restrictions set out in this document and to have represented and warranted that it is able to apply for and acquire the Vendor Shares in compliance with those restrictions.

All capitalised terms not otherwise defined in this document have the meanings set out in the Block Trade Agreement.

(a) United Kingdom

The document is only being distributed to and is only directed at (i) persons outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), or (iii) persons falling within Article 49(2)(a) to (d) of the Order, or other persons to whom the Sale may lawfully be communicated (such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

(b) New Zealand

No action has been taken to permit the Sale to be made to the public in New Zealand under the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008 (New Zealand). Consequently, the only persons in New Zealand to whom Vendor Shares may be offered under the Sale are persons who meet the requirements of section 3(2)(a) and/or section 5(2CC) of the Securities Act 1978 (New Zealand).

(c) Hong Kong

The Vendor Shares may not be offered or sold in Hong Kong other than to persons who are "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and the Securities and Futures (Professional Investor) Rules made thereunder or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Further, no person may issue any invitation, advertisement or other document relating to the Vendor Shares whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Vendor Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules made thereunder.

No document may be distributed, published or reproduced (in whole or in part), disclosed by or to any other person in Hong Kong or to any person to whom the offer of sale of the Vendor Shares would be a breach of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Securities and Futures Ordinance.

(d) Singapore

No prospectus relating to the Vendor Shares has been registered with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and accordingly, the Vendor Shares may not be offered or sold, nor may the Vendor Shares be the subject of an invitation for subscription or purchase, nor may any document or material in connection with the offer or sale, or invitation for subscription or purchase of the Vendor Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 272(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275 (1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Vendor Shares are acquired by persons who are relevant persons specified in Section 276 of the SFA, namely:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Vendor Shares pursuant to an offer made under Section 2275 of the SFA except:

- (1) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such Vendor Shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for

corporations, in accordance with the conditions specified in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276 (7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

(e) China

The Sale does not constitute a public offer of the Vendor Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) (the "PRC"). The Vendor Shares may not be offered or sold directly or indirectly in the PRC. No document nor the Vendor Shares have been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Vendor Shares in the PRC.

The Vendor Shares may only be invested in by the PRC investors that have been approved by the relevant PRC government authorities to engage in the investment in the Vendor Shares of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking Regulatory Commission, and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

(f) Taiwan

The Vendor Shares have not been and will not be registered with the Financial Supervisory Commission of the Republic of China (also known as Taiwan) pursuant to relevant securities laws and regulations and may not be sold, issued, placed or offered within Taiwan through a public offering or private placement or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, privately placed or give advice regarding or otherwise intermediate the offering and sale of the Vendor Shares in Taiwan.

(g) The Netherlands

The Vendor Shares will not be offered or sold, directly or indirectly, in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, other than exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Vendor Shares shall require the Vendor or the

Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purposes of this provision, the expressions (i) an "offer of Vendor Shares to the public" in The Netherlands in relation to any Vendor Shares; and (ii) "Prospectus Directive", have the meaning given to them below in the section entitled "European Economic Area"

(h) Germany

The Vendor Shares are neither registered for public distribution with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "BaFin") according to the German Capital Investment Act (*Kapitalanlagegesetzbuch*) nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the German Investment Products Act (*Vermögensanlagegesetz*) has been approved by or notified to BaFin and published. Consequently, the Vendor Shares may not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this document and any other document relating to the Vendor Shares, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for purchase or subscription of the Vendor Shares to the public in Germany or by any other means of public marketing. Any resale of the Vendor Shares in Germany may only be made in accordance with the German Securities Prospectus Act, German Investment Products Act, German Capital Investment Act and any other applicable laws in Germany governing the sale and offering of securities. No view on taxation is expressed. Prospective investors in Germany are urged to consult their own tax advisers as to the tax consequences that may arise from an investment in the Vendor Shares.

(i) France

The Vendor Shares may only be offered or sold, directly or indirectly in the Republic of France, to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, articles L. 411-1, L. 411-2, D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier (*Monetary and Financial Code*); neither any document, nor any information contained therein or any offering material relating to the Vendor Shares, may be distributed or caused to be distributed to the public in France.

No document has been submitted to the clearance procedure of the French *Autorité des marchés financiers*. In the event that the Vendor Shares, thus purchased or subscribed to by such investors listed above, are offered or resold, directly or indirectly, to the public in France, the conditions relating to public offerings set forth in Articles L. 411-1, L.411-2, L.412-1 and L. 621-8 to L.621-8-3 of the Monetary and Financial Code and applicable regulations thereunder shall be complied with.

(j) Japan

The Vendor Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and, accordingly, each Purchaser undertakes that it will not offer or sell any Vendor Shares directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-

offering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

(k) Ireland

The Sale does not constitute an offer of transferable securities to the public in Ireland and has not been approved or examined by and will not be filed with the Central Bank of Ireland. The Vendor Shares may be offered to the public in Ireland at any time under the following exemptions under the Prospectus (Directive 2003/71/EC) Regulations 2005 as amended by the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012 and the Prospectus (Directive 2003/71/EC) (Amendment) (No. 2) Regulations 2012 (the "Irish Prospectus Regulations"):

- (i) an offer of securities addressed solely to qualified investors (as defined in the Irish Prospectus Regulations);
- (ii) an offer of securities addressed solely to fewer than 150 natural or legal persons (other than qualified investors, as defined in the Irish Prospectus Regulations), subject to obtaining the prior written consent of the Vendor for any such offer; and
- (iii) in any other circumstances falling within Regulation 9(1) of the Irish Prospectus Regulations,

provided that no such offer of Vendor Shares shall result in a requirement for the publication of a prospectus pursuant to Regulation 12 of the Irish Prospectus Regulations.

(l) Norway

The Sale has not been approved by, or registered with, any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, neither this document nor any other offering material relating to the Vendor Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The Vendor Shares may not be offered or sold, directly or indirectly, in Norway except:

- (a) in respect of an offer of Vendor Shares addressed to investors subject to a minimum purchase of Vendor Shares for a total consideration of not less than €100,000 per investor, or in respect of Vendor Shares whose denomination per unit amounts to at least €100,000;
- (b) to "professional investors" as defined in section 7-1 of the Norwegian Securities Regulation of 29 June 2007 no. 876;
- (c) to fewer than 150 natural or legal persons in the Norwegian securities market (other than "professional investors" as defined in section 7-1 of the Norwegian Securities Regulation of 29 June 2007 no. 876);
- (d) in any other circumstances provided that no such offer of Vendor Shares shall result in a requirement for the registration, or the publication by the Vendor or the Lead

Manager of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

(m) Switzerland

No Switzerland specific selling restrictions required for the proposed offer.

(n) United Arab Emirates

This document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose.

By receiving this document the person or entity to whom it has been issued understands, acknowledges and agrees that this document has not been approved by or filed with the UAE Central Bank, the Emirates Securities and Commodities Authority ("SCA") or any other authorities in the UAE, nor has the placement agent, if any, received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE.

No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or investments may or will be consummated within the UAE.

It should not be assumed that the placement agent, if any, is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that it advises individuals resident in the UAE as to the appropriateness or investing in or purchasing or selling securities or other financial products. The Vendor Shares may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1994 (as amended) or otherwise.

(o) European Economic Area

In each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer of Vendor Shares to the public requiring the publication of a prospectus in any Relevant Member State. As a result, the Vendor Shares may only be offered in Relevant Member States:

- (i) to any legal entity which is a qualified investor as defined in the Prospective Directive;
- (ii) by the Lead Manager to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), subject to obtaining the prior consent of the Vendor for any such offer; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Vendor Shares shall result in a requirement for the publication by the Vendor or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Vendor Shares to the public" in relation to any Vendor Shares in any Relevant Member State means any communication in any form and by any means, presenting sufficient information on the terms of the Sale and any Vendor Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Vendor Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

This selling restriction supplements the other selling restrictions applicable in the Member States which have implemented the Prospectus Directive.

Definitions:

"Prospectus Directive": means the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented or having direct effect in the Relevant Member State).

"2010 PD Amending Directive": means the Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

"Member State": means a member state of the European Economic Area (or a member state of the European Union as regards the EU Savings Directive).

(p) Canada

The Vendor Shares are only offered in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**") and only to persons that are "accredited investors" within the meaning of National Instrument 45-106 - Prospectus and Registration Exemptions or "permitted clients" within the meaning of National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registration Exemptions, as the case may be.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon any document relating to the Sale, the merits of an investment in the Vendor Shares or the offering of the Vendor Shares and any representation to the contrary is an offence.

Prospective purchasers of the Vendor Shares should consult their own tax adviser with respect to the tax consequences of the acquisition, holding, or disposition of the Vendor Shares.

Purchasers should also consult their own advisors with respect to the resale of Vendor Shares under applicable law.

(q) Belgium

Belgium has implemented the Prospectus Directive and section (o) headed "European Economic Area" is applicable.

(r) Italy

The offering of the Vendor Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Lead Manager has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Vendor Shares in the Republic of Italy in an offer to the public and that sales of the Vendor Shares in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Lead Managers has represented and agreed that it will not offer, sell or deliver any Vendor Shares or distribute copies of this document and any other document relating to the Vendor Shares in the Republic of Italy except:

- (1) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and defined in Article 34-ter, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**") or
- (2) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Vendor Shares or distribution of copies of this document or any other document relating to the Vendor Shares in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Vendor Shares in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Vendor Shares are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Vendor Shares who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Vendor Shares were purchased, unless an exemption provided for under Decree No. 58 applies.

(s) Sweden

The distribution of the Sale is not an offer to sell or a solicitation to any person in Sweden to buy the Vendor Shares and may not be forwarded to any other person or to the public in Sweden. This Sale has not been and will not be registered with or approved by the Swedish Financial Supervisory Authority (Finansinspektionen), pursuant to the Swedish Financial

Instruments Trading Act (1991 :980, as amended) (the "Swedish Financial Instruments Trading Act"). Accordingly, this Sale may not be made available, nor may the Vendor Shares otherwise be marketed and offered for sale in Sweden, other than to qualified investors (as defined in the Swedish Financial Instruments Trading Act) or under any other circumstances which do not require the publication by either the issuer or the seller of a prospectus pursuant to the Swedish Financial Instruments Trading Act.

