2014 half-year results briefing

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Peter Coleman

CEO and Managing Director

20 August 2014

Disclaimer and important notice

This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or $ in this presentation are to US currency, unless otherwise stated.

References to “Woodside” may be references to Woodside Petroleum Ltd. or its applicable subsidiaries.

Key achievements

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Operations
- Record first half production of 46.5 MMboe
- 2014 production target range increased to 89 - 94 MMboe
- Productivity improvement initiatives delivering results

Development
- Browse FLNG on track for our FEED entry decision in 2H 2014

Exploration
- Expanded exploration acreage in Myanmar and, subsequent to the half-year, in Morocco, Tanzania and Gabon
- Recommenced Australian exploration with Toro-1 well a gas discovery. Currently drilling an Outer Canning well targeting multi-Tcf, in a frontier basin

People
- TRIR[1] improved 49% from 1H 2013

Marketing
- New LNG contracts signed with Chubu and KOGAS
- Binding LNG SPA signed with Cheniere Energy[2] subsequent to the half-year

Portfolio Management
- Exited Gulf of Mexico and did not proceed with Leviathan opportunity

Issued Capital
- Executed agreement with Shell to sell-down 9.5% of issued capital

1. *Refers to total recordable injury rate (TRIR) per million hours worked, which reduced to 1.8 (1H 2014) from 3.6 (1H 2013)*
2. *Purchase remains subject to conditions precedent*

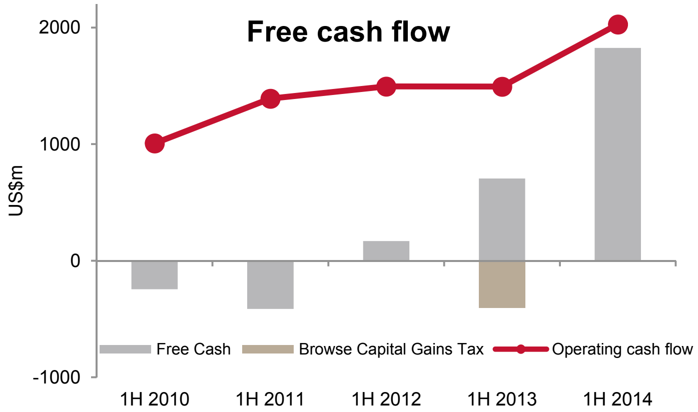
Financial headlines

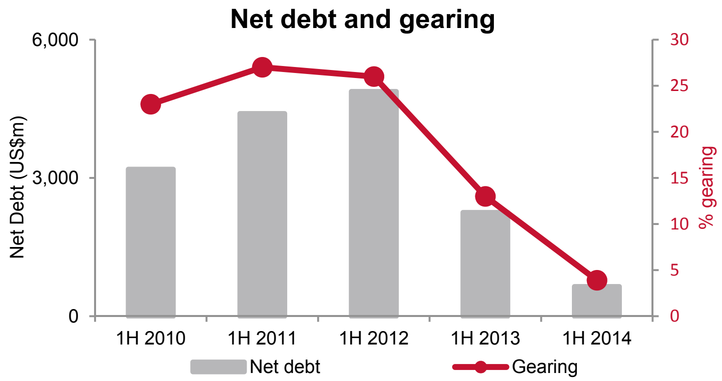
Record first half financial results, with increased reliability and realised prices

- Record operating revenue of $3,551 million, up 24%
- Record reported Net Profit after Tax of $1,105 million, up 27%
- Record underlying Net Profit after Tax of $1,136 million, up 33%
- Record underlying earnings of US138 cents per share, up 33%
- Record interim dividend of US111 cents per share, up 34%
- Positive free cash flow of $1,825 million, up 158%
- Net debt of $623 million, down 72%
- Gearing of 3.9%, down from 13.0%

Note: Percentage change relative to 1H 2013

Strong balance sheet, well positioned for growth





- Strong operational performance delivers
  - Significant free cash flow
  - Balance sheet and liquidity to fund growth
- Prioritise capital to maximise shareholder wealth
  - A sustained peer-leading dividend pay-out
  - ‘Value creating’ growth
  - Return capital as appropriate

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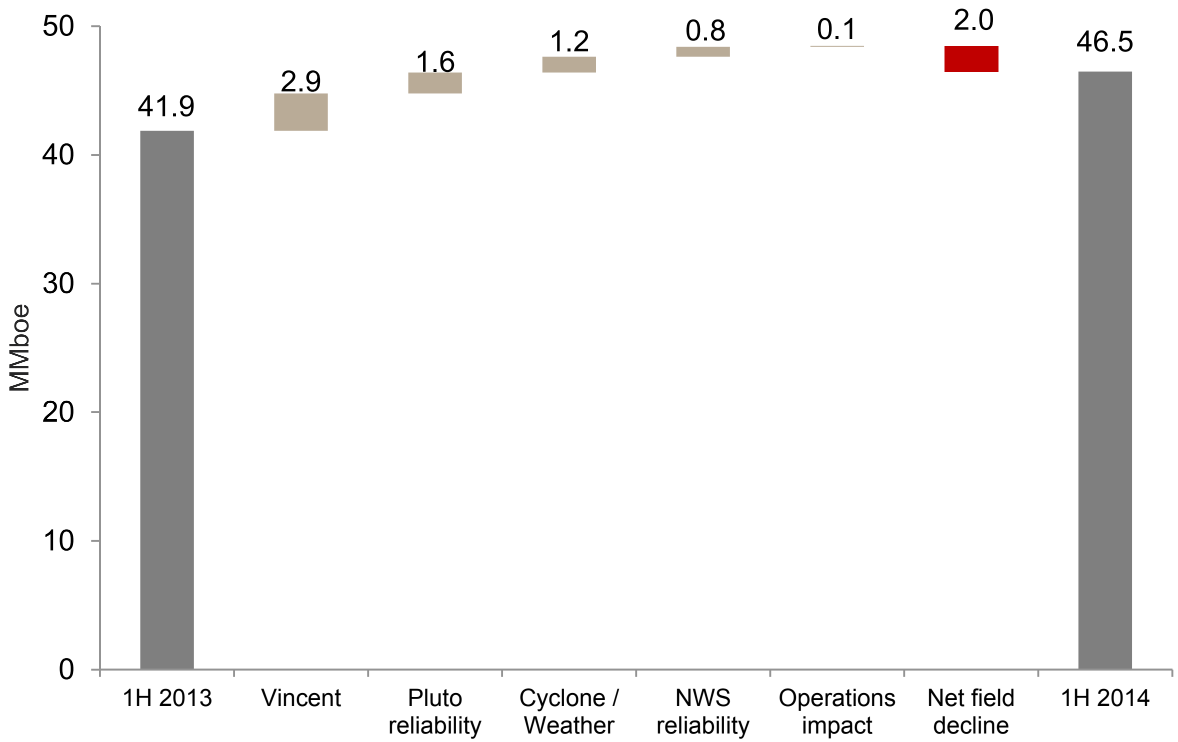
Financial Results

Lawrie Tremaine
Chief Financial Officer

Production

Record first half production of 46.5 MMboe – up 11%



Gains from:

- Full half-year of production from the Vincent FPSO
- Higher reliability at Pluto and NWS
- Reduced cyclone impact across all our assets

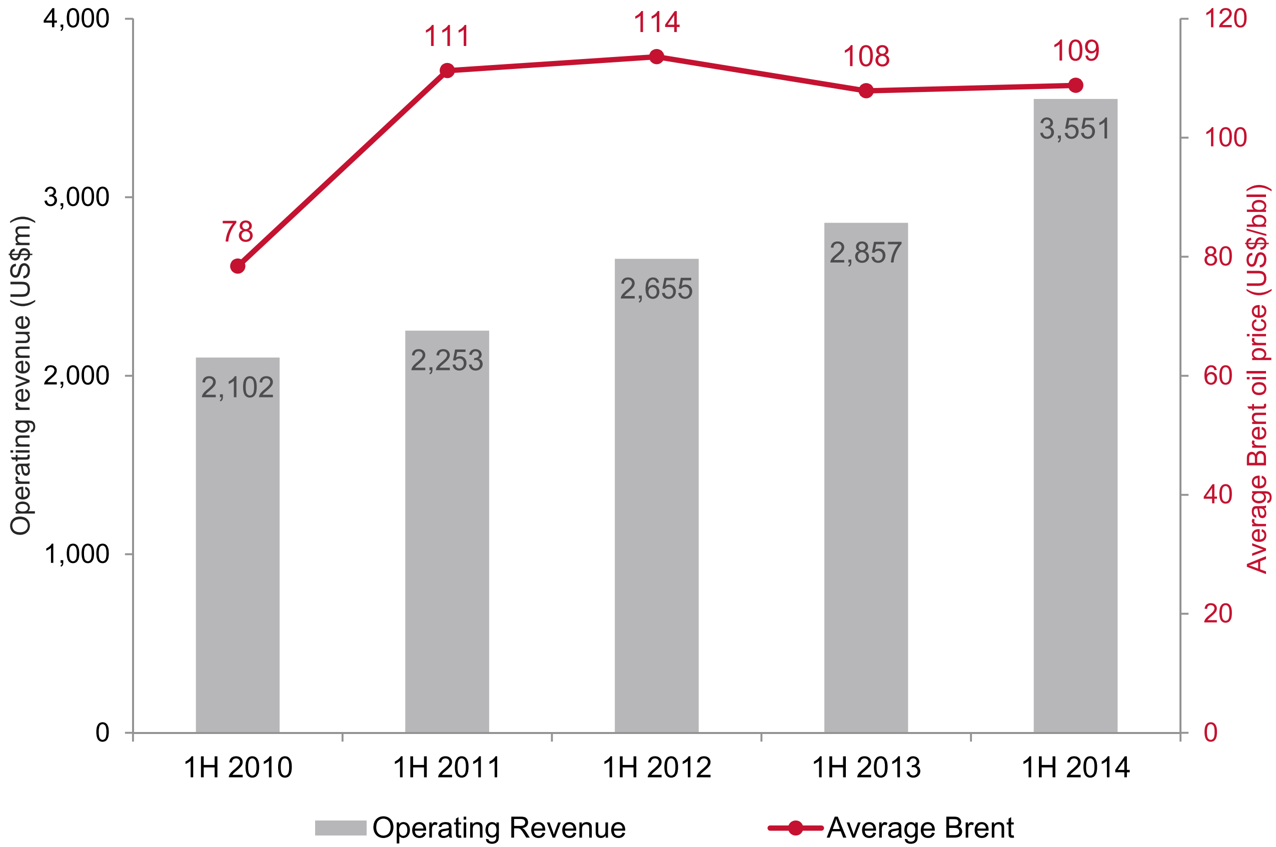
Partially offset by:

- Net field decline

Note: Operations impact includes changes in maintenance, reliability, divestments and any other change not mentioned in the chart above

Operating revenue

Record first half revenue of $3,551 million – up 24%

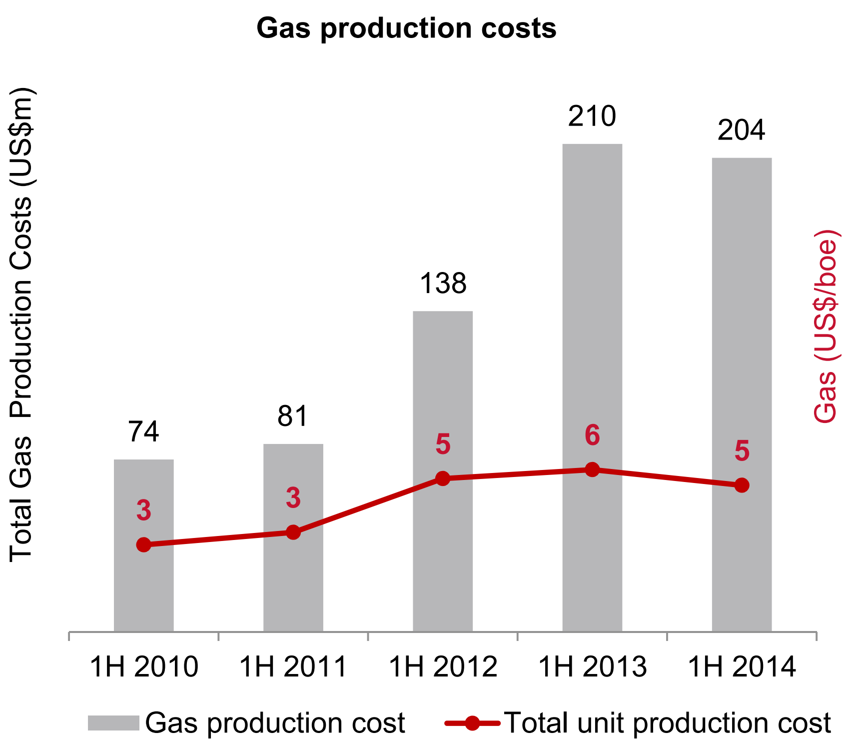


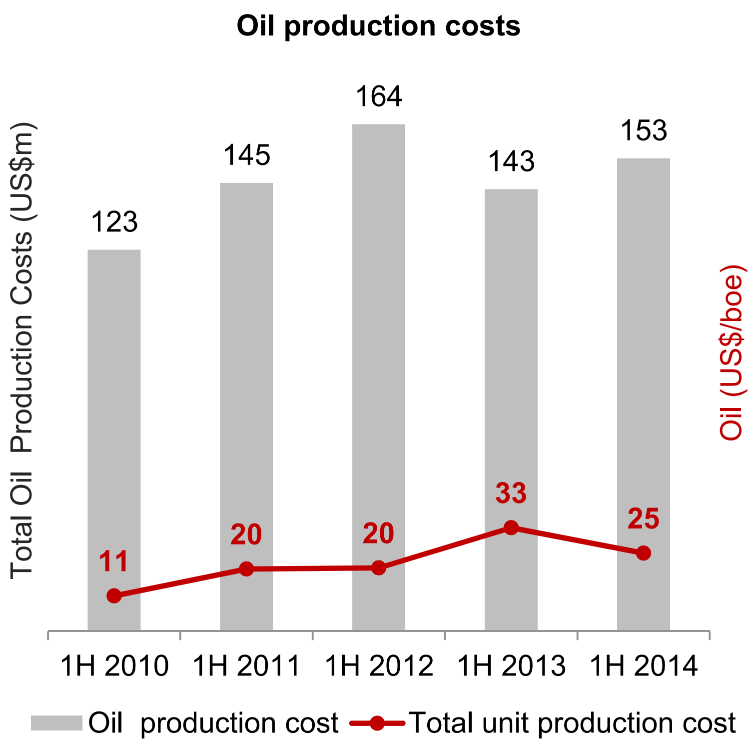
Increased revenue from:

- Pluto LNG pricing: $309 million
- Vincent production: $273 million
- Trading revenue: $107 million
- Pluto LNG volumes: $88 million

Unit production costs

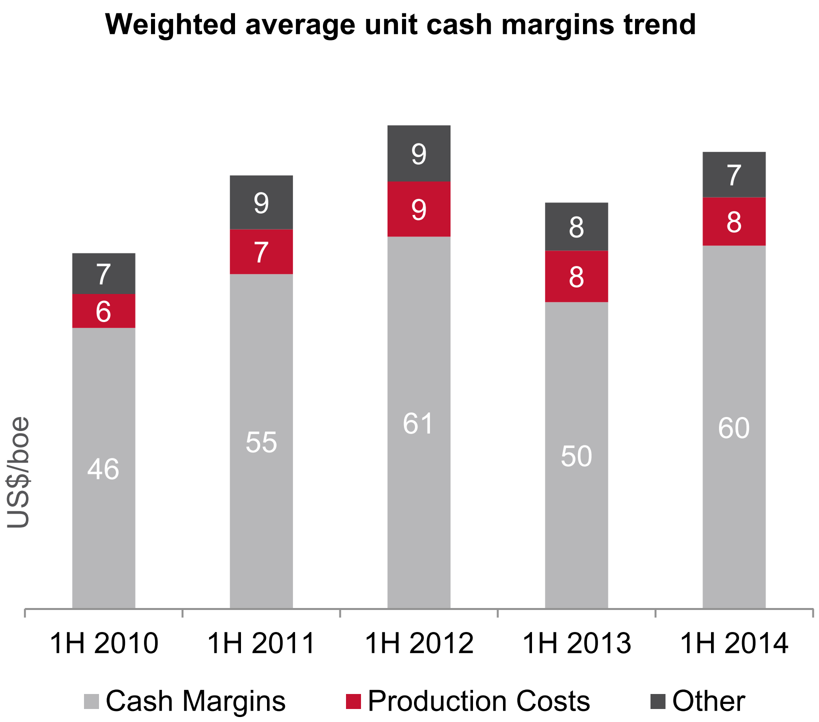
Unit production costs lower due to Pluto spend reduction and Vincent production

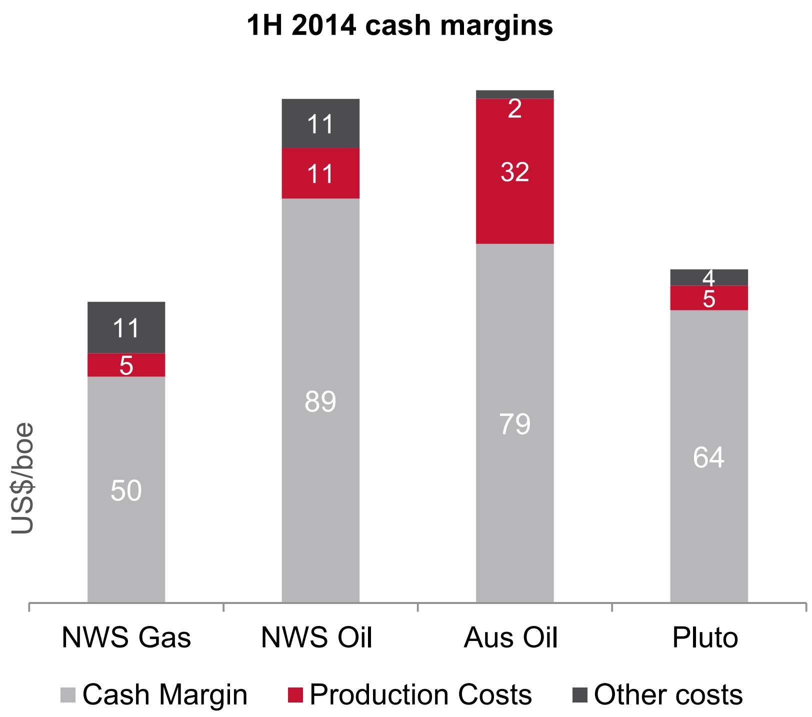




Cash margins

Unit cash margins increase with higher realised Pluto pricing and Vincent production

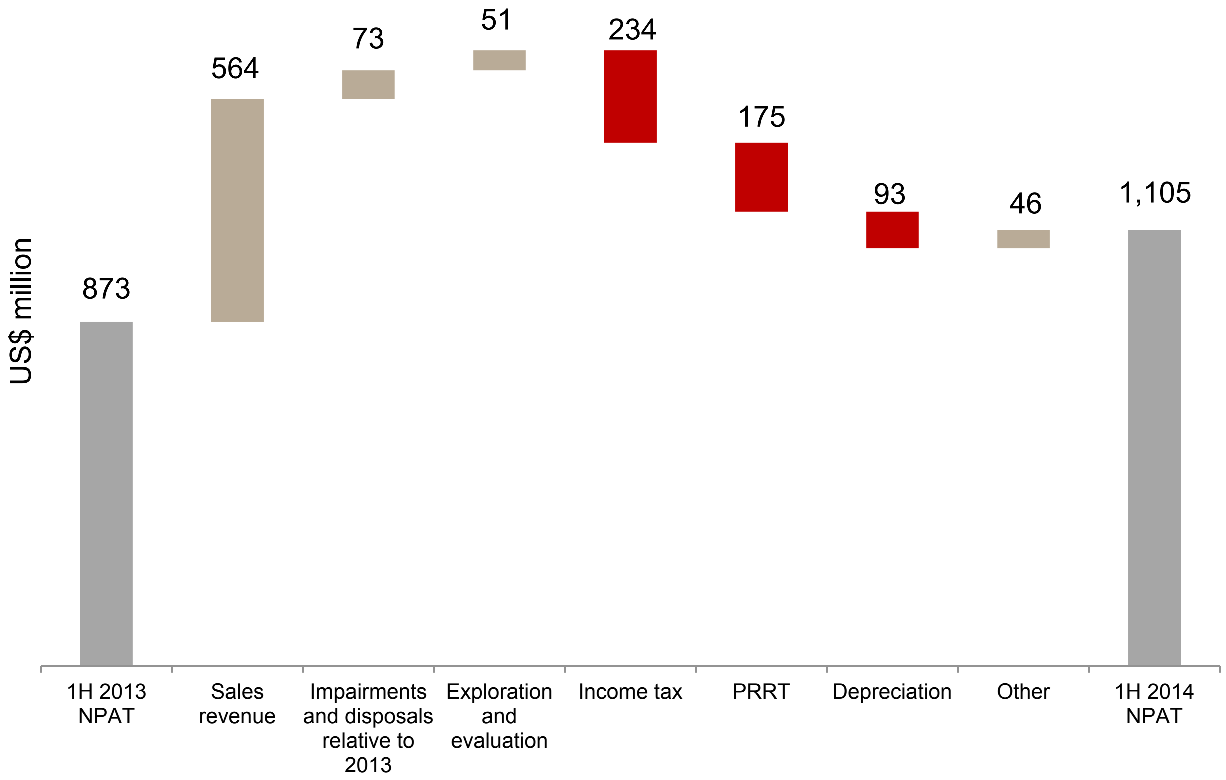




Note: Other includes royalty and excise, shipping and direct sales costs, carbon costs and insurance
NWS Gas includes LNG, LPG, pipeline natural gas and condensate
Pluto includes LNG and condensate

Reported profit

Record first half reported profit of $1,105 million up 27% on 1H 2013

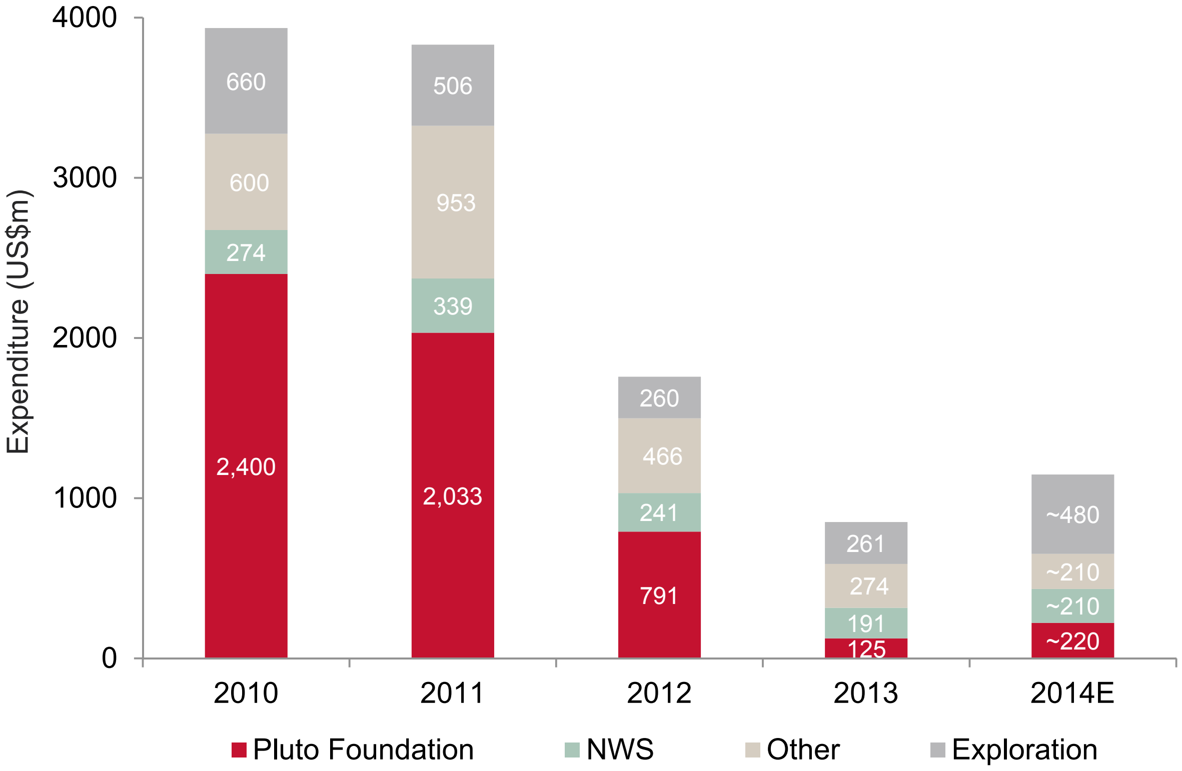


- Increased sales revenue predominantly due to Pluto pricing and reliability and Vincent production
- No impairments in 1H 2014, partially offset by a charge to expense recognised for disposal of assets and permits
- Increased income tax reflects higher profit before tax
- Higher PRRT due to higher operational profits
- Increased depreciation with Vincent full half-year, addition of NR2 and higher Pluto production

1. Other represents the balance of all other income statement items not specifically mentioned

Investment expenditure

Investment in exploration is increasing as we execute our strategy



1. *Other includes Australia Oil, Browse, International, Sunrise and Corporate*
2. *Chart includes capital and all exploration expenditure less capitalised interest*
3. *All figures are Woodside share*

Pluto ~ $220 million

- Xena development costs ~ $150m and sustaining capex ~ $20m

NWS ~ $210 million

- Greater Western Flank and Persephone ~ $110m and sustaining capex ~ $70m

Other ~ $210 million

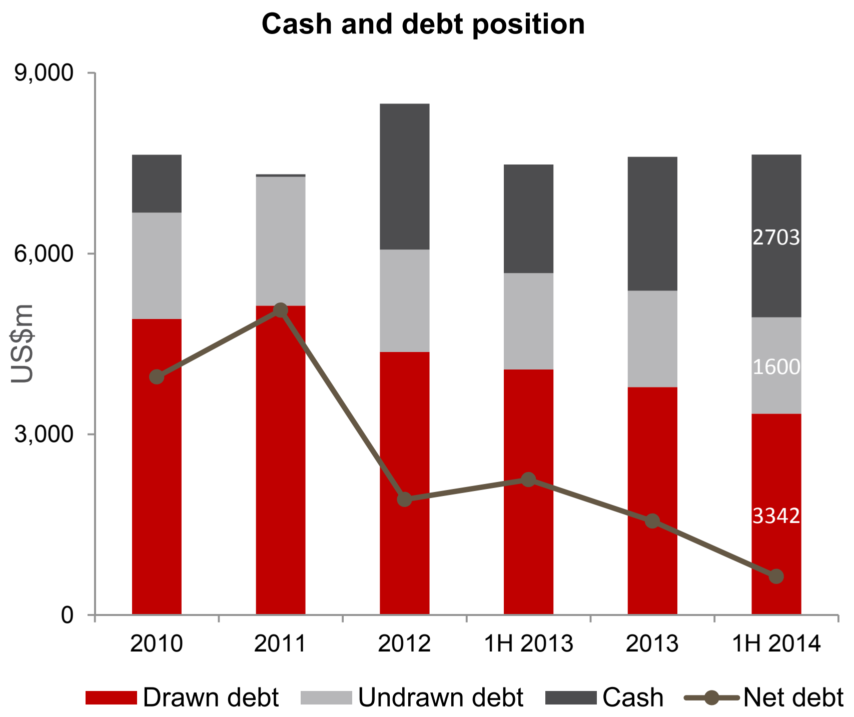
- Browse, Vincent Phase IV and Greater Enfield make up the majority of other

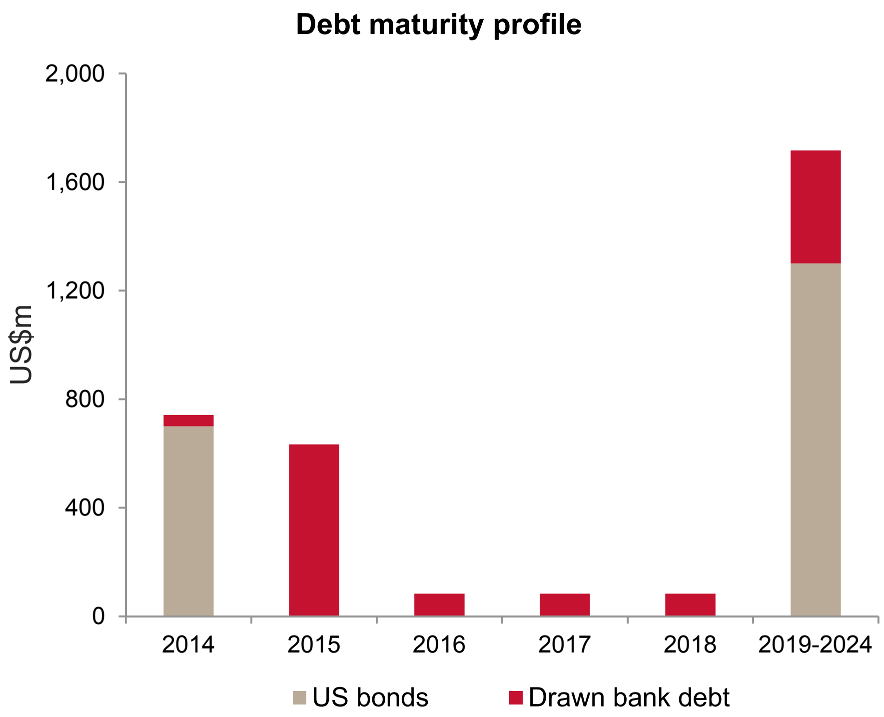
Exploration ~ $480 million

- Includes new country entries
- Drilling and seismic activities - refer to slide 27

Liquidity

$2.7 billion in cash and $1.6 billion in undrawn facilities available to fund growth





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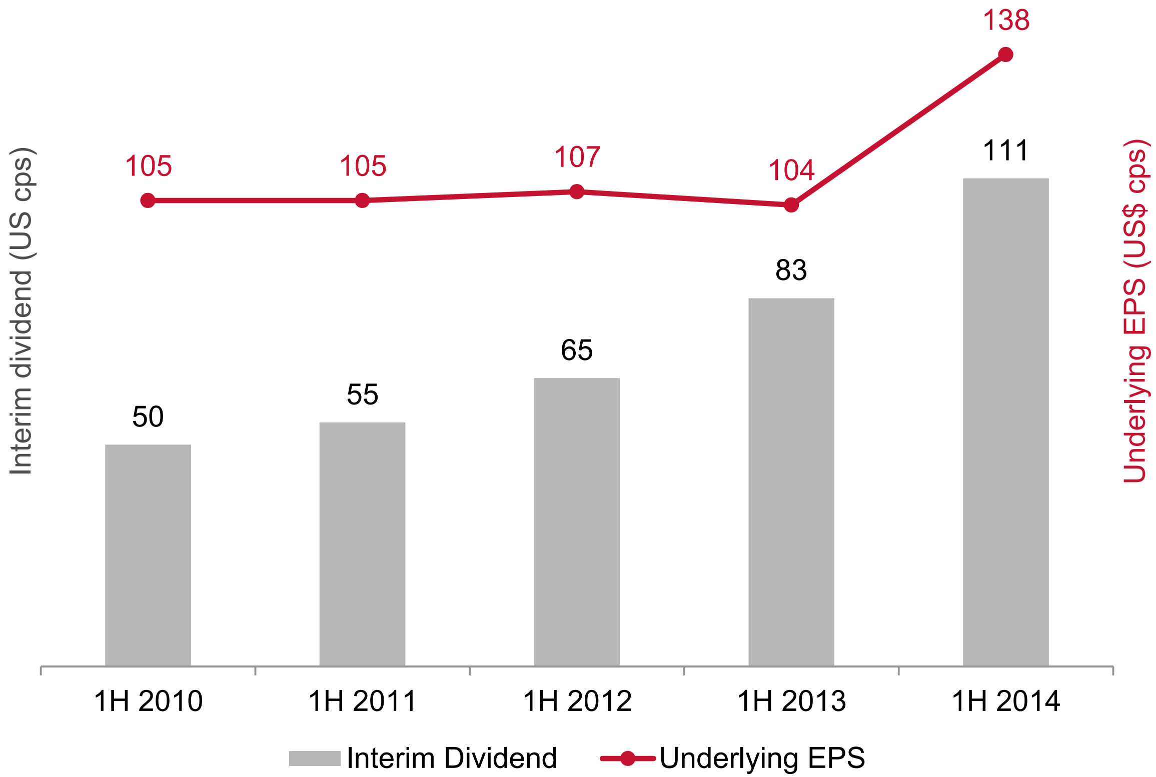
Dividend

Record first-half EPS gives rise to a record US111 cent fully franked interim dividend



- 80% payout ratio continues
- Dividend calculation is based on the underlying profit of $1,136 million

Segment performance

All business units perform strongly

Business Unit performance

		NWS[1]	Pluto	Aus Oil
Production volume	(MMboe)	22.6	19.3	4.3
Operating revenue	($million)	1,512	1,436	473
EBITDA	($million)	1,151	1,295	329
EBIT	($million)	1,006	892	197
Unit production cost	($/boe)	5	5	31
Gross margin	(%)	66	62	46

- NWS contributes 43% of total operating revenue
- Pluto EBIT represents 47% of total EBIT
- Australia Oil gross margin increased with the re-start of Vincent

1. *North West Shelf gas and oil combined*

Product pricing

Increased volume weighted average realised pricing from increased oil and LNG re-pricing

Average realised price

All in US$/boe	1H 2014	1H 2013	Variance
NWS LNG	76.64	77.86	(1.22)
Pluto LNG	69.54	51.12	18.42
Pipeline natural gas	30.59	26.80	3.79
Condensate	107.73	103.93	3.80
LPG	107.73	102.47	5.26
Oil	111.02	109.75	1.27
Volume weighted average realised prices	**75.02**	**66.70**	**8.32**

- Pluto realised pricing increased 36% as foundation customer contracts transitioned to second period pricing
- Approximately half of Pluto volumes in 1H 2014 were sold under first period pricing terms
- The full impact of second period pricing on Pluto volumes will take effect in 2H 2014

Consensus

1H 2014 profit and dividend in line with consensus

	US$m
Consensus Reported Net Profit after Tax	1,114
Woodside Reported Net Profit after Tax	1,105
Variance	(9)
Consensus underlying Net Profit after Tax	1,128
Woodside underlying Net Profit after Tax	1,136
Variance	8

	US cents per share
Consensus 1H dividend	109
Woodside 1H dividend	111
Variance	2

- NPAT and dividend result is consistent with market expectations
- The underlying NPAT equates to earnings of 138 cents per share

Underlying NPAT reconciliation

Loss on disposal of Gulf of Mexico assets added back to underlying NPAT

	1H 2014 MMboe	1H 2013 MMboe	Variance %
Production volume	46.5	41.9	11.0
Sales volume	44.7	41.8	6.9
	US$m	**US$m**	**Variance %**
Sales revenue	3,354	2,790	20.2
Operating revenue	3,551	2,857	24.3
EBITDAX[1]	**2,736**	**2,033**	**34.6**
Exploration and evaluation expensed	(146)	(197)	(25.9)
Depreciation and ammortisation	(703)	(610)	15.2
EBIT[2]	**1,887**	**1,226**	**53.9**
Net finance revenue/(costs)	(89)	(85)	4.7
Petroleum resource rent tax expense	(89)	86	n.m. [4]
Income tax expense	(560)	(326)	71.8
Total taxes	(649)	(240)	n.m. [4]
Non-controlling interest[3]	(44)	(28)	57.1
Reported NPAT (including non-recurring items)	**1,105**	**873**	**26.6**
(Deduct)/add back non-recurring items:			
Gain on disposal of Mutineer Exeter		(21)	n.m. [4]
Loss on disposal of Woodside USA assets	31		n.m. [4]
Underlying NPAT[5] (excluding non-recurring items)	**1,136**	**852**	**33.3**

1. *EBITDAX = earnings before interest, tax, depreciation, amortisation, exploration and evaluation (includes non-recurring items)*
2. *EBIT = earnings before interest and tax (includes non-recurring items)*
3. *Non-controlling interests represents the 10% of profit attributable to minority interests associated with Pluto operations*
4. *n.m. = not meaningful*
5. *The underlying (non-IFRS) NPAT is unaudited but is derived from auditor reviewed accounts by removing the impact of non-recurring items from the reported (IFRS) auditor reviewed profit*

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Development updates

Peter Coleman
CEO and Managing Director

Browse FLNG development

Browse development moves closer to FEED

- Basis of design (BOD) studies nearing completion to mature design parameters and enable optimal development
- Our FEED entry decision 2H 2014
- FID target 2H 2015

2013

- ✓ Development concept selected
- ✓ Enter BOD
- ✓ BOD contracts awarded
- ✓ Submit EPBC Act referral

2014

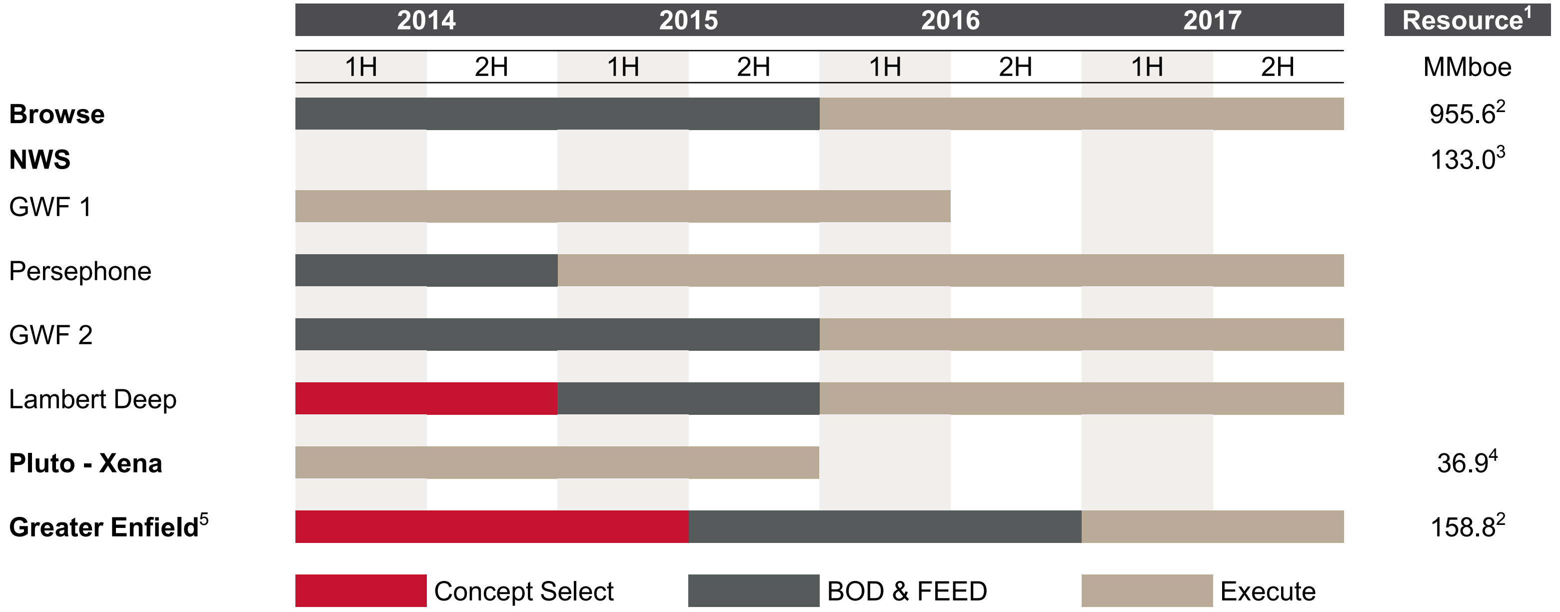
- ✓ Australian Industry Participation Plan approved
- ✓ Apply for retention leases renewals
- ☐ Draft Environmental Impact Statement and associated studies complete
- ☐ Complete BOD and enter FEED
- ☐ Preliminary Field Development Plan submitted
- ☐ Offtake key terms agreements

2015

- ☐ Final FDP and EIS approvals
- ☐ Complete tender evaluation and assurance
- ☐ Complete Social Impact Management Plans
- ☐ Complete FEED
- ☐ EPCI contractors in place
- ☐ Offtake Sale and Purchase Agreements
- ☐ FID decision

Development pipeline

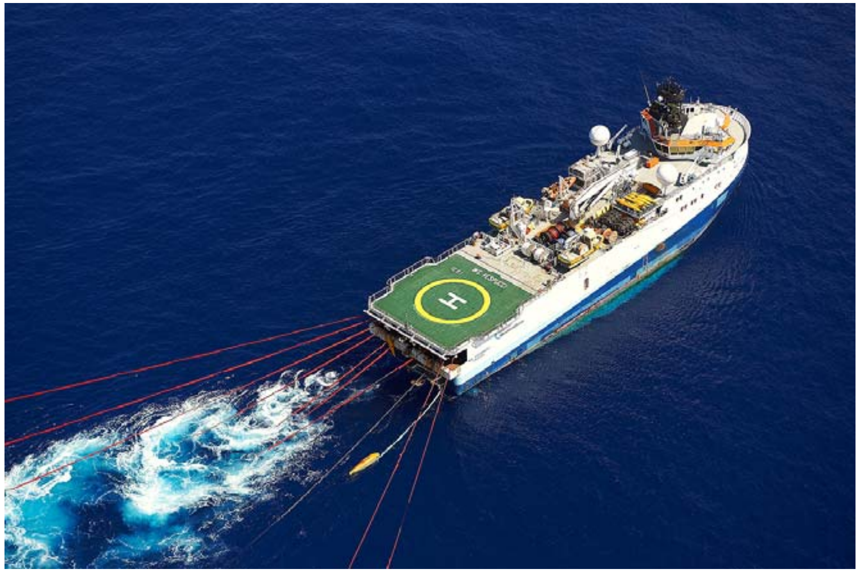
Development projects are progressing to plan



1. *Woodside share at 31 December 2013*
2. *Contingent resource*
3. *2P - Reserves - NWS Development over the next 5 years includes GWF 1, Persephone, GWF 2 and Lambert Deep*
4. *2P Reserves*
5. *Greater Enfield seeks to aggregate undeveloped resources in the Exmouth sub-basin, through maximising existing infrastructure. Development opportunities for Greater Enfield continue to be evaluated.*

Global exploration achievements

Exploration activities executed across the portfolio in 1H 2014



WG Vespucci Seismic Survey Vessel used for the Fortuna 3D

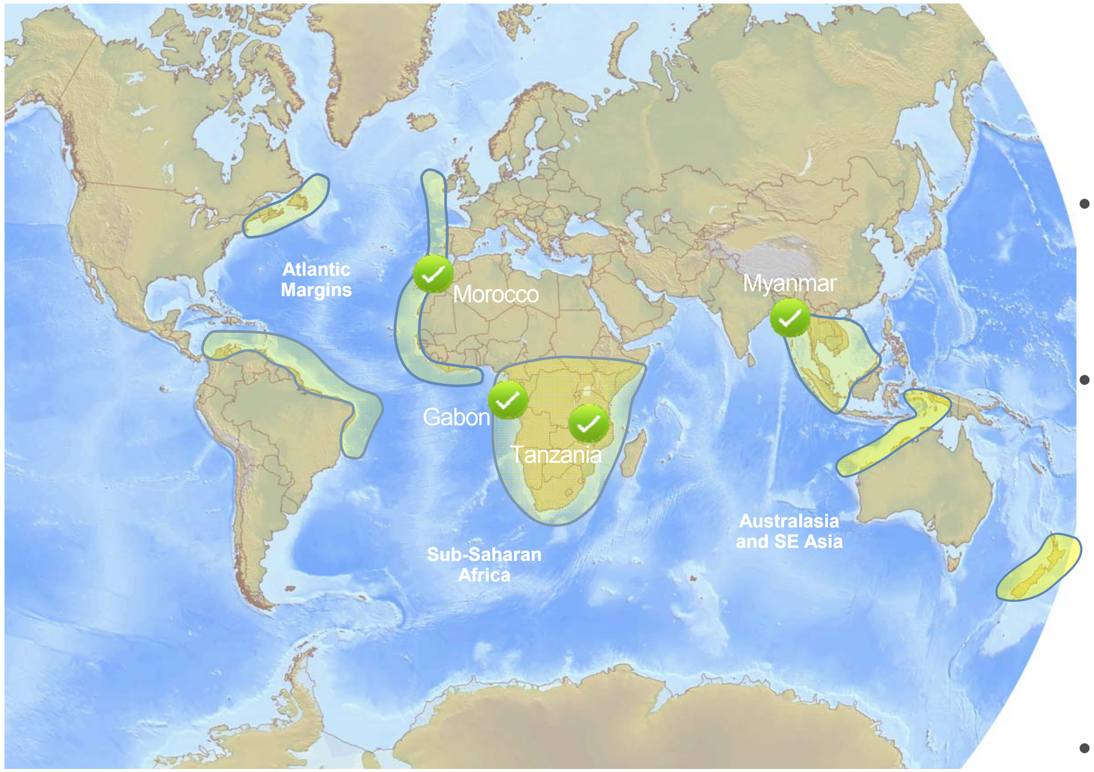
- Four 3D marine seismic surveys completed in Australia:
  - NWS Fortuna – targeting 2016 drill ready prospects for NWS back-fill
  - Centaurus (Exmouth sub-basin) – gas potential in established hydrocarbons province
  - Babylon (Exmouth sub-basin) – targeting material gas volumes with additional oil potential
  - Lord (Browse basin) – multi-Tcf gas potential
- Korea Muneo 3D seismic completed – prospect specific 3D ahead of possible future well
- Myanmar 3D seismic complete on Block AD7 – gas potential

Subsequent to the end of the half-year:

- Toro-1 well gas discovery announced in Exmouth sub-basin WA-430-P
- Outer Canning drilling commenced – targeting multi-Tcf potential, in frontier basin

Executing global exploration growth

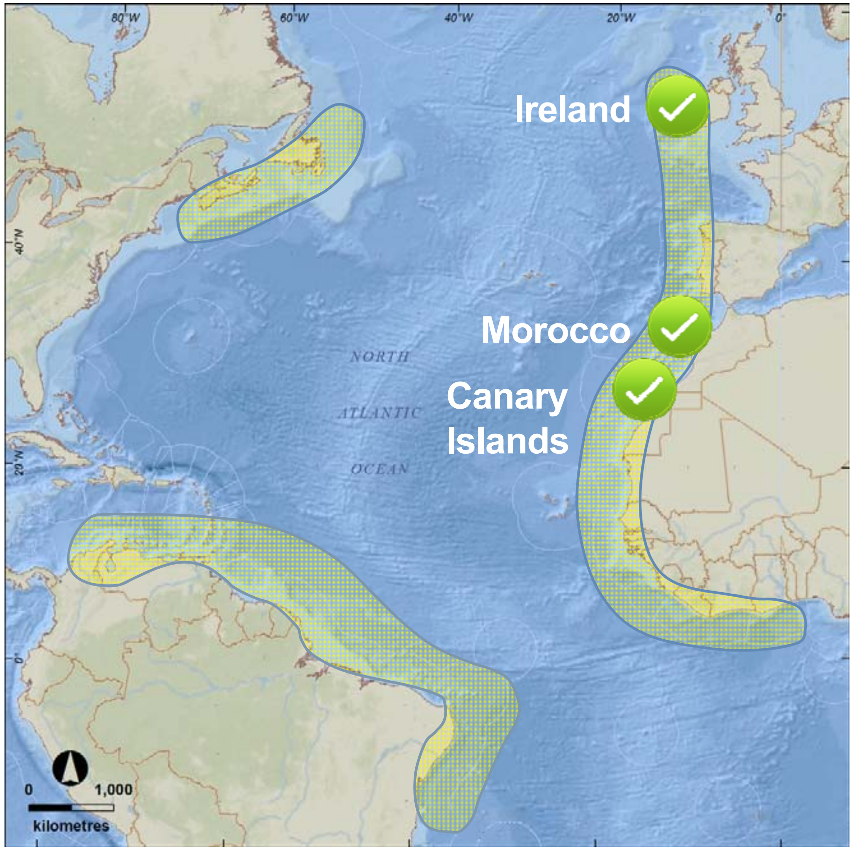
New country entries evidence the re-balancing and growth of our exploration portfolio



- During 1H 2014, we were awarded four new blocks in Myanmar's Rakhine basin, adding to our existing acreage position
- Subsequent to the end of the half, we acquired new exploration acreage in Morocco, Tanzania and Gabon
- The acquisition of exploration acreage in Sub-Saharan Africa, the Atlantic Margin and Australasia aligns with our strategy to secure new international growth opportunities in frontier and emerging basins characterised by materiality and quality
- Underpinned by a disciplined approach to studying regional petroleum systems

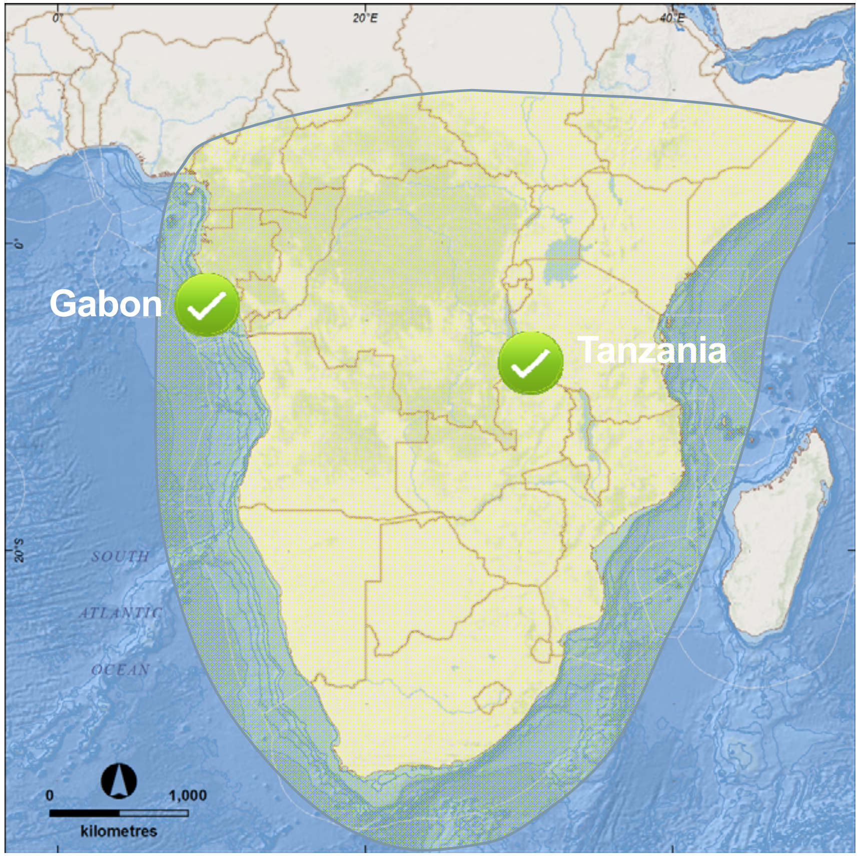
Atlantic Margins

Building inventory in unexplored/underexplored emerging systems – predominantly oil



- Build inventory post 3D for drilling 2015 onwards
- Proven but underexplored plays
- Non-operator or options to operate
- Proximity to significant markets
- Area of increasing industry focus

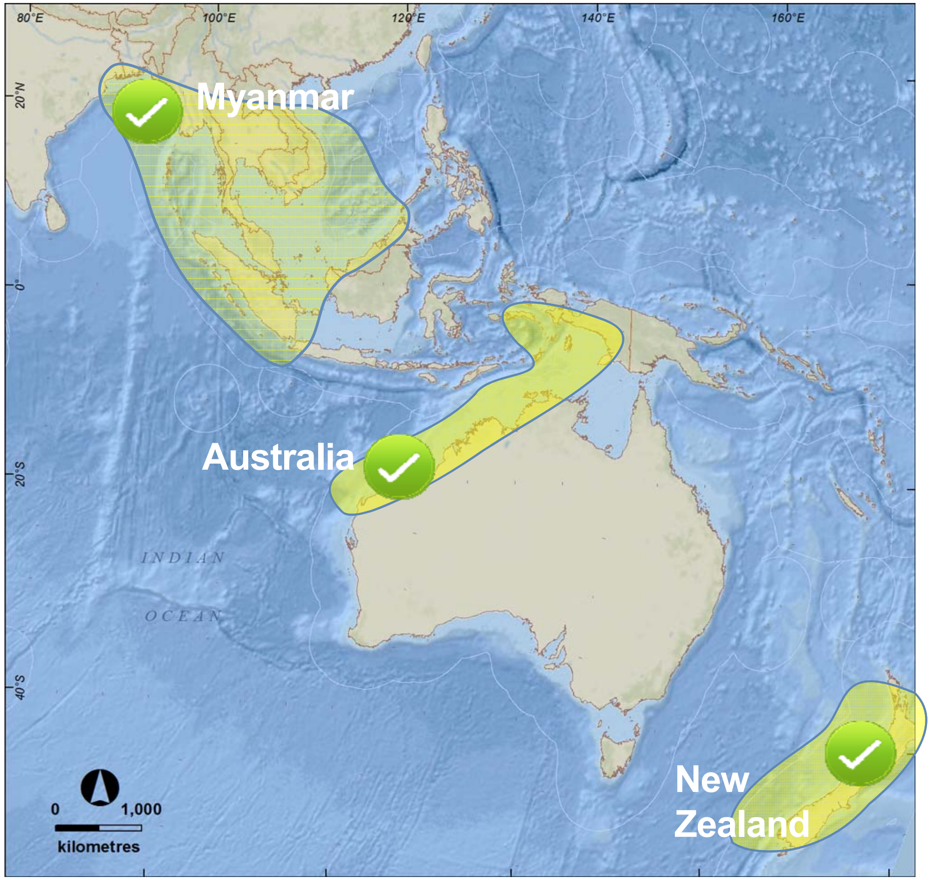
Building strategic footprint with optionality – oil focus



- Targeting oil opportunities – recent industry success demonstrates potential
- Establish balanced portfolio, exposure to materiality with disciplined approach to geological risk
- Comprehensive regional studies
- Access significant resource opportunities
- Non-operator and operator options

Australasia

Maximising and extending the core – predominantly gas



- Execute drilling plan and test new frontier plays in Australia
- Build future inventory from new 3D (Australia, Korea, NZ)
- Focused regional expansion
- Proximity to growing Asian markets
- Building on our reputation as a reliable supplier
- Predominantly operator opportunities

Global exploration pipeline

Drilling and seismic activities demonstrate strategy execution

		Volume[1]
Drilling		
Exmouth sub basin	Malaguti	Large
Pluto	One well	
Beagle Basin	Two wells	
Outer Canning	Hannover South	Large
	Steel Dragon	Large
	Anhalt	Large
	Outer Canning wells	
Myanmar	Saung	Large
Peru	One well	
Spain	Up to two wells	
Seismic		**Km /Sq Km**
Peru	2D	720
New Zealand	3D	1800
Myanmar	2D	5900
Myanmar	3D	4000
Ireland	3D	2200
Tanzania	2D	1300

2014: Q3, Q4 — 2015: Q1, Q2, Q3, Q4

Drilling | Seismic

1. Target size: Gross Mean Success Volume 100%, un-risked. Small<20MMboe, Medium>20 MMboe and <100MMboe and Large>100MMboe

Note: This is a forecast activity plan subject to change

Notes on Petroleum Resource Estimates

1. Unless otherwise stated, all petroleum resource estimates in this presentation are quoted as at the balance date (i.e. 31 December) of Woodside's most recent Annual Report released to ASX and available at www.woodside.com.au/Investors-Media/Annual-Reports, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius).

2. Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects, the reference point is defined as the outlet of the Floating Production Storage and offtake Facility (FPSO), while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.

3. Woodside uses both deterministic and probabilistic methods for estimation of petroleum resources at the field and project levels. Unless otherwise stated, all petroleum estimates reported at the company or region level are aggregated by arithmetic summation by category. Note that the aggregated Proved level may be a very conservative estimate due to the portfolio effects of arithmetic summation.

4. 'MMboe' means millions (10^6) of barrels of oil equivalent. Dry gas volumes, defined as 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product, are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5.7 Bcf of dry gas per 1 MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbl to MMboe on a 1:1 ratio.

5. Unless otherwise stated all petroleum resource estimates refer to those estimates set out in the Reserves Statement in Woodside's most recent Annual Report released to ASX and available at www.woodside.com.au/Investors-Media/Annual-Reports. Woodside is not aware of any new information or data that materially affects the information included in the Annual Report. All the material assumptions and technical parameters underpinning the estimates in the Annual Report continue to apply and have not materially changed.

6. The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The estimates have been approved by Mr Ian F. Sylvester, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 20 years of relevant experience.