

ASX Announcement

Friday, 22 August 2014

ASX: WPL
OTC: WOPEY

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

2014 HALF-YEAR SHAREHOLDER REVIEW

The attached Half-Year Shareholder Review provides a summary of Woodside's 2014 Half-Year Report and the first-half 2014 results, which were released to the ASX on 20 August 2014.

These documents are available on the company's website at www.woodside.com.au.

Contacts:**MEDIA****Michelle Grady**

W: +61 8 9348 5995

M: +61 418 938 660

E: michelle.grady@woodside.com.au

INVESTORS**Craig Ashton**

W: +61 8 9348 6214

M: +61 417 180 640

E: investor@woodside.com.au

Results for 1H 2014

	1H 2013 MMboe	1H 2014 MMboe	Variance %
Production volume	41.9	46.5	11.0
Sales volume	41.8	44.7	6.9
	US\$m	US\$m	Variance %
Operating revenue	2,857	3,551	24.3
EBITDAX ¹	2,033	2,736	34.6
Expensed exploration/evaluation (includes licence amortisation)	(197)	(146)	(25.9)
Depreciation/amortisation	(610)	(703)	15.2
EBIT ²	1,226	1,887	53.9
Net finance costs	(85)	(89)	4.7
Income tax expense	(326)	(560)	71.8
PRRT expense	86	(89)	n.m. ⁸
Non-controlling interest	(28)	(44)	57.1
Reported profit (including non-recurring items)	873	1,105	26.6
Add back/ (deduct) non-recurring items after tax	(21) ³	31 ⁴	n.m. ⁸
Underlying profit (excluding non-recurring items) ⁵	852	1,136	33.3
Reported earnings per share (eps in cents)	106	134	26.6
Underlying earnings per share (eps in cents) ⁵	104	138	33.3
Interim dividend (cps)	83	111	33.7
Net cash from operating activities	1,494	2,028	35.7
Gearing (%) ⁶	13.0	3.9	n.m. ⁸
Total debt ⁷	4,052	3,326	(17.9)
Cash and cash equivalents	1,805	2,703	49.8

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 The non-recurring after-tax item of \$21 million relates to the gain on disposal of Mutineer/Exeter.

⁴ The non-recurring after-tax item of \$31 million relates to the loss on disposal of Woodside USA assets.

⁵ The underlying (non-International Financial Reporting Standards (IFRS)) profit is unaudited but is derived from audited accounts by removing the impact of non-recurring items from the reported (IFRS) audited profit.

⁶ Gearing – (net debt) divided by (net debt + net equity).

⁷ Total debt – total interest bearing liabilities.

⁸ n.m. – not meaningful.

We continue to re-balance and grow our global exploration portfolio.



▲ Exploration acreage

(Some exploration acreage is subject to government and/or regulatory approval)

Event calendar 2014

27 August	Ex-dividend date for interim dividend
29 August	Record date for interim dividend
24 September	Payment date for interim dividend
16 October	Third Quarter 2014 Report
31 December	Woodside financial year end
January 2015	Fourth Quarter 2014 Report

Registered office

Woodside Petroleum Ltd
Woodside Plaza
240 St Georges Terrace
Perth, Western Australia 6000

Shareholder registry: enquiries

Investors seeking information about their shareholdings should contact the company's share registry:

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace,
Perth, Western Australia 6000

Postal address: GPO Box 2975,
Melbourne, VIC, 3001, Australia

Telephone: 1300 558 507 (within Australia)

(+61) 3 9415 4632 (outside Australia)

Facsimile: (+61) 3 9473 2500

Email: web.queries@computershare.com.au

Website: www.investorcentre.com/wpl

The share registry can assist with queries on share transfers, dividend payments, the Dividend Reinvestment Plan, notification of tax file numbers and changes of name, address or bank details.



This review provides a summary of Woodside's 2014 Half-Year Report (incorporating Appendix 4D) and the 1H 2014 results (Australian Securities Exchange (ASX) release dated 20 August 2014) which are both available on the company's website, www.woodside.com.au.



For various reports and updates visit Woodside's website:
www.woodside.com.au



About Woodside

Woodside is Australia's largest independent oil and gas company, with a proud history of safe and reliable operations spanning decades.

This year, we celebrated the company's 60th anniversary, 30 years of domestic gas production and 25 years of liquefied natural gas (LNG) exports. These milestones not only show how far we have come in a relatively short space of time, they are testament to the hard work and belief of everyone who has contributed to that journey.

We have an extensive portfolio of facilities which we operate on behalf of shareholders and some of the world's major oil and gas companies. Since 1984, we have been operating the landmark Australian project, the North West Shelf (NWS), and it remains one of the world's premier LNG facilities.

With the successful start-up of the Pluto LNG Plant in 2012, Woodside operates six of the seven LNG processing trains in Australia. Together with the four Woodside-operated offshore gas production platforms, these facilities help to meet the demand for cleaner energy from our pipeline gas customers in Australia and LNG customers in the Asia Pacific region.

We also operate four floating oil production, storage and offloading (FPSO) vessels in the Carnarvon

Basin, NWS and the Timor Sea. This is the largest owner-operated fleet in Australia, with an excellent track record of efficiently and safely producing from current fields.

Driven by our world-class capabilities, we are pursuing expansion of our LNG portfolio through value-enhancing developments including the Browse Floating LNG (FLNG) Development. We are also seeking to expand our exploration portfolio, both within Australia and globally, to generate future growth opportunities for the company.

Pursuant to our global exploration strategy, we have exploration acreage in Myanmar, New Zealand, Ireland, Republic of Peru, Republic of Korea and Spain (Canary Islands). Subsequent to the end of the half-year, we announced acquisitions of exploration acreage in Morocco, Tanzania and Gabon.

We have other international interests in Canada and Timor-Leste. In 2013, we established a dedicated office in Singapore to support our growing LNG marketing, trading and shipping capabilities.

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



Our strategy

During 1H 2014, Woodside remained on track to achieve its mission of delivering superior shareholder returns and its vision of becoming a global leader in upstream oil and gas.

We made significant progress against the three elements of our corporate strategy: maximising our core business, leveraging our capabilities and growing our portfolio.

Peter Coleman
Managing Director and
Chief Executive Officer

1H 2014 – Key achievements

- Outstanding financial results including record production, record operating revenue, record reported profit and record reported earnings per share.
- Awarded four new exploration blocks in the Myanmar Government's 2013 Offshore Bid Round.
- Completed four 3D marine seismic surveys in Australia (including the NWS Fortuna survey), one in Myanmar and one in Korea.
- Signed two new sales and purchase agreements (SPAs) with Korea Gas and Chubu Electric for volumes primarily sourced from Pluto LNG.
- Execution of an agreement which resulted in Shell's sell down of 9.5% issued capital to institutional investors.
- Signed a sole proponent agreement with the Government of British Columbia to access land at Grassy Point to undertake feasibility studies for a potential LNG development.
- Browse FLNG on track for our FEED entry decision in 2H 2014.

Key achievements subsequent to the end of the half-year

- Toro-1 well in WA-430-P (Exmouth sub-basin) resulted in a gas discovery.
- Signed a binding LNG SPA with Cheniere Energy Inc. to purchase LNG from the Corpus Christi Liquefaction Project¹.
- Finalised agreements with Chariot Oil & Gas to farm-in to the prospective Rabat Deep permits offshore north western Morocco, and Beach Energy to farm-in to the prospective basin of Lake Tanganyika in western Tanzania.
- Acquired a participating interest in an exploration, exploitation and production sharing contract for Block F15 in the Gabon Coastal Basin, located in the south-western offshore area of Gabon.

Future objectives

- Ongoing focus on health, safety and environment (HSE) to keep us on track to achieve global top-quartile HSE performance.
- Consider final investment decisions on the Persephone development (planned for 2H 2014) and Browse FLNG Development (targeted in 2H 2015).
- Progress Xena field tie-in project for Pluto LNG (expected in 2015), and the Greater Western Flank Phase 1 project (on schedule for start-up in early 2016).
- Drill a three well campaign in the Outer Canning basin, off north-west Western Australia.
- Advance exploration activities across our Australian and global exploration acreage portfolio.
- Proceed with technical, economic and consultation activities to assess the feasibility of a potential LNG development at Grassy Point.
- Continue to consider the company's capital position and capital management options.
- Maintain disciplined evaluation of new value-add opportunities.
- Harness technology to deliver lower cost development solutions.

¹ Purchase remains subject to conditions precedent.

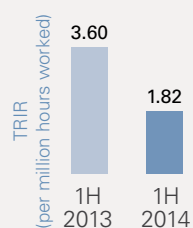
Half-year performance summary

All dollar figures and comparatives are expressed in United States currency unless otherwise stated.

Total Recordable Injury Rate (TRIR) ▼ 49%

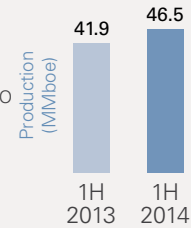
As at 30 June 2014, our TRIR was 1.82 per million hours worked. This is a 49% reduction on the comparative period rate of 3.60¹.

¹ A TRIR of 3.46 at 1H 2013 was reported in our 1H 2013 Report. This has increased to 3.6 due to a first aid case in 1H 2013 being re-classified to a Restricted Work Case in 2H 2013.



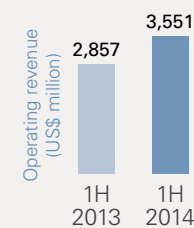
Record production ▲ 11.0%

Record 1H production of 46.5 million barrels of oil equivalent (MMboe) was 11.0% higher compared to 1H 2013 primarily due to higher reliability at Pluto and NWS, a full half-year of production from the Vincent FPSO (which returned from planned shipyard maintenance and refurbishment in Q4 2013), and reduced cyclone impact across all of our assets. Partly offsetting these positive contributions was net field decline.



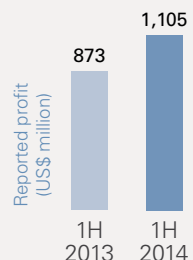
Record operating revenue ▲ 24.3%

Record 1H operating revenue of \$3,551 million was an increase of 24.3% compared to 1H 2013. Higher average realised prices of \$75.02 per barrel of oil equivalent (boe) in 1H 2014 compared to \$66.70/boe in 1H 2013 were driven by the new Pluto Foundation customer pricing regime, the Vincent FPSO restarted production and average Brent prices increasing to \$108.82 per barrel (bbl) compared to \$107.88/bbl in 1H 2013.



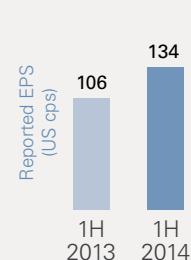
Record reported profit ▲ 26.6%

Record 1H reported net profit after tax of \$1,105 million was supported by higher production, higher sales volumes, no impairment losses and lower exploration and evaluation expense. Partly offsetting these positive contributions were higher income tax, Petroleum Resources Rent Tax (PRRT) expense and depreciation and amortisation charges.



Record reported EPS ▲ 26.6%

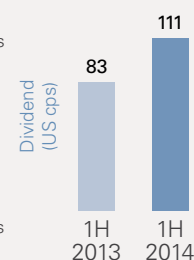
Earnings per share (EPS) on a reported basis were 134 cents per share (cps), up 26.6% from 1H 2013 (106 cps). Underlying EPS increased 33.3% to 138 cps.



Interim dividend ▲ 33.7%

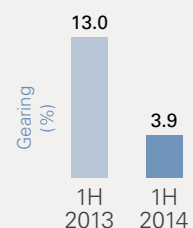
The Board has approved a fully franked interim dividend of 111 cps. This compares to 83 cps (fully franked) in 1H 2013.

Woodside's dividend payout ratio of 80% of underlying net profit after tax is expected to be maintained for the foreseeable future. This is subject to the demands of significant new capital investments and business performance or external circumstances not changing materially.



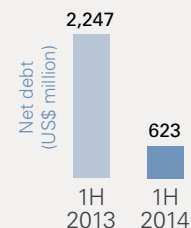
Gearing 3.9%

At the end of the reporting period our gearing level was 3.9%, down from 13.0% in 1H 2013. This reflects a reduction in net debt due to our strong operating cash flows and lower investment expenditure.

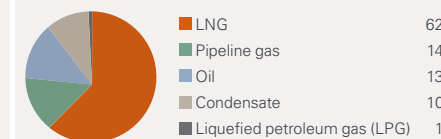


Net debt ▼ 72.3%

Woodside finished 1H 2014 in a strong liquidity position with \$2.7 billion in cash and \$1.6 billion in undrawn facilities. At the end of the half-year total debt was \$3.3 billion and net debt was \$0.6 billion. Woodside has sufficient liquidity to fully fund its committed activities.



1H 2014 Production (%)



1H 2014 Sales Revenue (%)

