

ASX Announcement

Friday, 10 April 2015

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

WOODSIDE CLOSES PURCHASE OF APACHE INTERESTS IN KITIMAT ASSET

In December 2014 Woodside entered into a binding transaction with Apache Corporation to acquire Apache's Australian Wheatstone LNG and Balnaves oil interests and Kitimat LNG project interests in Canada, for an aggregate purchase price of US\$2.75 billion and an expected closing adjustment of approximately US\$1.0 billion.

The Australian Wheatstone LNG and Balnaves oil component of the transaction successfully closed on 2 April 2015 and was subsequently announced to the ASX.

The component of the transaction relating to the Canadian Kitimat LNG project successfully closed today, 10 April 2015 for a purchase price of US\$854 million, including US\$354 million in adjustments for reimbursement of net expenditures on the project, changes in working capital and other customary adjustments for the period between the effective date, 1 July 2014, and closing.

Under the terms of the Sale and Purchase Agreement, Woodside has acquired a 50% interest in the Kitimat LNG project, including approximately 320,000 net acres in the Horn River and Liard Basins, adding a growth option in an emerging LNG province to Woodside's development portfolio.

Guidance:

2015 Production Range:

The 2015 production target range is 86 to 94 MMboe inclusive of Balnaves oil and Canadian pipeline natural gas production for the remainder of 2015.

	Previous Guidance	Current Guidance
Base range	84 to 91 MMboe	84 to 91 MMboe
Acquired assets	3 to 4 MMboe	2 to 3 MMboe
Total range	87 to 95 MMboe	86 to 94 MMboe

Investment Expenditure:

Woodside will advise 2015 total investment expenditure expectation during the second quarter once a review of the work programs on acquired assets is completed.

Reserves and Resources as at 31 December 2014:

The Woodside reserves and resources stated in the 2014 Annual Report will increase as follows

- Proved (1P) Developed and Undeveloped reserves increase by 191.8 MMboe to 1,240.1 MMboe.
- Proved plus Probable (2P) Developed and Undeveloped reserves increase by 260.9 MMboe to 1,599.4 MMboe.
- Best Estimate Contingent resources (2C) increase by 2,632.0 MMboe to 4,374.9 MMboe.

Julimar – Brunello (gas and liquids) – all figures are Woodside net share

1. Reserves estimates as at 31 December 2014, based on on-block recovery from WA-49-L, were 187.1 MMboe 1P and 253.1 MMboe 2P based on selected LNG development using projected capital costs, expected project schedule and a range of LNG, hydrocarbon liquids and domestic gas price projections.
2. Woodside is 65% equity owner of production licence WA-49-L.
3. The phased development is presently progressing and is based on subsea wells producing gas to the downstream onshore Wheatstone LNG and domestic gas plant; via an offshore central processing facility. Woodside holds 13% equity in the downstream project facility.
4. First gas is expected from late 2016 with approximately 20 production wells from production licence WA-49-L expected to be required over the life of the project.
5. All key environmental approvals have been received for the initial phase of the development.

Balnaves (oil) – all figures are Woodside net share

1. Economic ultimate recovery estimated at 6.7 MMbbl at 1P and 9.8 MMbbl at 2P.
2. Production started August 2014 with the project consisting of four subsea wells (two horizontal production, one horizontal water injector and one gas injector) tied back to the Armada Claire leased FPSO.
3. Field produced 2 MMbbl (net) during 2014.
4. Reserves estimates as at 31 December 2014 of 4.7 MMbbl at 1P and 7.8 MMbbl at 2P.
5. Woodside is 65% equity owner of production licence WA-49-L.

Kitimat (gas) – all figures are Woodside net share

1. Contingent resource estimates of 10.5 Tcf 1C, 15.0 Tcf 2C and 40.0 Tcf 3C are based on deterministic development scenarios.
2. All volumes quoted as sales gas with no conversions applied.
3. Contingent resources are based on acreage held under British Columbia petroleum and natural gas drilling licences and leases.
4. Woodside holds 50% equity in Liard and Horn River Basins and 50% equity in downstream Kitimat LNG.
5. The Contingent resource estimate is based on mature delineation and commercial production from the Horn River Basin and non-producing and producing appraisal wells in the Liard Basin.
6. The 1C and 2C Contingent resource estimates are constrained by the existing proposed LNG two train export development concepts.
 - The 3C estimate is based on full development of the Horn River and Liard Basin acreage and assumes future expansion of the LNG project with volumes based on decline curve analysis of existing producing wells.
 - The key contingencies that prevent the resource from being booked as reserves are; technical and commercial maturity of the LNG export project and further appraisal and delineation of the acreage.
 - An appraisal program of the Liard Basin acreage is currently ongoing. The requirement for further appraisal and delineation will be determined upon completion of this program.
7. The deterministic scenarios for the 1C, 2C and 3C estimates are based on the development of the mineral titles totalling approximately 640,000 acres (100% project) within the Liard and Horn River Basins.
 - The 1C estimate assumes the drilling of approximately 600 gas production wells (100% project).
 - The 2C estimate assumes the drilling of approximately 900 gas production wells (100% project).
 - The 3C estimate assumes the drilling of approximately 2500 gas production wells (100% project).
8. The reported contingent resource estimates are based on the use of already developed technology.

Notes on petroleum resource estimates

1. Unless otherwise stated, all petroleum resource estimates in this presentation are quoted as at the balance date of 31 December 2014, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius).
2. Woodside, as an Australian company listed on the Australian Securities Exchange, reports its petroleum resource estimates using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resource Management System (PRMS).
3. 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 Facility (FPSO), while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.
4. Assessment of the economic value of a project, in support of a reserves booking, uses Woodside Portfolio Economic Assumptions (PEAs). The PEAs are reviewed on an annual basis or more often if required. The review is based on historical data and forecast estimates for economic variable such as production prices and exchange rates. The PEAs are approved by the Woodside Board. Specific contractual agreements for individual projects are also taken into account.
5. 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.
6. '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.
7. 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.

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