

# ASX Announcement

Wednesday, 15 April 2015

ASX: WPL  
OTC: WOPEY

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## FIRST QUARTER REPORT FOR PERIOD ENDED 31 MARCH 2015

### Highlights

- Issued US\$1.0 billion in corporate bonds in the US 144A bond market. The bonds have a 10-year tenor with a coupon of 3.65%.
- Browse completed front-end engineering and design (FEED) entry readiness check, a key milestone in preparing for a FEED entry decision.
- Subsequent to the end of the quarter:
  - On 2 April, the binding transaction to acquire Apache's Wheatstone LNG and Balnaves oil project interests closed.
  - On 8 April, Woodside advised the market that the Pyxis-1 exploration well in production licence WA-34-L had intersected approximately 18.5 metres of net gas.
  - On 10 April, the binding transaction to acquire Apache's Kitimat LNG project interests closed.

### Comparative performance at a glance

Previous quarter		Q1 2015	Q4 2014	Change %
Production	MMboe	21.8	23.4	-6.8
Sales	MMboe	23.9	24.1	-0.8
Sales Revenue	\$ million	1,408	1,762	-20.1
Corresponding quarter, prior year		Q1 2015	Q1 2014	Change %
Production	MMboe	21.8	23.0	-5.2
Sales	MMboe	23.9	23.2	+3.0
Sales Revenue	\$ million	1,408	1,675	-15.9

*All dollar amounts are in US dollars unless otherwise stated*

### Key production and sales points for the quarter:

#### Relative to previous quarter (Q4 2014)

- Production volumes were 6.8% lower predominantly due to lower LNG volumes at Pluto and lower oil volumes, both associated with cyclone activity. During the cyclone a submersible drilling rig under contract to another party drifted near Pluto flowlines and resulted in a six day precautionary production shut in. This was partially offset by increased LNG volumes at NWS following the Train 1 planned maintenance in Q4 2014. Sales volumes were 0.8% lower due to lower production, partially offset by timing of shipments.
- Sales revenue for the quarter was 20.1% lower reflecting lower oil and condensate sales volumes and lower oil prices, partially offset by higher LNG sales volumes. The average Brent price for the quarter was US\$55.13/bbl, 28.5% below the US\$77.07/bbl average price in the previous quarter.

#### Relative to corresponding period (Q1 2014)

- Production volumes were 5.2% lower predominantly due to cyclone activity and the Pluto six day precautionary shut in as discussed above. Sales volumes were 3.0% higher predominantly due to higher LNG volumes associated with the timing of shipments.
- Sales revenue for the quarter was 15.9% lower predominantly due to lower oil prices, partially offset by higher sales volumes.

## Production Summary

Woodside's share of production and sales for the quarter ended 31 March 2015 with appropriate comparatives:

		Q1 2015	Q4 2014	Q1 2014	Year to date 2015	Year to date 2014
NWS PIPELINE NATURAL GAS <sup>1</sup>	Production (TJ)	19,609	19,857	20,418	19,609	20,418
	Sales (TJ)	19,609	19,857	20,418	19,609	20,418
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	661,161	633,446	625,407	661,161	625,407
	Sales Delivered (t)	679,851	618,169	597,930	679,851	597,930
	Cargoes Delivered	65	63	60	65	60
NWS CONDENSATE	Production (bbl)	1,444,885	1,466,683	1,553,681	1,444,885	1,553,681
	Sales (bbl)	1,567,160	1,466,381	1,521,157	1,567,160	1,521,157
NWS OIL	Production (bbl)	592,480	716,733	856,916	592,480	856,916
	Sales (bbl)	642,961	869,843	875,346	642,961	875,346
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	23,174	23,487	24,914	23,174	24,914
	Sales (t)	29,252	20,997	27,293	29,252	27,293
PLUTO LIQUEFIED NATURAL GAS (LNG)	Production (t)	908,516	1,046,284	964,989	908,516	964,989
	Sales Delivered (t)	1,051,493	1,010,488	1,018,439	1,051,493	1,018,439
	Cargoes Delivered	17	16	16	17	16
PLUTO CONDENSATE	Production (bbl)	639,986	718,770	687,404	639,986	687,404
	Sales (bbl)	639,963	1,232,802	1,019,192	639,963	1,019,192
LAMINARIA-CORALLINA OIL	Production (bbl)	246,705	260,254	178,919	246,705	178,919
	Sales (bbl)	389,098	464,852	0	389,098	0
ENFIELD OIL	Production (bbl)	268,958	386,938	168,168	268,958	168,168
	Sales (bbl)	431,795	433,159	421,417	431,795	421,417
STYBARROW OIL	Production (bbl)	156,417	239,121	286,000	156,417	286,000
	Sales (bbl)	275,336	287,699	287,947	275,336	287,947
VINCENT OIL	Production (bbl)	1,082,283	1,232,359	1,369,761	1,082,283	1,369,761
	Sales (bbl)	1,064,872	1,381,851	1,007,695	1,064,872	1,007,695
GULF OF MEXICO PIPELINE NATURAL GAS <sup>2</sup>	Production (MMBtu)	0	0	79,932	0	79,932
	Sales (MMBtu)	0	0	79,932	0	79,932
GULF OF MEXICO CONDENSATE <sup>2</sup>	Production (bbl)	0	0	166	0	166
	Sales (bbl)	0	0	166	0	166
GULF OF MEXICO OIL <sup>2</sup>	Production (bbl)	0	0	137,997	0	137,997
	Sales (bbl)	0	0	137,997	0	137,997
<b>Total</b>	<b>Production (boe)<sup>3</sup></b>	<b>21,808,244</b>	<b>23,420,601</b>	<b>22,960,436</b>	<b>21,808,244</b>	<b>22,960,436</b>
	<b>Sales (boe)<sup>3</sup></b>	<b>23,877,205</b>	<b>24,061,112</b>	<b>23,243,121</b>	<b>23,877,205</b>	<b>23,243,121</b>

- Woodside's equity share is 50% of the first 414 TJ per day (contract flexibilities allow Woodside to receive 50% up to 517.5 TJ per day) and 16.67% for all gas produced above this amount.
- Gulf of Mexico production and sales volumes are reported net of royalties. Woodside completed a sale of its 20% interest in the Neptune asset on 20 May 2014.
- Conversion Factors are identified on page 9.

## Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 31 March 2015, with appropriate comparatives:

<i>Amounts in US\$ million</i>		<b>Q1 2015</b>	<b>Q4 2014</b>	<b>Q1 2014</b>	<b>Year to date 2015</b>	<b>Year to date 2014</b>
<b>Sales Revenue</b>						
<b>North West Shelf</b>	Pipeline Natural Gas	73.3	79.6	83.7	73.3	83.7
	LNG	342.8	375.3	412.9	342.8	412.9
	Condensate	75.8	110.1	161.2	75.8	161.2
	Oil	37.9	70.9	96.3	37.9	96.3
	LPG	13.4	14.8	24.4	13.4	24.4
<b>Pluto</b>	LNG	712.0	805.5	576.6	712.0	576.6
	Condensate	31.1	101.0	111.6	31.1	111.6
<b>Laminaria-Corallina</b>	Oil	19.0	37.5	0.0	19.0	0.0
<b>Enfield</b>	Oil	27.3	37.9	48.7	27.3	48.7
<b>Stybarrow</b>	Oil	17.8	22.5	32.8	17.8	32.8
<b>Vincent</b>	Oil	57.3	107.3	112.6	57.3	112.6
<b>Gulf of Mexico<sup>1</sup></b>	Pipeline Natural Gas	0.0	0.0	0.5	0.0	0.5
	Condensate	0.0	0.0	0.0	0.0	0.0
	Oil	0.0	0.0	13.5	0.0	13.5
<b>Total Sales Revenue</b>		<b>1,407.7</b>	<b>1,762.4</b>	<b>1,674.8</b>	<b>1,407.7</b>	<b>1,674.8</b>
<b>LNG Processing Revenue</b>		45.0	54.9	43.5	45.0	43.5
<b>Gross Trading Revenue</b>		81.4	1.8	0.0	81.4	0.0
<b>Total Operating Revenue</b>		<b>1,534.1</b>	<b>1,819.1</b>	<b>1,718.3</b>	<b>1,534.1</b>	<b>1,718.3</b>
<b>Exploration and Evaluation Expense</b>						
Exploration Expensed		105.0	125.1	73.6	105.0	73.6
Permit Amortisation		4.2	2.2	10.9	4.2	10.9
Evaluation Expensed <sup>2</sup>		(1.5)	2.1	6.4	(1.5)	6.4
<b>Total</b>		<b>107.7</b>	<b>129.4</b>	<b>90.9</b>	<b>107.7</b>	<b>90.9</b>
<b>Capital Expenditure</b>						
Exploration Capitalised <sup>3,4</sup>		64.1	(13.3) <sup>5</sup>	9.1	64.1	9.1
Evaluation Capitalised <sup>4</sup>		21.4	30.7	28.6	21.4	28.6
Oil and Gas Properties <sup>4</sup>		106.2	159.2	73.8	106.2	73.8
Other Property, Plant and Equipment		3.5	6.6	3.8	3.5	3.8
<b>Total</b>		<b>195.2</b>	<b>183.2</b>	<b>115.3</b>	<b>195.2</b>	<b>115.3</b>

1 Gulf of Mexico revenue is reported net of royalties. Woodside completed a sale of its 20% interest in the Neptune asset on 20 May 2014.

2 Evaluation expense credit primarily due to inventory sold from drilling campaign.

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

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

5 The negative capitalised exploration amount primarily reflects a well previously capitalised during drilling which has subsequently been expensed.

## Production Activities

Field	Woodside share		Full field		Remarks
	Q1 2015	Q4 2014	Q1 2015	Q4 2014	
<b>Australia NWS - Average daily production</b>					
Pipeline gas (TJ)	218	216	479	467	Production was driven by customer demand for the quarter.
LNG (t)	7,346	6,885	44,992	43,992	Production was higher due to higher system availability relative to Q4 2014, which was impacted by planned maintenance activities conducted on LNG Train 1.
Condensate (bbl)	16,054	15,942	76,584	77,769	Woodside share of production was higher due to condensate associated with pipeline natural gas.
Oil (bbl)	6,583	7,791	19,749	23,372	Production was lower due to natural reservoir decline and reduced facility utilisation due to cyclone activity. At the end of the quarter production was approximately 24,500bbl/day (Woodside share 8,200 bbl/day).
LPG (t)	257	255	1,573	1,615	Production was higher, consistent with the associated increase in gas production for the quarter.
<b>Australia Pluto - Average daily production</b>					
LNG (t)	10,095	11,373	11,216	12,636	Production was lower predominantly due to a precautionary six day shut in after a submersible drilling rig under contract to another party drifted near Pluto flowlines during a cyclone, as well as reduced plant reliability.
Condensate (bbl)	7,111	7,813	7,901	8,681	Condensate production was lower in line with LNG production.
<b>Other Australia - Average daily production</b>					
Laminaria-Corallina Oil (bbl)	2,741	2,829	4,328	4,470	Production was lower due to natural reservoir decline.
Enfield Oil (bbl)	2,988	4,206	4,981	7,010	Production was lower due to natural reservoir decline and reduced facility utilisation due to cyclone activity. At the end of the quarter production was approximately 6,480bbl/day (Woodside share 3,888 bbl/day).
Stybarrow Oil (bbl)	1,738	2,599	3,476	5,198	Production was lower due to reduced facility reliability combined with natural reservoir decline and lower facility utilisation due to cyclone activity. At the end of the quarter production was approximately 4,800bbl/day (Woodside share 2,400 bbl/day).
Vincent Oil (bbl)	12,025	13,395	20,042	22,325	Production was lower due to natural reservoir decline and reduced facility utilisation due to cyclone activity. At the end of the quarter productions was approximately 24,500bbl/day (Woodside share 14,700 bbl/day).

## Development Activities

### Australia

#### Browse FLNG

During the quarter, Woodside continued to progress primary approvals and critical de-risking technical activities. These included completion of the State Environmental Referral process and submission of the preliminary Field Development Plan. Woodside remains in discussion with the Western Australian Government on proposed domestic gas and supply chain commitments for the Browse FLNG Development.

Woodside is progressing the Browse FLNG Development assurance checks and is well placed to complete these strategic activities in the next quarter. Front-end engineering and design (FEED) entry readiness check, a key milestone in preparing for a FEED entry decision was completed in the quarter. FEED phase entry is anticipated in mid-2015 and a final investment decision targeted in 2016.

#### Greater Enfield Area

Studies continue towards concept select, focused on aggregating Laverda and Cimatti hydrocarbon accumulations, making use of existing infrastructure.

#### Pluto - Xena

During the quarter, the first of two subsea installation campaigns commenced for Xena Phase 1. First gas remains on track for 2H 2015.

#### North West Shelf

##### Persephone

The A\$1.2 billion (100% cost) Persephone Project awarded major contracts. Project start up is expected in early 2018.

##### Greater Western Flank Phase 1 Project

During the quarter, the A\$2.5 billion (100% cost) Greater Western Flank Phase 1 Project completed the installation of additional living quarters and continued topside modifications to the Goodwyn A platform. The Project remains on budget and on schedule for start-up in early 2016.

##### Greater Western Flank Phase 2 Project

The Greater Western Flank Phase 2 Project is continuing FEED. The Project continues to progress towards a final investment decision in 2H 2015.

##### North West Shelf third party gas processing

In December 2014, the parties signed a non-binding Letter of Intent which specifies proposed terms to toll resources from Hess' permits in the Carnarvon Basin through the NWS Project's Karratha Gas Plant. During the quarter, a tie-in and operational integration FEED agreement was executed with Hess Exploration Australia.

### International

#### Sunrise

Woodside continues to engage with the Timor-Leste and Australian governments to encourage alignment. While Woodside remains committed to the development of Greater Sunrise, it is vital both governments agree on the legal, regulatory and fiscal regime applicable to the resource.

#### Grassy Point

Woodside continues activities required to meet its obligations under the Sole Proponent Agreement. This includes progressing the Environmental Assessment process for a proposed liquefied natural gas facility.

## Exploration and Appraisal Activities

### Australia

A campaign of deepwater exploration drilling continued in the quarter with the Anhalt-1 well completed in the Outer Canning Basin. Drilling of the Pyxis-1 well resulted in a new gas discovery, announced subsequent to the quarter. Approximately 18.5 metres of net sand was encountered in the Jurassic target.

### Cameroon

Woodside received government approval to farm in to the Tilapia Production Sharing Contract (PSC). The joint venture plans to drill the Cheetah-1 exploration well in Q2 2015.

### Canada

Woodside received government approval for the 20% (non-operated) farm in to blocks 2431, 2432, 2433 and 2434 in the Scotian Basin.

### New Zealand

The Vulcan 3D seismic survey in the Taranaki Basin was completed. The Toroa 3D seismic survey in the Great South Basin is due to be completed in Q2 2015. The data from these surveys will be processed, analysed and interpreted over the coming months.

### Morocco

Woodside progressed environmental approvals for 2D seismic acquisition planned for the Rabat Ultra Deep Offshore area in Q2 2015.

### Myanmar

Woodside signed PSCs for offshore blocks, AD-5 (operator), A-7 (operator), AD-2 (non-operator) and A-4 (non-operator), awarded in the 2013 Myanmar Offshore Bid Round. Seismic surveying is planned to commence in late 2015. Planning continues for the drilling of an exploration well in Block A-6 in Q4 2015.

### Peru

The operator completed a 2D seismic survey over Block 108, acquiring 490 line kilometres of data planned to be processed and interpreted this year.

### Tanzania

The operator completed transition zone 2D seismic survey acquisition over the Lake Tanganyika South Block, supplementing the 2D data acquired during the previous quarter. All data sets acquired for Lake Tanganyika South are currently being processed and will be available for interpretation in Q2 2015.

### Exploration or appraisal wells drilled during Q1 2015

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth <sup>1</sup> (metres)	Total Depth <sup>2</sup> (metres)	Remarks
<b>AUSTRALIA</b>							
Anhalt-1	Outer Canning Basin, WA-462-P	Gas	43.90	08/11/14	911	5,105	Exploration, dry hole
Pyxis-1	Carnarvon Basin, WA-34-L	Gas	90.00	15/03/15	960	3,347	Exploration, gas discovery

Notes:

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

## Permits and Licences

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

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
<b>AUSTRALIA</b>				
Carnarvon Basin	WA-358-P	75.00	75.00	Equity acquisition

## Geophysical surveys conducted during Q1 2015

Location	Survey name	Progress
<b>INTERNATIONAL</b>		
Block 108, Peru	Block 108 2D	310 km of 490 km in Q1 (Complete)
Lake Tanganyika South Block, Tanzania	Tanganyika 2D TZ Seismic 2014	25 km of 107 km in Q1 (Complete)
PEP 55793, Taranaki Basin, New Zealand	Vulcan 3D	1,086 square km (Complete)
PEP 55794, Great South Basin, New Zealand	Toroa 3D	415 of 1,169 square km (Incomplete)

## Exploration or appraisal wells planned to commence in Q2 2015

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres) <sup>1</sup>	Proposed Total Depth (metres) <sup>2</sup>	Remarks
<b>AUSTRALIA</b>						
Malaguti-1	Carnarvon Basin, WA-271-P	Oil	60.00	588	2,846	Exploration
<b>CAMEROON</b>						
Cheetah-1	Douala Basin, Tilapia Licence	Oil	30.00	24	4,027	Exploration
<b>CANADA<sup>3,4</sup></b>						
ACL PATRY HZ D-A28-B/94-O-12	Liard	Gas	50.00	N/A	6,407	Appraisal
ACL LA JOLIE B-B03-K/94-O-12	Liard	Gas	50.00	N/A	6,701	Appraisal
ACL LA JOLIE B-03-K/94-O-12	Liard	Gas	50.00	N/A	TBA	Appraisal
ACL LA JOLIE B-A03-K/94-O-12	Liard	Gas	50.00	N/A	TBA	Appraisal
ACL LA JOLIE B-D03-K/94-O-12	Liard	Gas	50.00	N/A	6,616	Appraisal
ACL LA JOLIE B-E03-K/94-O-12	Liard	Gas	50.00	N/A	TBA	Appraisal
ACL LA JOLIE B-C03-K/94-O-12	Liard	Gas	50.00	N/A	TBA	Appraisal

### Notes:

- 1 Water depth measured at lowest astronomical tide.
- 2 Reported depths referenced to the rig rotary table.
- 3 Woodside is operator of Liard wells in the period 10 April to 1 June 2015. An agreement is in place with Apache Canada providing operator services in that period. Operatorship will transfer to Chevron Canada by 1 June 2015.
- 4 Liard wells are dual appraisal and production wells. Approved project scope is to complete and tie-in 2 wells in 2015.

## Corporate Activities

### Marketing

In January, Woodside and Japan Australia LNG (MIMI Browse) Pty Ltd mutually agreed to terminate a Joint Marketing Agreement (JMA) executed on 30 April 2012. The JMA was for joint marketing to primarily Japanese customers of LNG to be produced from the Browse LNG Development. Woodside continues discussions with regional LNG customers regarding potential LNG sales from its growing global LNG portfolio, including Browse FLNG.

### Finance Facilities

In March, Woodside issued US\$1.0 billion in corporate bonds in the US 144A bond market. The bonds have a 10-year tenor with a coupon of 3.65%. The funds will be used for general corporate purposes. The issuance of the bonds triggered a mandatory cancellation of a total of US\$1.0 billion of the short-term bilateral facilities entered into in December 2014.

Also in March, Woodside entered into a total of US\$1.3 billion in revolving bilateral debt facility agreements. The agreements have tenors of between three and five years and will be used for general corporate purposes. US\$650 million of these were refinancing of existing facilities to extend their terms to maturity, while the remaining US\$650 million represent new facilities.

### Business Development

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. The aggregate purchase price was US\$2.75 billion plus a closing adjustment payment of US\$921 million reflecting working capital and net cash flows from the effective date of 1 July 2014 to closing.

On 2 April, the binding transaction to acquire Apache's Wheatstone LNG and Balnaves oil project interests closed. On 10 April, the binding transaction to acquire Apache's Kitimat LNG project interests closed.

Under the terms of the Sale and Purchase Agreements, Woodside has acquired:

- A 13% interest in the Wheatstone LNG project and a 65% interest in the Julimar-Brunello upstream gas development, with near-term production.
- A 65% interest in the Balnaves oil project, with immediate production.
- A 50% interest in the Kitimat LNG project, including approximately 320,000 acres in the Liard and Horn River Basins, adding a growth option in an emerging LNG province to Woodside's development portfolio.

### Reserves and Resources as at 31 December 2014:

As a result of the acquisition 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 (18.3%) to 1,240.1 MMboe.
- Proved plus Probable (2P) Developed and Undeveloped reserves increase by 260.9 MMboe (19.5%) to 1,599.4 MMboe.
- Best Estimate Contingent resources (2C) increase by 2,632.0 MMboe (151%) to 4,374.9 MMboe.



## 2015 Production Outlook

Subsequent to the closing of the Apache assets purchase, 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
<b>Base range</b>	84 to 91 MMboe	84 to 91 MMboe
<b>Acquired assets<sup>1</sup></b>	3 to 4 MMboe	2 to 3 MMboe
<b>Total range</b>	87 to 95 MMboe	86 to 94 MMboe

## Annual General Meeting

Woodside's Annual General Meeting will be held in Perth, Western Australia, tomorrow, Thursday, 16 April 2015.

## Investor Briefing Day

Woodside advises that its 2015 Investor Briefing Day will be held in Melbourne, Victoria on Thursday, 21 May 2015.

## CONVERSION FACTORS

(boe) = barrel of oil equivalent (TJ) = terajoules (t) = tonne (bbl) = barrel (MMBtu) = million British thermal units

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

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

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

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<sup>1</sup> The reduction in Current Guidance relates to Kitimat gas.