2015 Investor Briefing - Strategy Day

21 May 2015 | Melbourne

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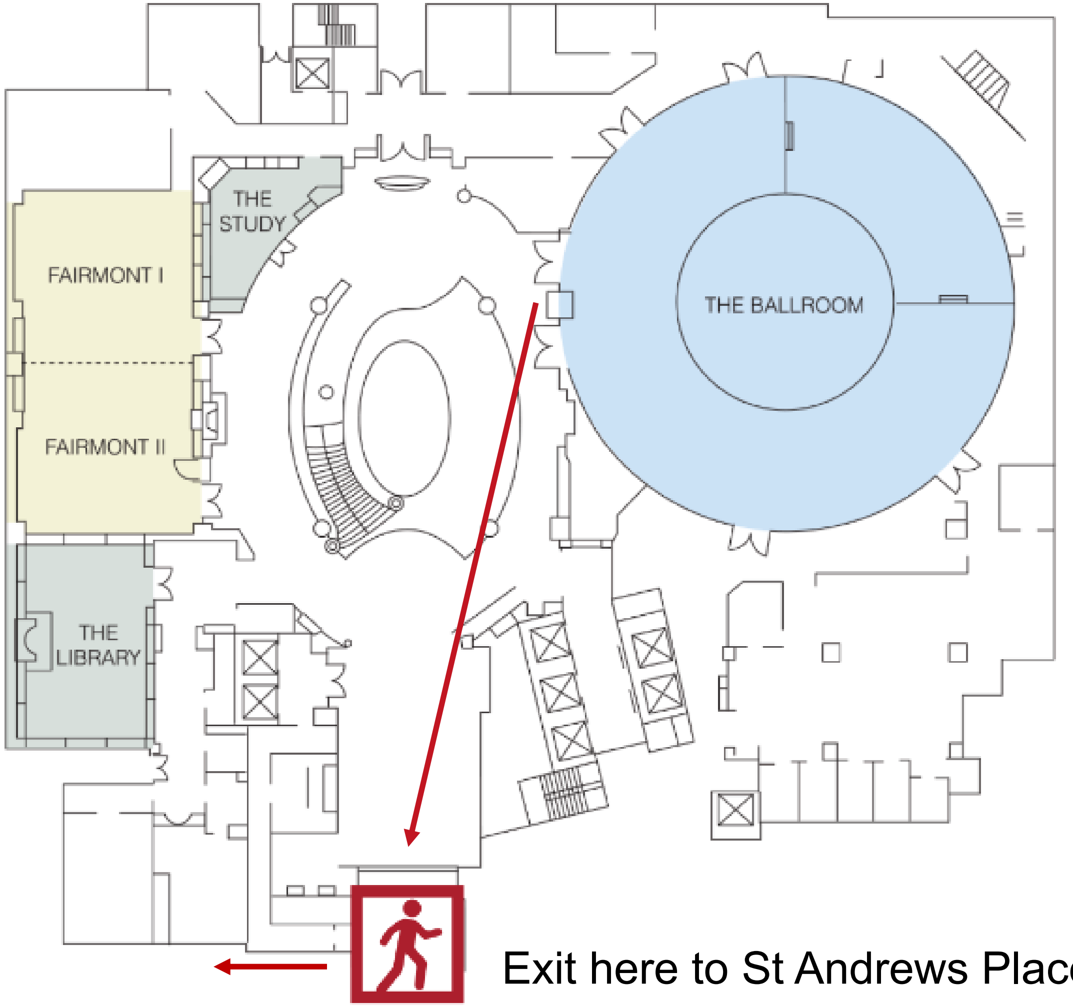
All references to dollars, cents or $ in this presentation are to US currency, unless otherwise stated.

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

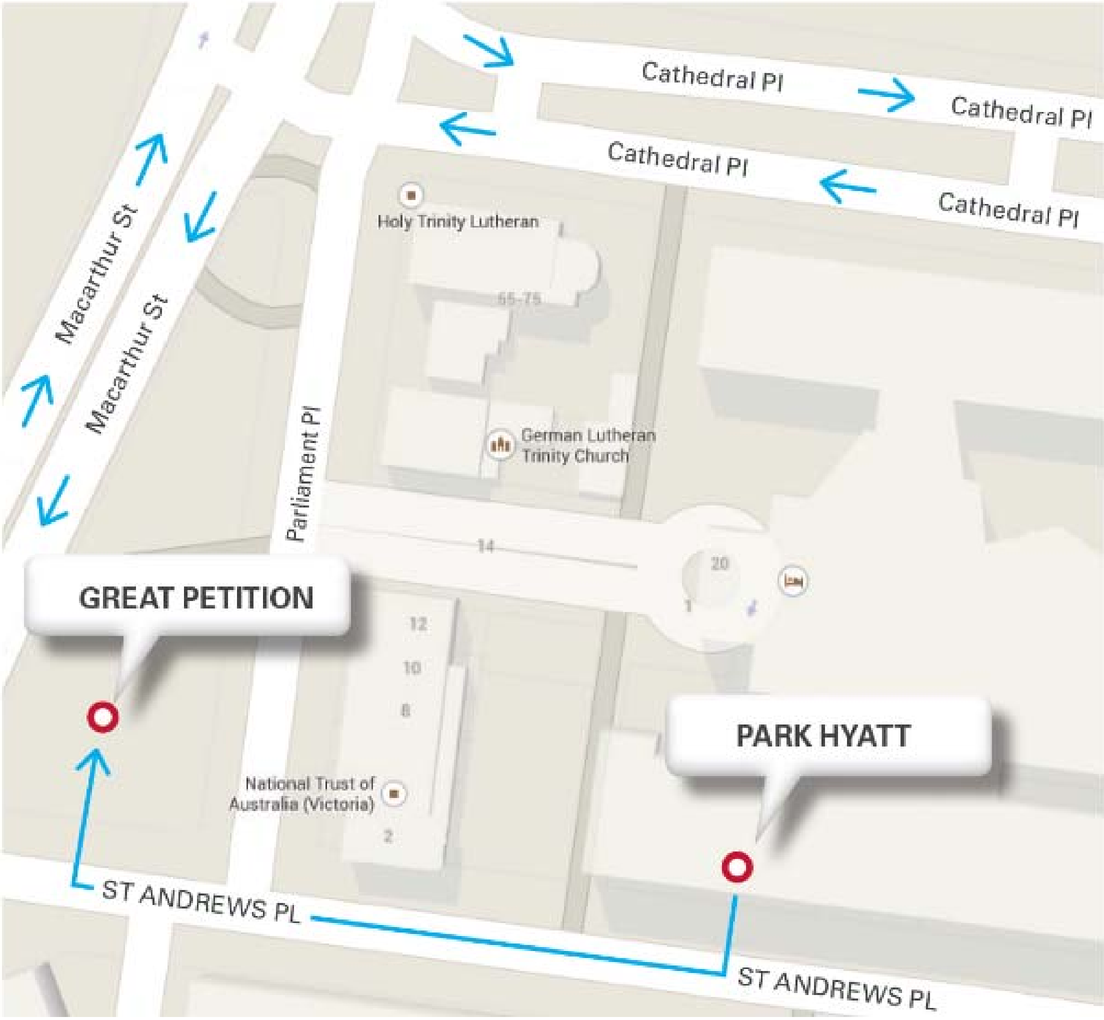
Housekeeping – Park Hyatt floor plan – Evacuation procedure



Exit here to St Andrews Place

- Alert: Beep Beep
- Evacuate: Whoop Whoop

Housekeeping – Assembly point



- Exit onto St Andrews Place
- Turn right after Parliament Place
- Muster point is near the Great Petition statue

Schedule

Start	Topic	Presenter
Session 1		
8:30	Introduction	Craig Ashton
8:35	CEO overview	Peter Coleman
8:50	Financial Management	Lawrie Tremaine / Hendrik Snyman
9:10	Exploration	Phil Loader
9:30	Development	Robert Edwardes
9:45	Operations	Mike Utsler
10:05	Q&A session 1	Peter Coleman
10:35	Morning tea	
Session 2		
11:00	People and Capability	David McLoughlin
11:10	Marketing and Trading	Reinhardt Matisons
11:40	Q&A session 2	Peter Coleman
12:20	Lunch	

CEO overview

Peter Coleman | Chief Executive Officer and Managing Director

Strategy

Our strategy is built on three related themes, is effective and unchanged

Maximise core business

- Maximising operational effectiveness; continuous improvement culture
- Extending life of producing assets
- Developing contingent resources

Leverage our capabilities

- LNG: full value chain
- Deep-water: drilling, FPSO's, subsea technology
- Asia: market, relationships

Grow our portfolio

- Fill opportunity portfolio to provide:
  - Diversity and ability to optimise
  - Value chain opportunities
- Aggregate positions around existing focus areas:
  - Rebalancing exploration portfolio
  - Acquisition of high quality assets in low oil price environment

Journey so far ….

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Our strategy is transforming the business

Exploring → Developing → Producing → Marketing → Trading → Acquisition

From June 2011…

North West Australia focused	Pluto LNG behind schedule Browse onshore development challenged	Safety performance lags industry	Point-to-point sales strategy Japan focus	Limited M&A activity

…to now

Expanded global exploration portfolio	Browse FLNG approaching FEED	Best ever safety performance World class LNG reliability	Enhanced marketing capabilities Transition to portfolio seller	Executed >$5.5 billion of transactions (~20% of market cap)[1]

1. *Sold down Browse equity; exited Gulf of Mexico, exited Mutineer Exeter, purchased Wheatstone, Balnaves and Kitimat interests.*

Future

Triggers for near-term value growth

Grow our portfolio

- Browse FEED[1] entry expected mid 2015
- Wheatstone targeting first gas in late 2016[2]
- Kitimat: appraisal of upstream - cost reductions targeted
- Greater Enfield: accelerating FEED to capture market conditions
- Exploration: drilling high impact potential prospects in next 18 months
- Acquisitions, capitalising on low price environment

Low price environment provides opportunity for entry into value adding opportunities

1. *FEED = front-end engineering and design*
2. *Source: Chevron. As at April 2015*

Summary

Strong financial position

- Credit ratings reaffirmed, stable outlook
- Target dividend pay out ratio unchanged
- Refinanced balance sheet at improved terms in low oil price environment
- Continued focus on growth, and maintaining returns

Future focus

- Aggregating opportunities in existing focus areas
- Providing strong yield with growth optionality
  - De-risked future growth through Wheatstone acquisition
  - Added upside with Kitimat purchase
  - Organic growth through Browse and Greater Enfield
  - Additional upside through exploration, acquisition, marketing and trading

Financial management

Lawrie Tremaine | Chief Financial Officer

2014 results

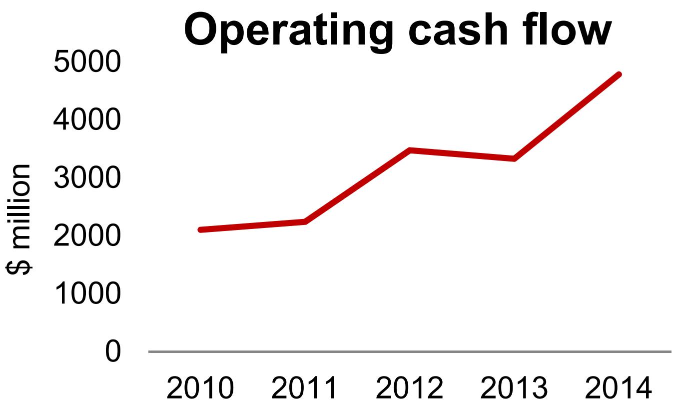
A year of record financial and operating performance

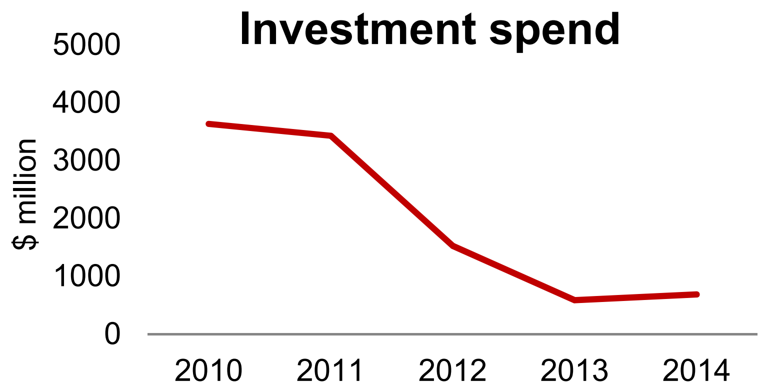
▪ Record production	95.1 MMboe
▪ Strong financial result	
▪ Reported NPAT	$2.4 billion
▪ Return on equity	15.3%
▪ Free cash flow[1]	$4.2 billion
▪ Record full year dividend	US 255 cents per share
▪ $6.8 billion of liquidity	
▪ Cash	$3.2 billion
▪ Undrawn debt	$3.6 billion

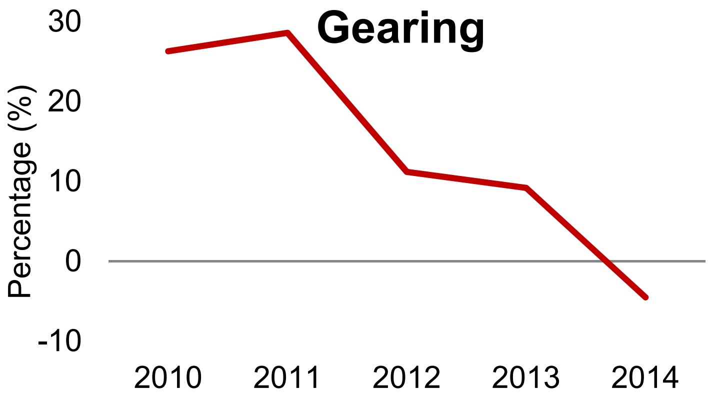
1. *Operating less investing cash flows*

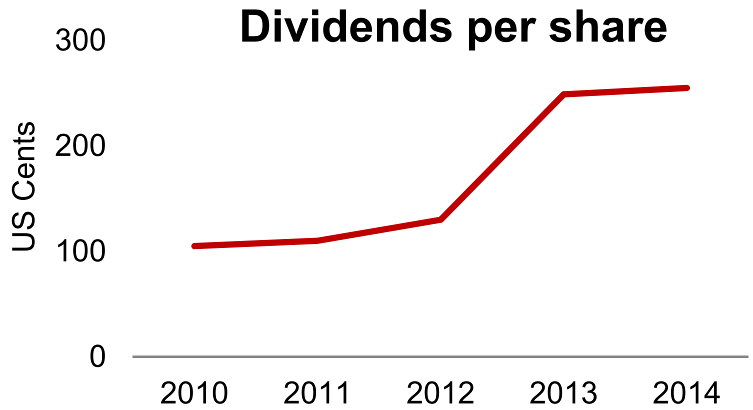
Financial trends

Strong operating cash flows and low investment spend leading into period of low oil price



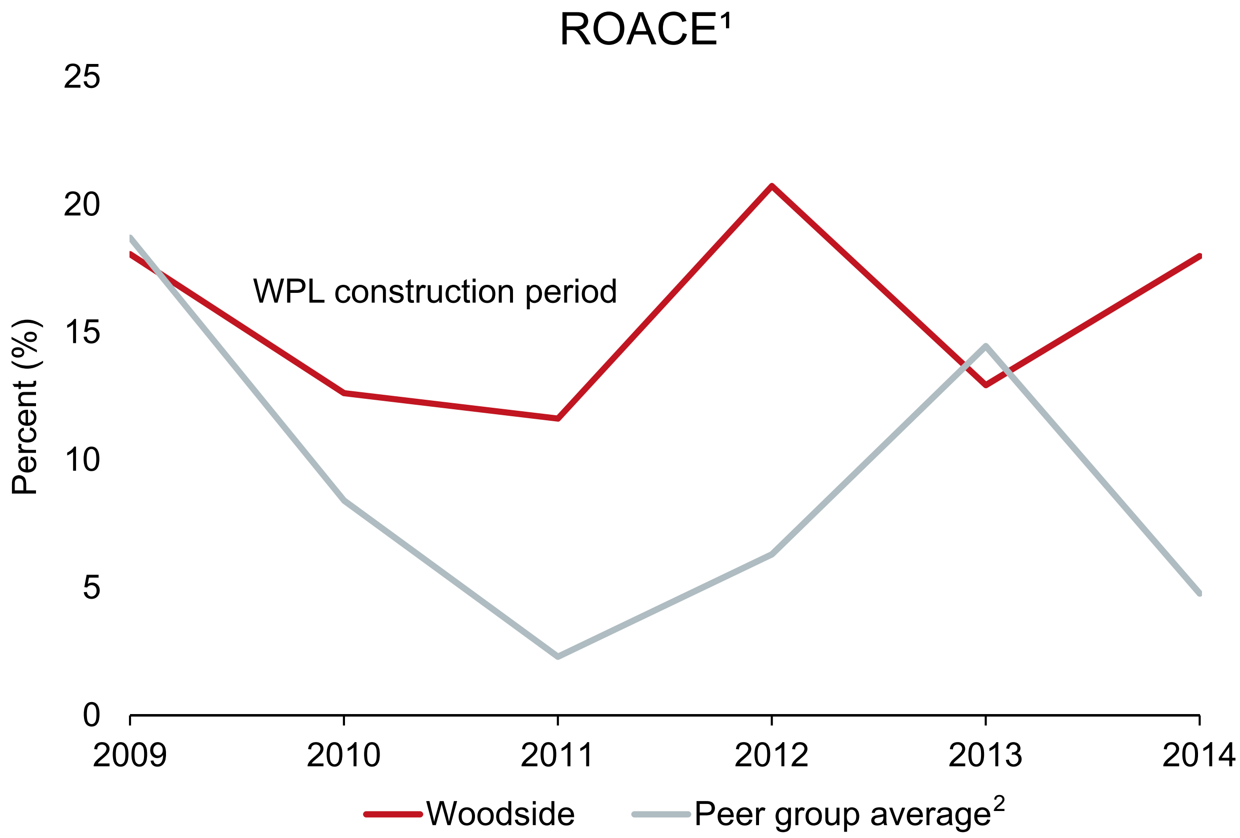






Relative investment performance

First quartile returns from world class asset portfolio

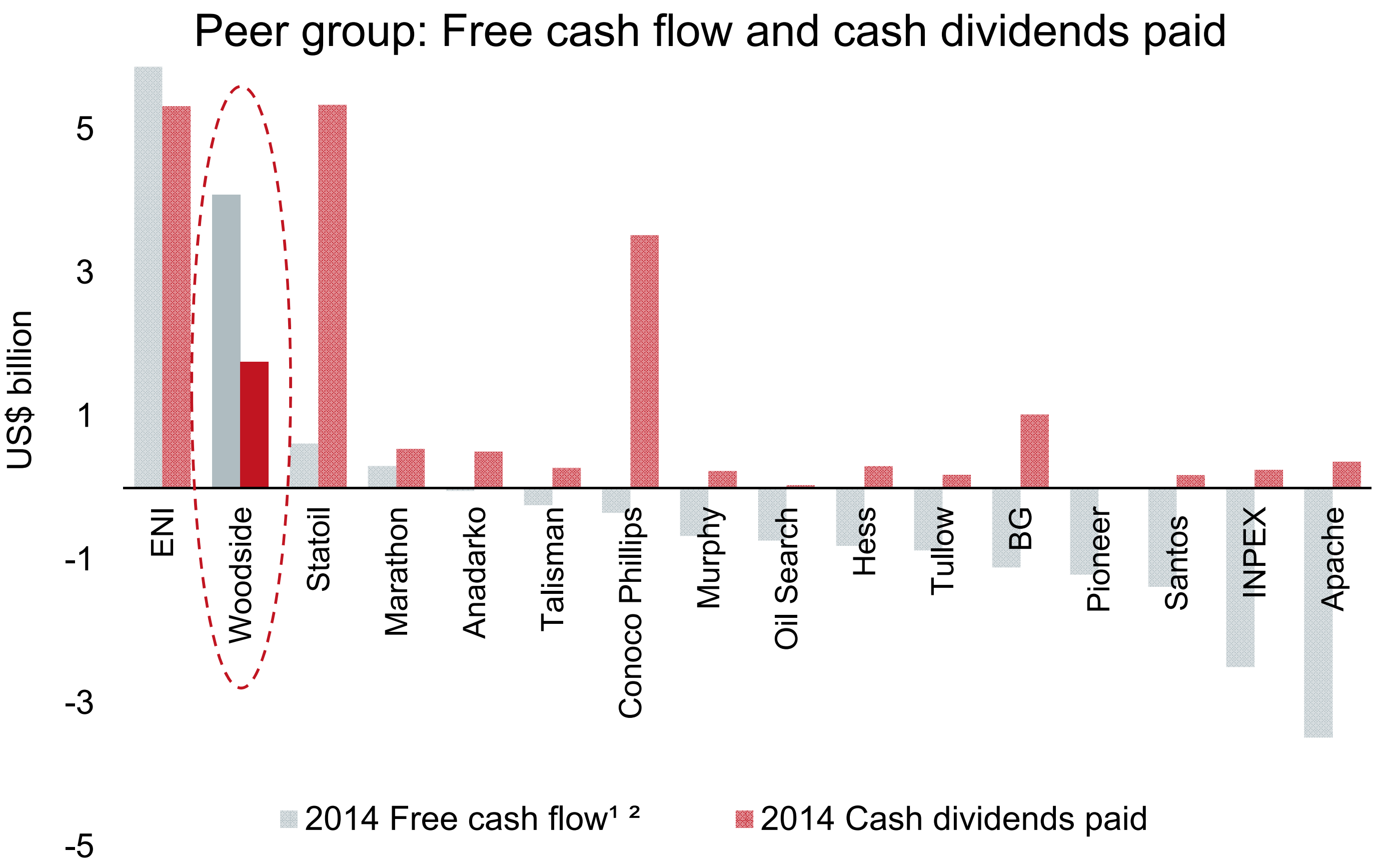


- Returns well in excess of cost of capital and peers
- Reflects:
  - World class asset portfolio
  - Disciplined investment decisions

1. *Source: IHS data and methodology; ROACE equals (EBIT / (Average Equity + Average Non-Current Liabilities))*
2. *Anadarko, Apache, BG, ENI, Hess, Marathon, Murphy, Oil Search, Origin, Pioneer, Santos, Statoil, Repsol, Talisman, Tullow*

Dividends

Ability to fund dividends and invest in growth

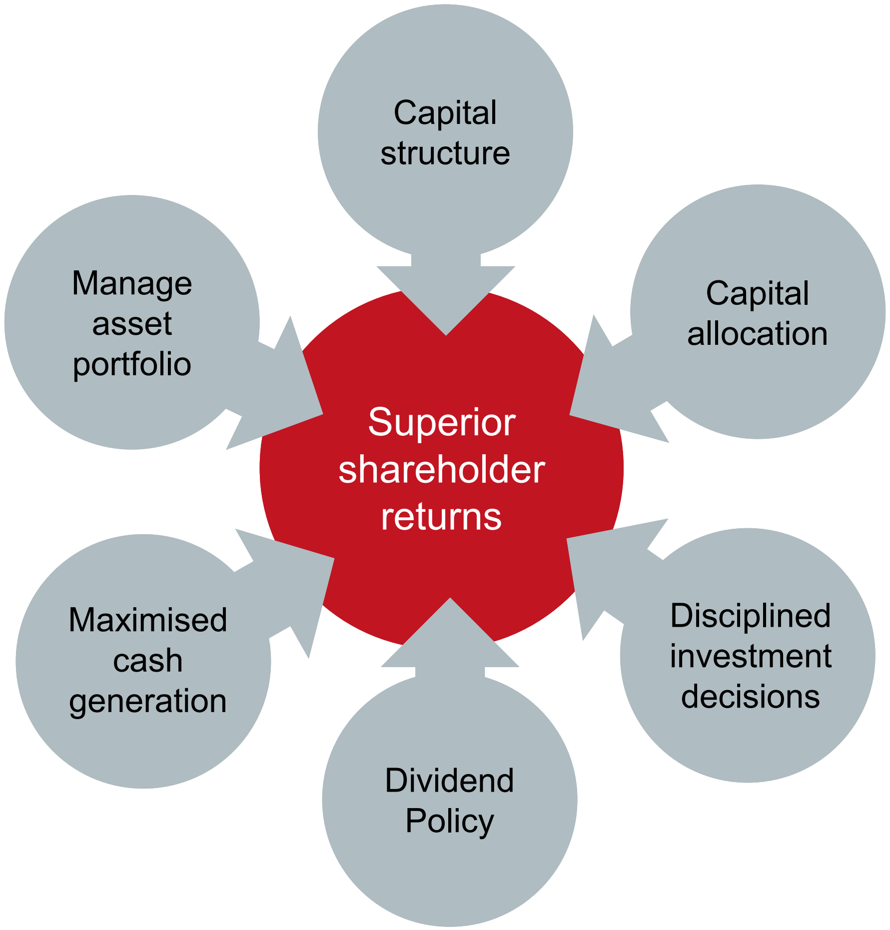


- Woodside's 2014 cash dividends represent 43% of free cash flow

1. *Source IHS (Comparison of Woodside and peer group - Origin and Repsol data not available)*
2. *Free cash flow equals operating less investing cash flows, but excludes asset sales and purchases*

Capital management

Our capital management approach is unchanged



- Prioritise cash generation
  - Capital discipline
  - Cost reduction
- 80% dividend ratio for foreseeable future[1]
- Maintain liquidity and access to capital for growth
- Retain strong investment grade credit rating
- Target 25% gearing: 10 – 30% through investment cycle
- Investment decisions based on value creation, not production growth

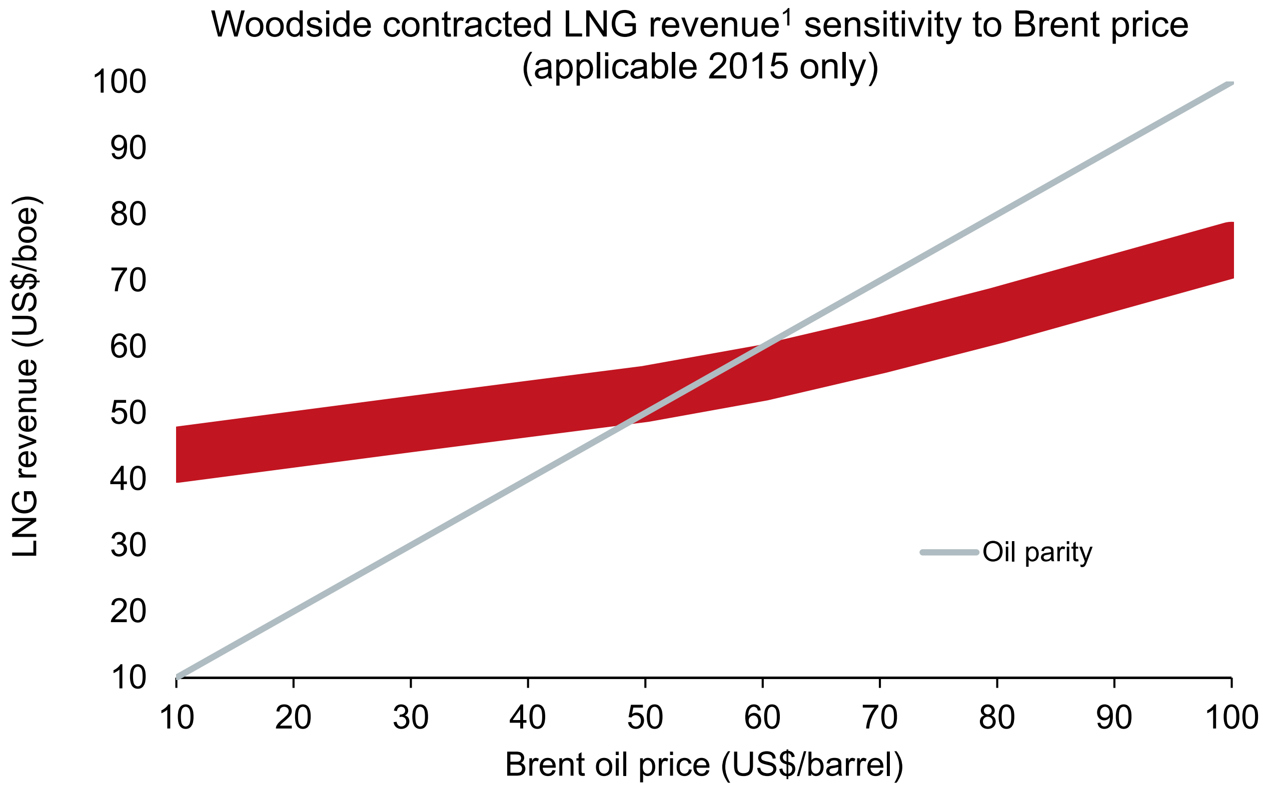
Priorities for cash allocation

1. Debt service
2. Dividends
3. Capex to sustain and grow
4. Return surplus cash

1. *Subject to the demands of significant new capital investments or if business performance or external circumstances change materially*

LNG revenue sensitivities

Not a direct linear relationship between Brent oil price and LNG revenue

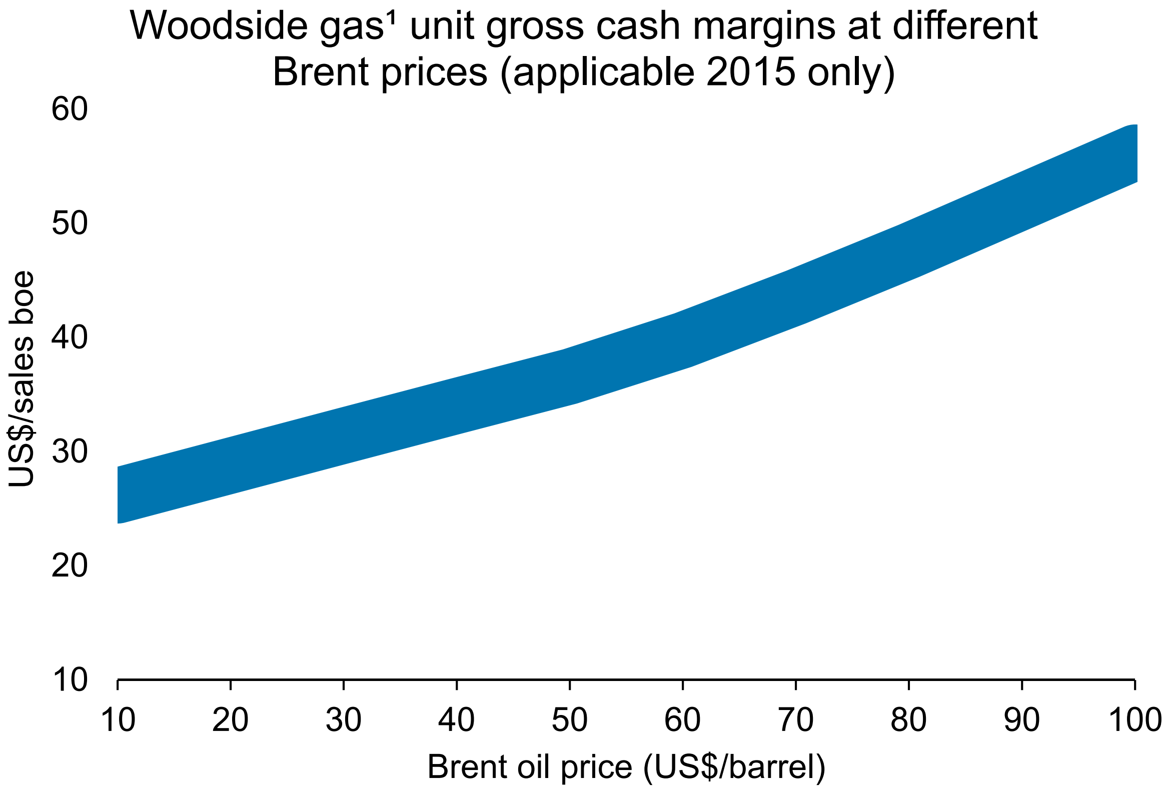


- Contract portfolio provides protection in a low oil price environment
- 2015 LNG sales volume mix forecast to comprise:
  - Contracted: >90%
  - Spot: up to 10%
- Current spot exposure for 2016 forecast: up to 10%

1. *Assumes a mix of DES and FOB sales; excludes spot sales and traded volumes; assumes current provisional pricing where contract pricing is under review; assumes no volume flexibilities are exercised*
2. *LNG revenue is largely indexed to Japanese Custom Cleared (JCC) which has an approximate four month lag to Brent price*

Gas unit gross cash margins

Gas business remains cash positive even at low oil prices

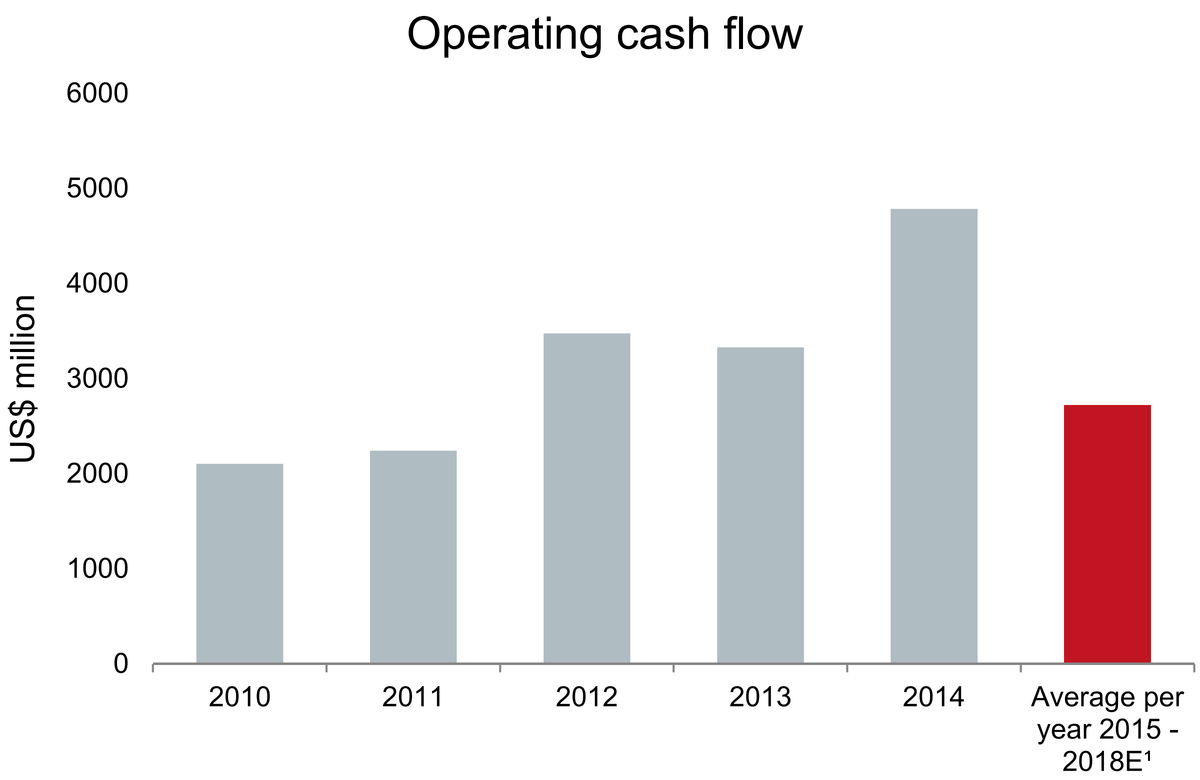


- 2015 gross cash costs[2] $9 to $12/boe
- Gas business compromises between 85 to 90% of total sales volumes

1. *Gas includes LNG, LPG, pipeline natural gas and condensate*
2. *Gross cash costs represent cost of sales less non-cash items (depreciation and amortisation and stock movement)*

Operating cash flow

Significant operating cash flow generated at low oil prices ($65/bbl flat nominal Brent)

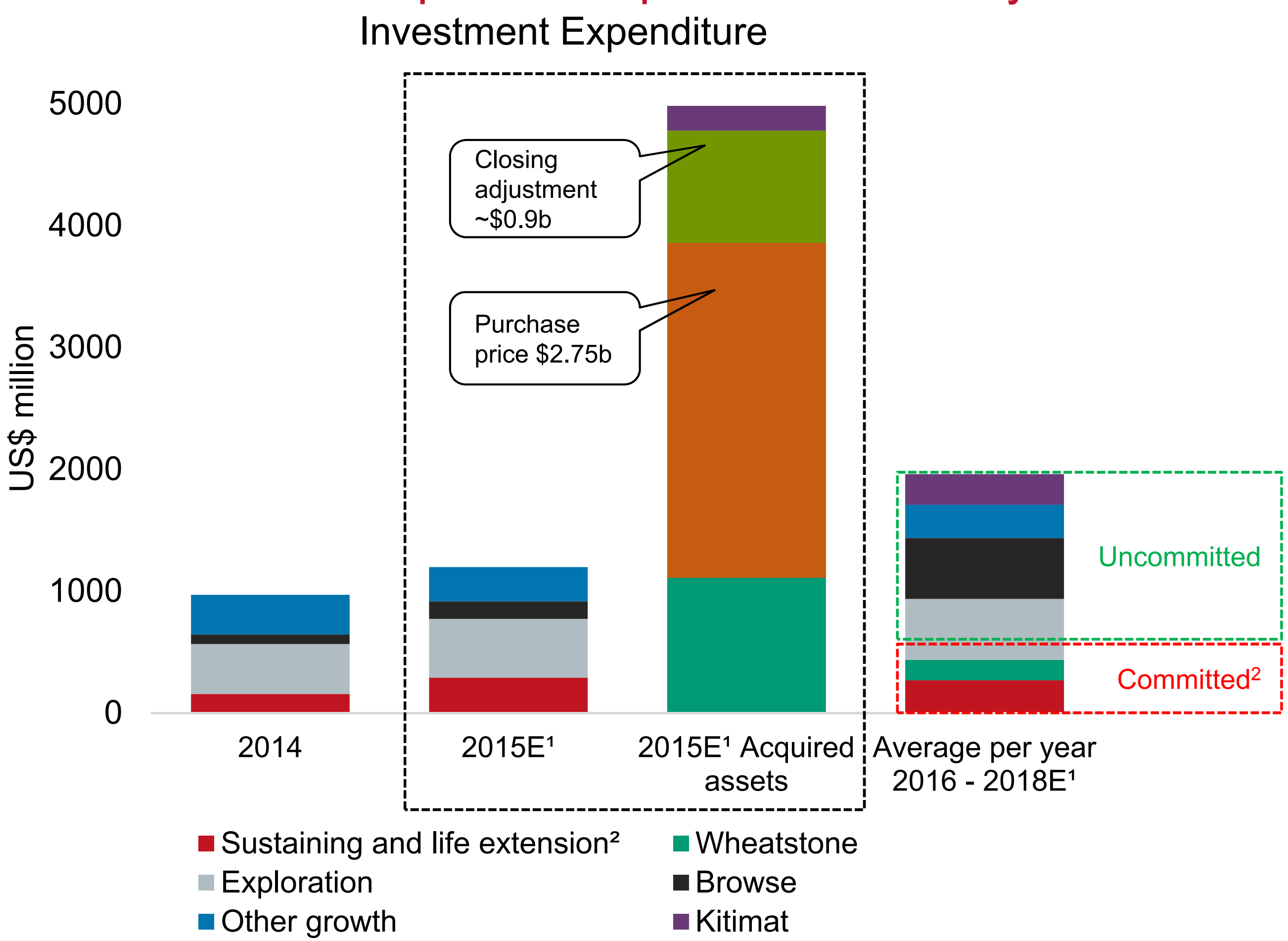


- Operating cash flow expected to average approximately $2.7 billion per annum for the next four years
- Adequate cash flow to fund expected dividend and investment expenditure

1. *Based on current asset portfolio and $65/bbl flat nominal Brent oil price*

Investment expenditure

Low committed expenditure provides flexibility

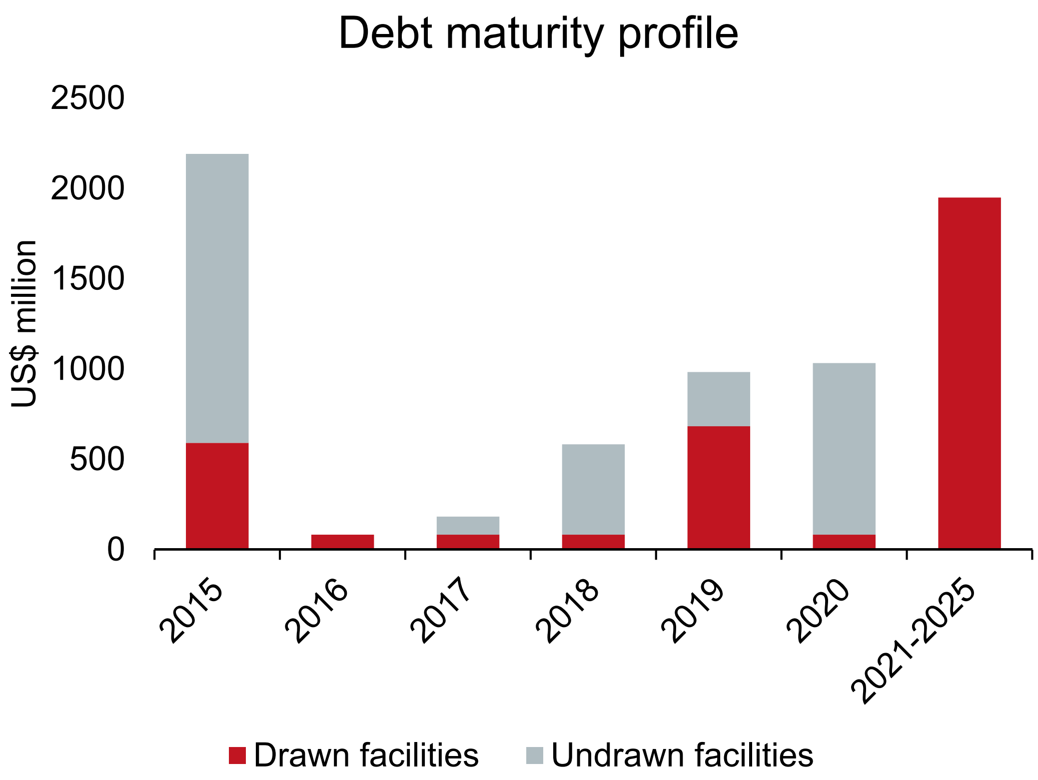


- Committed[2] expenditure less than $500 million per annum
- Flexibility to pace developments:
  - To take advantage of market conditions
  - To fund acquisitions
- Wheatstone forecast expenditure unchanged from purchase economics

1. *Based on current asset portfolio. Sustaining and life extension capital expenditure does not develop additional reserves*
2. *Committed expenditure is expenditure on projects post final investment decision, sustaining and life extension expenditure and some exploration expenditure*

Funding

Low cost access to diverse capital markets



- Strong ongoing debt market support
  - $2.75 billion raised from bond and bank markets in 2015 to date
- Pre-tax portfolio cost of debt lower:
  - from 3.4% p.a. May 2014
  - to 2.6% p.a. May 2015
- Liquidity provides optionality

30 April 2015	US$ billions
Cash	0.2
Undrawn debt	3.3
Total	**3.5**

Portfolio cost based on Margin + 3m Libor for floating rate debt

Productivity

Aggressive cost and reliability management to deliver enduring value

	2016 Target	2014 result
Volume	❑ +3 to 5%	❑ +5%
External Spend	❑ -10 to -20%	❑ -13% opex ❑ -10% capex
People, Performance & Organisation	❑ -10 to -20%	❑ -8% roles
Process	❑ -10 to -20%	❑ >300 executed improvements

On target to achieve $800 million in benefits by end 2016

- $560 million benefits realised in 2014
- Low oil price makes achieving structural change in costs critical
- 2015 redundancies – organisational savings now at ~20%
- Cultural change in progress

Key messages

The focus remains on creating shareholder value

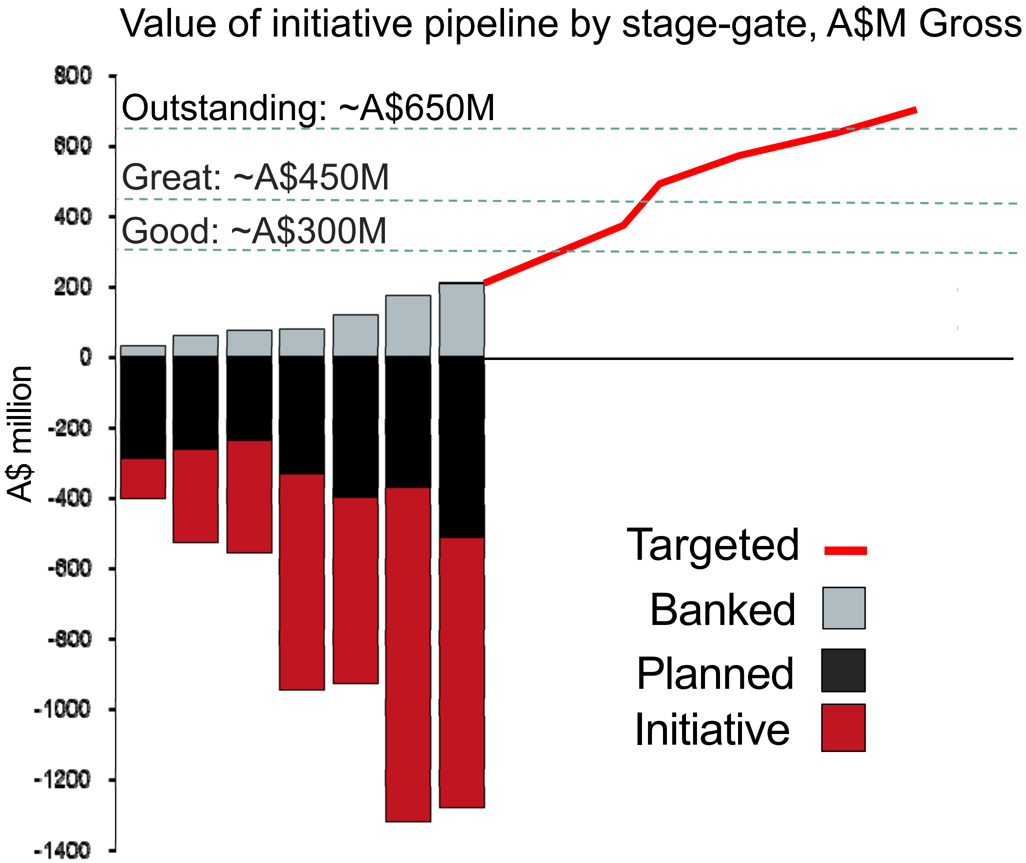
- No change to capital management approach
- Continuing to generate significant operating cash in a low oil price environment
- Maintaining dividend payout ratio
- Accelerating cost reduction and reliability improvements
- Flexibility in balance sheet to invest in growth

Cost reduction program

Hendrik Snyman | Senior Vice President Spend Reduction Initiative

Aggressive cost reduction

Accelerate delivery of external spend reduction with sustainable outcomes



2016 Target	2014 result
❑-10 to 20%	❑-13% opex ❑-10% capex

Objective

- Delivery of structural changes to costs

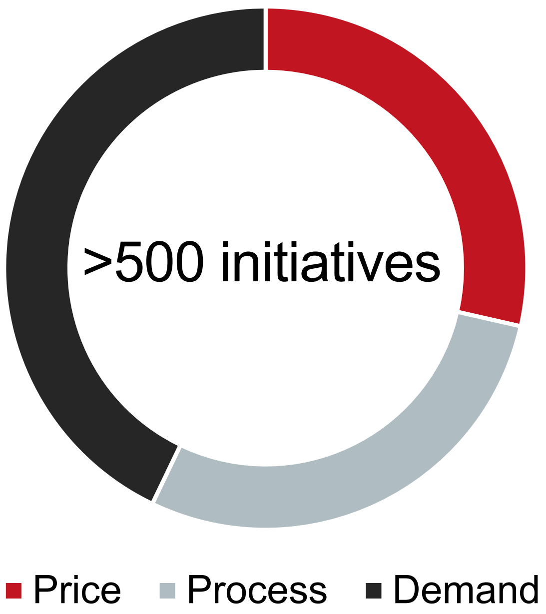
Target

- Deliver A$680 million of savings
  - In excess of 500 initiatives, >100 initiatives delivered
  - A$200 million executed to date

Values are presented in terms of gross joint venture operated expenditure in Australian dollars.

Value levers

Addressing all value levers to reduce external spend



Distribution of initiatives per value lever, % of program

Price (reduction in rates/contract prices)

- Target >10% across all spend

Process (simplify the way we conduct business)

- Consolidating vendor base from over 3,000 to ~800 for Australia base business

Demand (reduce/eliminate the requirement for a product/service)

- Woodside standards streamlined and aligned with industry

Cost reduction example

33% saving on the Maintain Repair Operate (MRO) category

Spend & savings overview

Components	2014 annual spend, A$m	**Savings**
Fuels	80	21%
Valves	50	40%
Chemicals/ Gases	20	37%
Other	60	36%
Total	210	33%

MRO category drivers

- Deliver sustainable cost reduction
- Reduce vendor base
- Maximise transaction automation
- Rationalise product range
- Manage risk

Current savings delivered: A$69 million (33%)

- Reduced valve suppliers from 80 to one
- Aligned consumables spend to industry benchmarks
- Segregated FPSO chemicals ordering process from onsite supplier

Values are presented in terms of gross joint venture operated expenditure in Australian dollars.

Key messages

- Committed to deliver a structural cost change
- Utilising all value levers assures a sustainable reduction
- Meaningful impact in the short term

Global Exploration

Phil Loader | Executive Vice President Global Exploration

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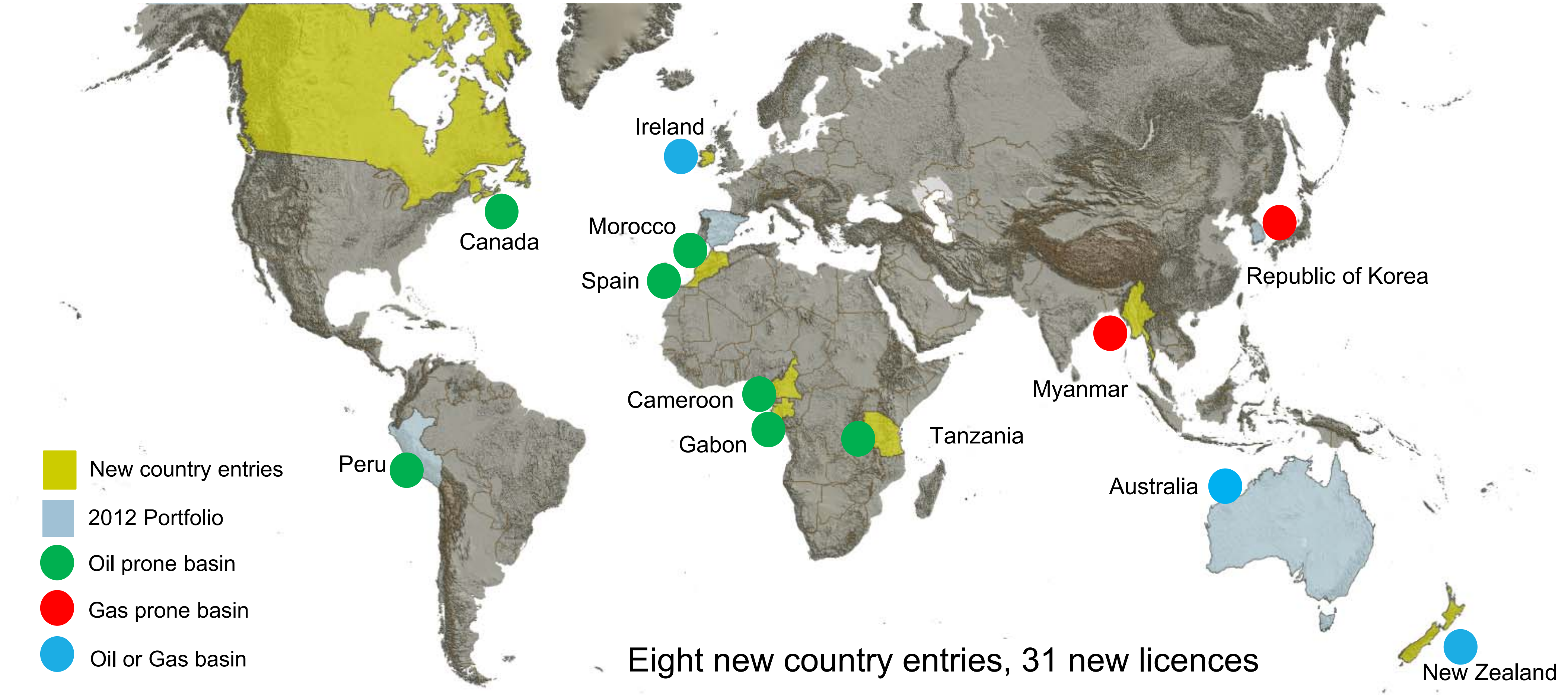
Portfolio build

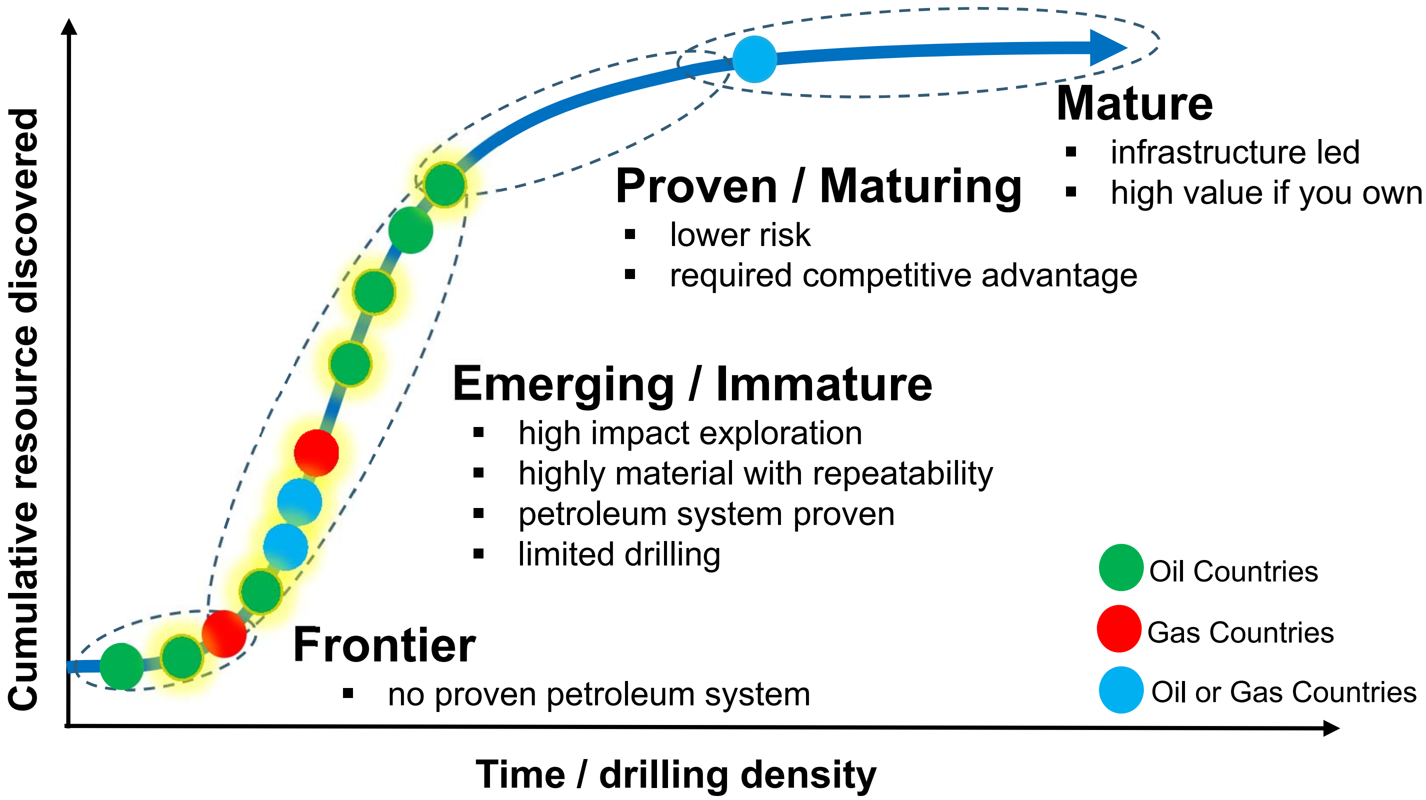
Expanded global footprint in emerging petroleum systems

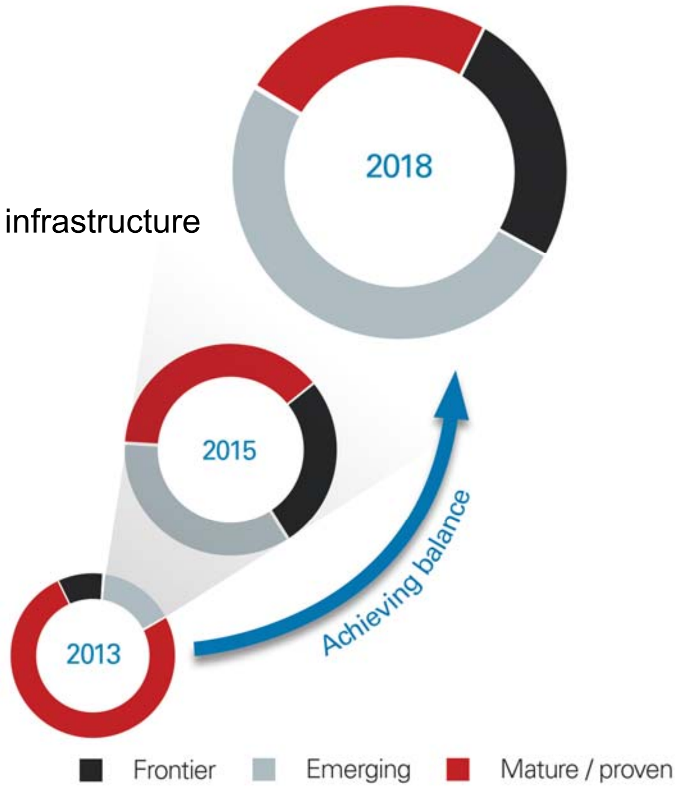


Eight new country entries, 31 new licences

Balancing the portfolio

Exploration growth focused on emerging basins, with enhanced oil and gas balance



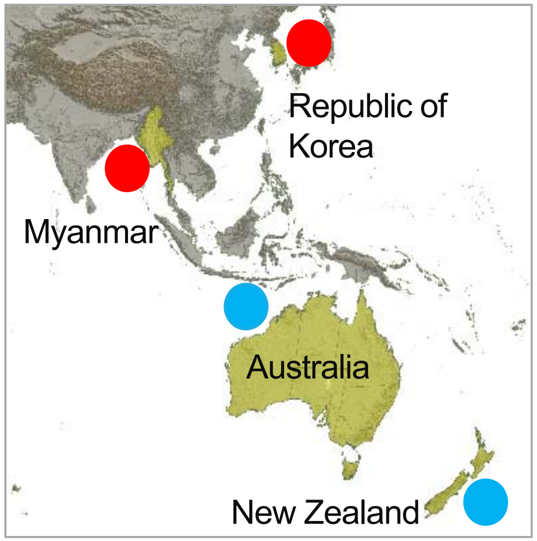


Based on Leads and Prospects inventory

Focus areas

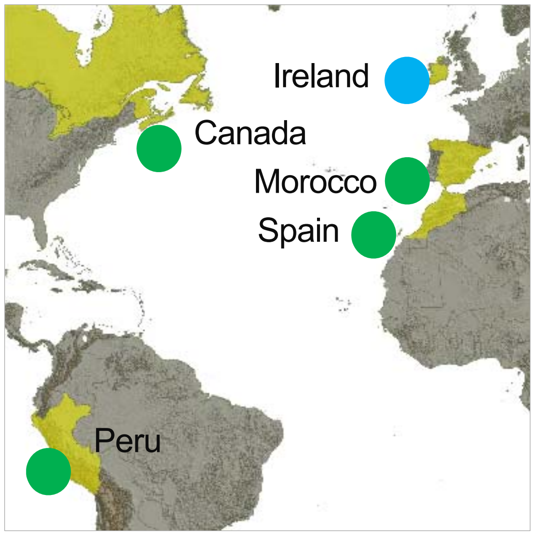
2015: Develop existing acreage, core area aggregation and portfolio growth

Australia and Asia-Pacific



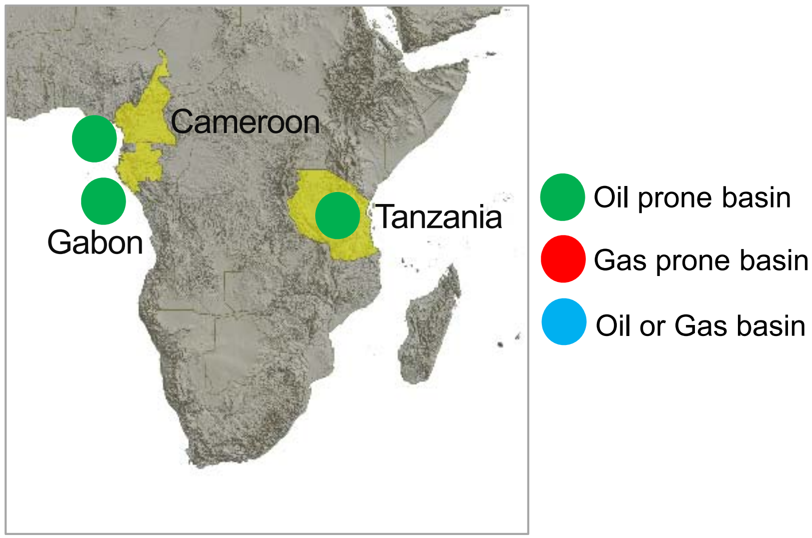
Maximising Australia and extending the core in material gas prone regions

Atlantic Margins and Latin America



Building footprint in oil prone under-explored plays

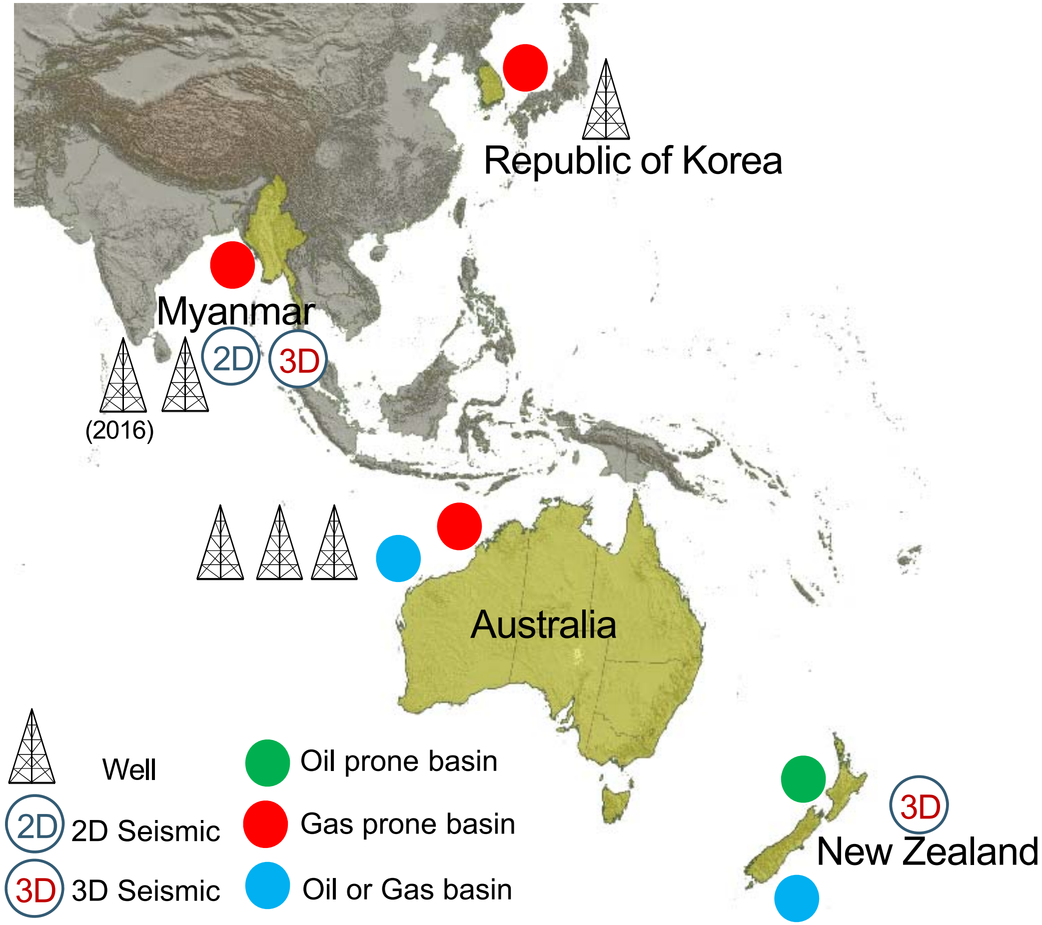
Sub-Saharan Africa



Building inventory in oil prone unexplored/under-explored emerging petroleum systems

Focus area 1: Australia and Asia-Pacific

Maximising Australian acreage and extending the core in material gas prone regions



- Pyxis-1 Gas discovery in Q2/2015
- 2015 - drill three play-opening wells in Australia, Republic of Korea and Myanmar

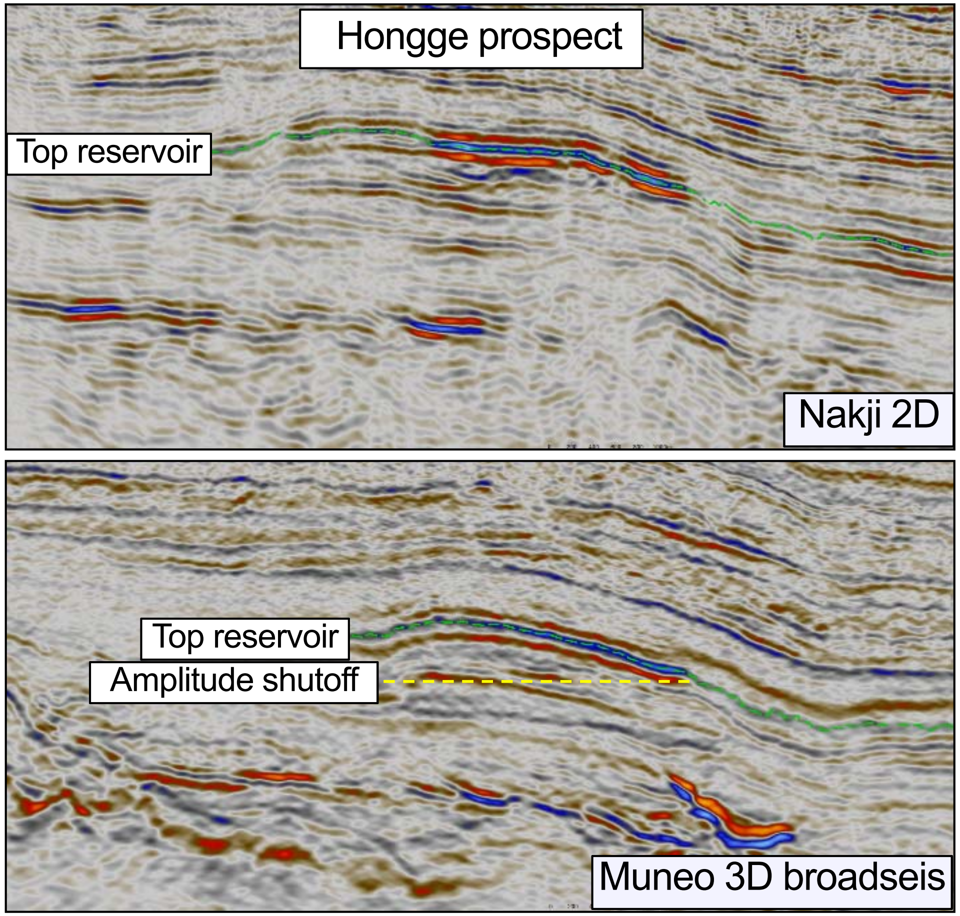
Country	Prospect	Size*
Australia	Malaguti	Large
Republic of Korea	Hongge	Large
Myanmar	Saung	Large

- Build inventory with new seismic in New Zealand and Myanmar
- Woodside exposed to multi-Tcf resource potential

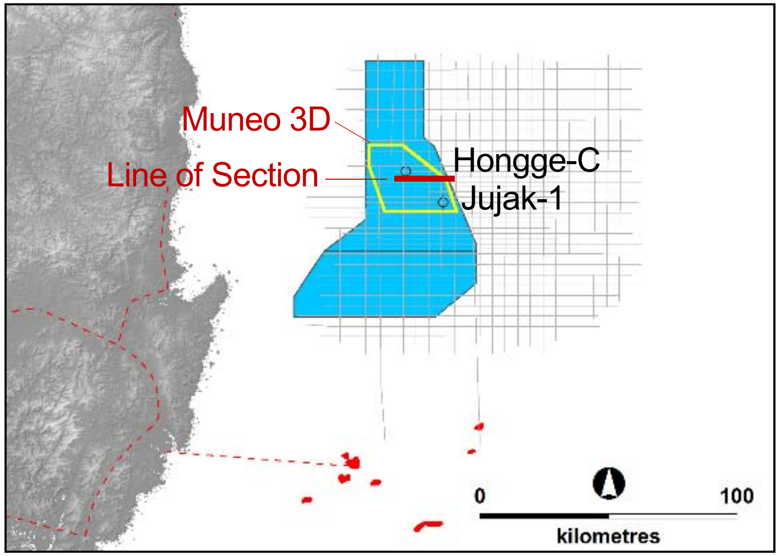
** Large = 100 to 400 MMboe*

Republic of Korea

Advanced 3D acquisition leads to 2015 drilling

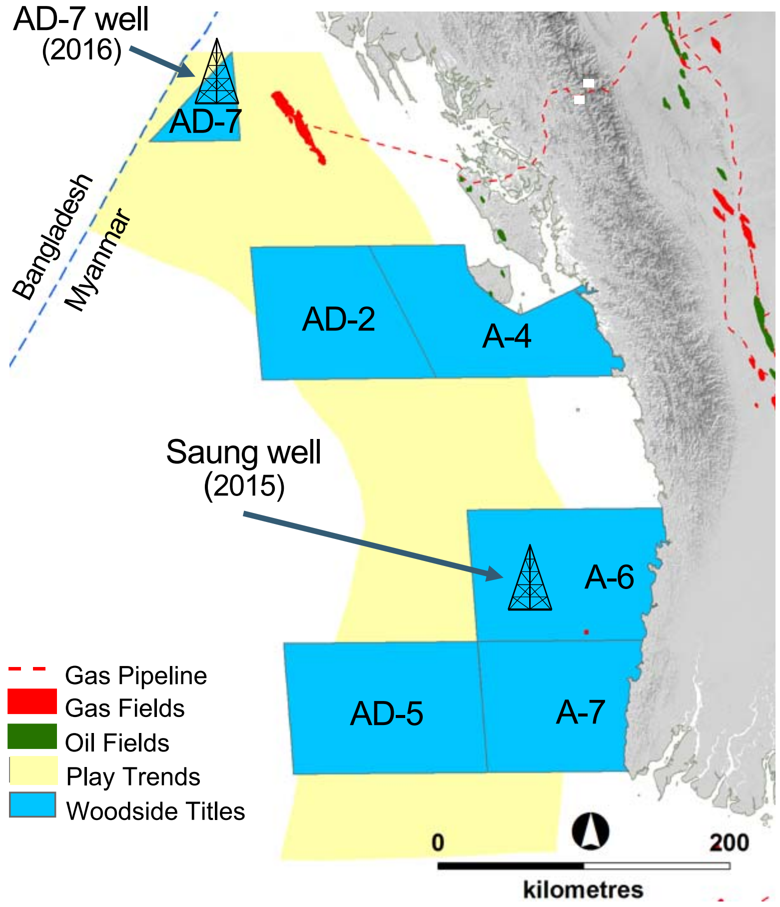


- High specification 3D acquisition and processing
- Hongge prospect identified with Direct Hydrocarbon Indicators



Myanmar

The largest acreage holder in the Rakhine Basin



Scale of opportunity

- 6 permits, 46,000km^2 (~20% of Woodside's global exploration acreage)

Strategic basin position

- early mover advantage
- partnered for strength
- phased exploration program

Path to value

- Myanmar domestic gas
- growing Asian gas markets

Focus area 2: Atlantic Margins and Latin America

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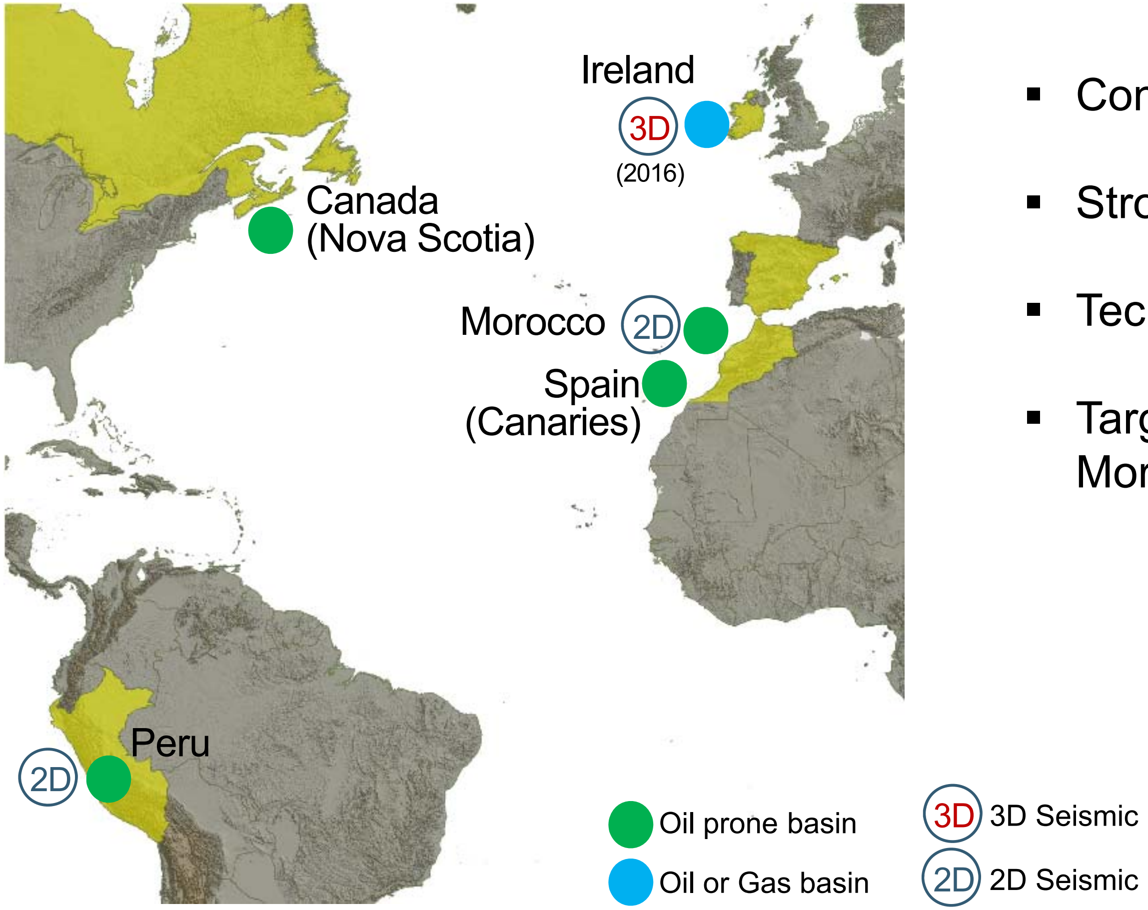
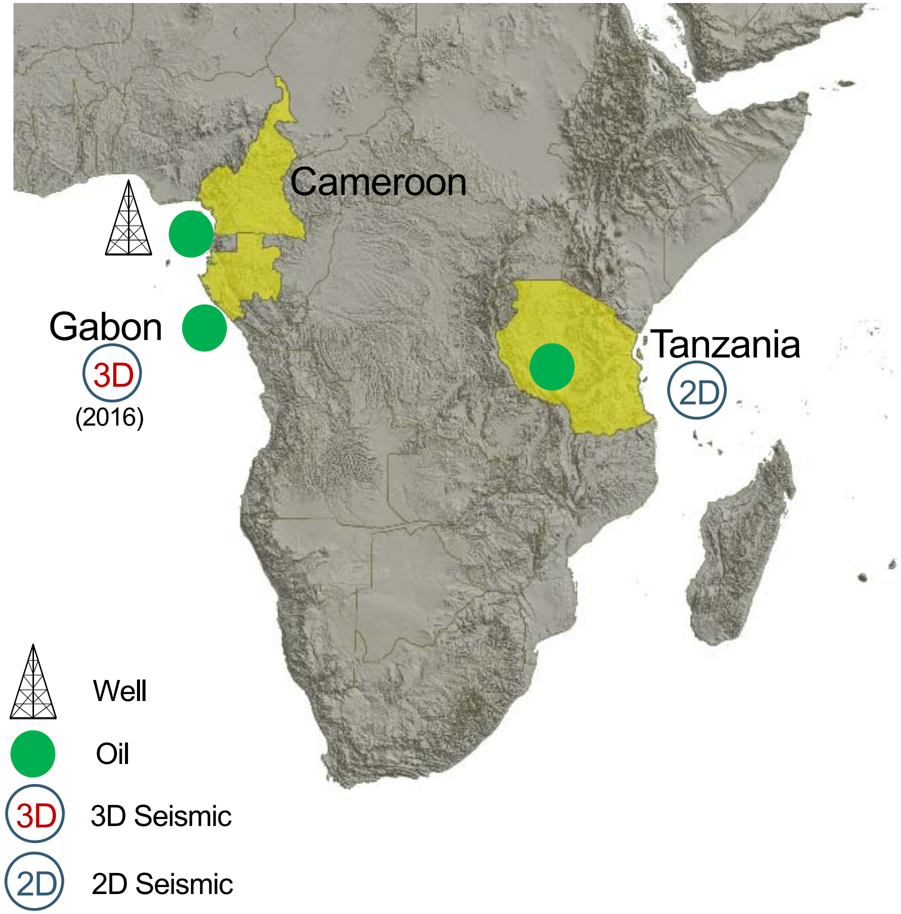
Building a strategic footprint in oil prone under-explored plays



- Conjugate margins, under-explored plays
- Strong evidence of working petroleum systems
- Technology unlocking opportunity
- Targeting multi-100MMbbl oil (Nova Scotia and Morocco) and multi-Tcf wet gas (Ireland)

Focus area 3: Sub-Saharan Africa

Building inventory in oil prone unexplored and under-explored emerging petroleum systems



- Oil prone Atlantic margin synergies
- Under-explored plays in mature provinces
- Drilling Cheetah-1 well in Cameroon in Q3 2015
- Focus on portfolio aggregation

Measures of success

Objective: Global Leader in Exploration by 2018

Measures	Objective
Portfolio	▪ Scale and optionality to underpin year-on-year exploration success
Value	▪ Discipline to deliver consistent top-quartile value
Success rate	▪ > 25% commercial success rate
Discovered Resource	▪ > 120% production
Finding Costs	▪ Consistent top-quartile finding costs (< US$4/boe)

Key messages

- Rebalancing the portfolio, in terms of maturity, geographic focus, and oil / gas mix
- Aggregating and high-grading targets in our three focus areas
- Drilling an additional four wells in 2015 to test plays with material portfolio upside
- Resuming international drilling as focus shifts to execution (Korea, Myanmar, Cameroon)
- Maintaining a disciplined approach, underpinned by the competencies and culture to succeed


Bish Cove, Kitimat LNG site - Image courtesy of Chevron

Development

Robert Edwardes | Executive Vice President Development

Development progress

Delivering value growth through the opportunity pipeline

PRE-ASSESS
- Exploration
- GWF Phase 3
- XENA Phase 2&3
- Pyxis
- New opportunities

ASSESS
- Vincent fuel gas
- Pluto future facilities
- Goodwyn Life Extension (GLE)
- Third party gas

SELECT
- **Browse**
- **Kitimat LNG**[1]
- Grassy Point LNG
- **Greater Enfield**
- GWA infill wells
- Sunrise

DEVELOP
- GWF Phase 2
- Cossack North
- Lambert Deep

EXECUTE
- GWF Phase 1
- XENA Phase 1
- Vincent Phase IV
- Persephone
- **Karratha Life Extension (KLE)**
- OKHA riser replacement
- Pluto 06 Well
- **Julimar/Brunello**
- **Wheatstone LNG**[1]

OPERATE
- North West Shelf
- Laminaria / Corallina
- Enfield
- Vincent
- Pluto
- Balnaves
- Stybarrow[1]

1. *Operated by others*

Browse FLNG Development

Preparing for front-end engineering and design (FEED) entry

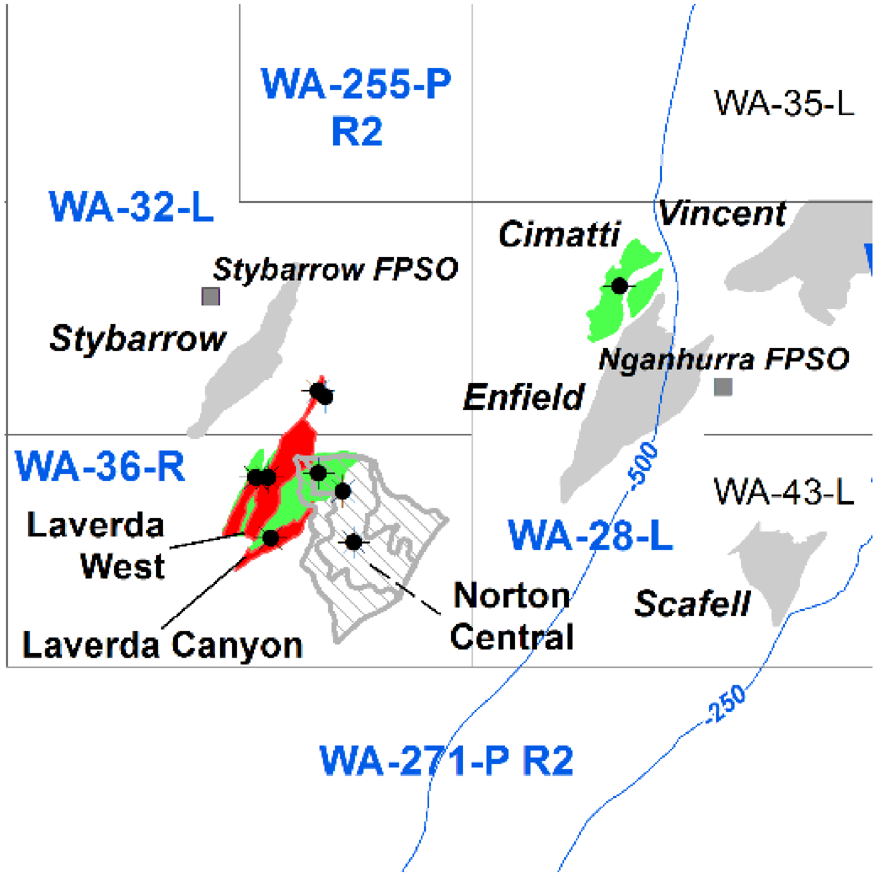
Schematic of FLNG facility: Image courtesy of Shell

- Design-one-build-many philosophy
- Excellent technical definition
- Well defined execution strategy
- Value proposition has improved:
    - Smart engineering initiatives
    - 15-30% reduction in some cost categories
    - Positive 2014 reserves upgrade
- Woodside targets: FEED mid-2015, FID 2H 2016
- Commissioning five years post FID
- Stakeholders engaged on concept and phasing

FID = Final Investment Decision

Greater Enfield

Accelerating FEED to capture market conditions

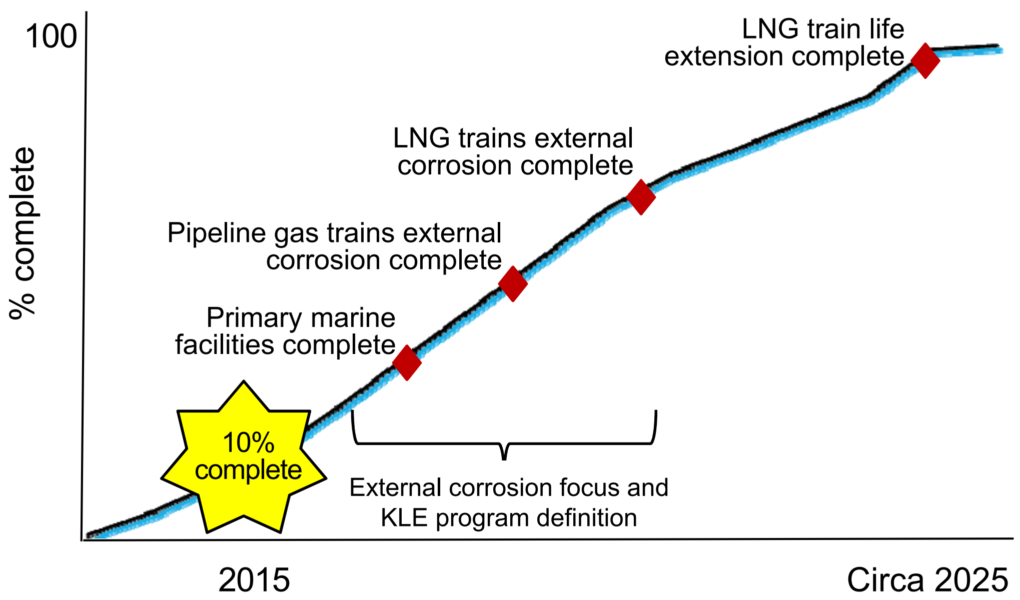


- Oil development via Ngujima-Yin FPSO
- Laverda and Cimatti reservoirs: 70MMboe recoverable volume (gross)
- Previously marginal
- Well and subsea costs comprise >90% of execution estimate
- New approach delivering economic project
- Targeting FID in 2016
- Accelerating FEED gives potential savings from:
  - Lower rig and vessel market rates
  - Subsea equipment and installation synergies

Karratha Gas Plant life extension

Implementing efficient, cost conscious approach, no pre-investment

KLE activity timeline



- Portfolio of refurbishment projects
- Targeting external corrosion, obsolescence and ageing facilities
- Efficient program management approach
- 10% complete; executing safely, efficiently and predictably
- Average annual spend of $50-70 million net

KLE = Karratha Gas Plant life extension

Wheatstone LNG Project

Supporting Chevron in delivery of Wheatstone through our experience in LNG projects

Wheatstone Platform float-over. Image courtesy of Chevron Australia

- Wheatstone LNG Project 60% complete[1]
- Topside float over completed 12 April 2015
- Targeting first gas in late 2016[1]
- Woodside is operator of Julimar-Brunello upstream gas development, which ties into Wheatstone platform
- Julimar-Brunello Project 60% complete, targeting completion mid 2016

1. *Source: Chevron. As at April 2015*

Kitimat LNG (50% equity)

World-class resource

Bish Cove, Kitimat LNG Site – Image courtesy of Chevron Canada

- 2 LNG trains, initial capacity 10 mtpa (5 mtpa net)
- Liard and Horn River Basins
- An advanced opportunity in Canada:
  - First Nations: Benefits agreement for Pacific Trail Pipeline in place
- Current focus – Liard resource appraisal
- Concurrently:
  - Competitive fiscal framework
  - Competitive project cost structure
  - LNG market capture
- Reviewing LNG plant costs: reductions targeted

Liard and Horn River appraisal

Focus on appraising the Liard resource


Liard North Pad – Image courtesy of Chevron Canada

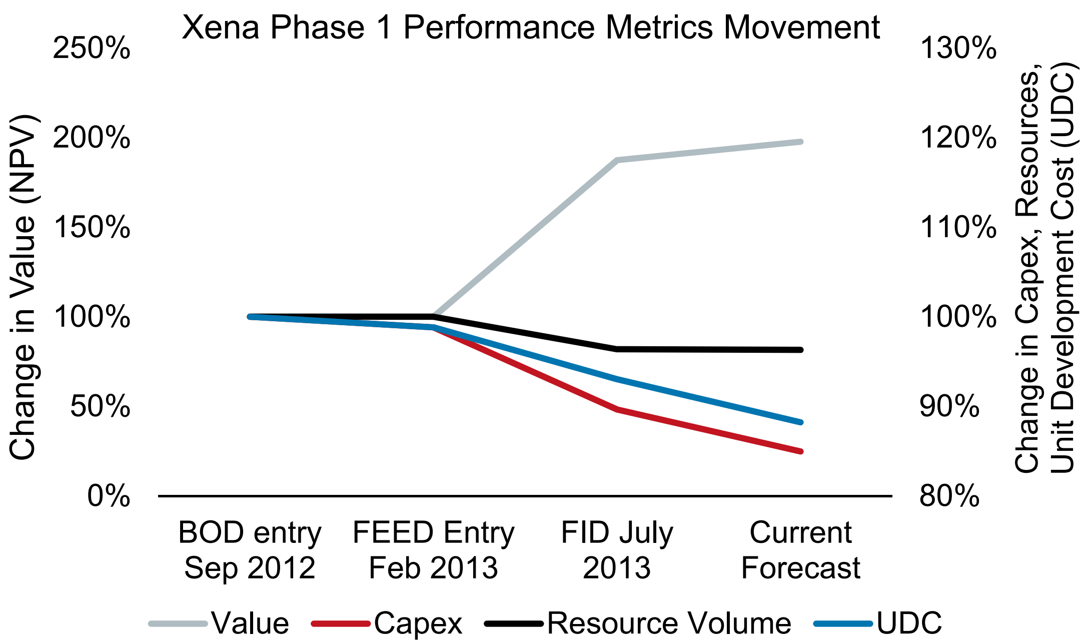
- Liard and Horn River resources 10-40 Tcf net
- Appraisal well data suggests recoveries of
  - ~ 40 Bcf/well in the Liard Basin
  - ~ 20 Bcf/well in the Horn River Basin
- The first two horizontal wells in the Liard Basin will be completed and tested in 2H 2015

Development enablers

Taking advantage of low oil price environment to achieve capital cost reductions

External Spend

2016 Target	2014 result
❑ -10 to 20%	❑ -13% opex ❑ -10% capex



- Up to 40% lower rig and vessel rates
- Reduced cost through subsea tieback campaign synergies
- Woodside standards now industry aligned

Xena example:

- Simplified to lower unit development cost
  - Subsea cooler and manifold scope eliminated
  - Well tied into existing Pluto infrastructure
  - Schedule reduced and on track
- Subsea installation in progress and under budget
- Campaign approach enhances efficiency

Key messages

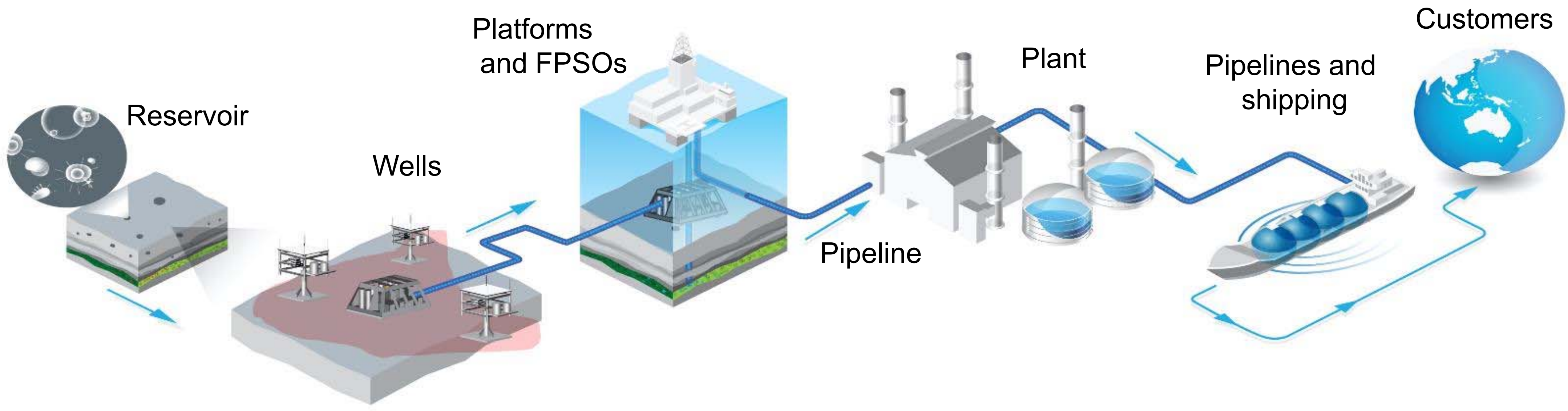
- Browse: proposing FEED entry based on robust business case in current environment
- KLE: implementing efficient, cost conscious approach, average annual spend $50-70m net
- Wheatstone: seeking opportunities to create additional value
- Canada: appraising Liard resource in 2015
- Driving down our unit development costs by at least 20%

Operations

Mike Utsler | Executive Vice President and Chief Operating Officer

Value chain

Maximising value from reservoir to market



Maximise recovery
- Reservoir optimisation
- Drilling and well interventions

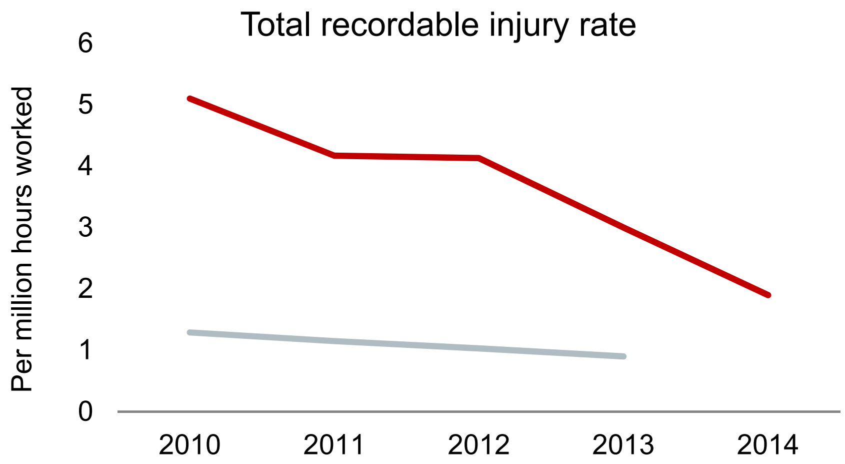
Increased volumes
- Reliability and capacity improvements
- Maintaining deliverability

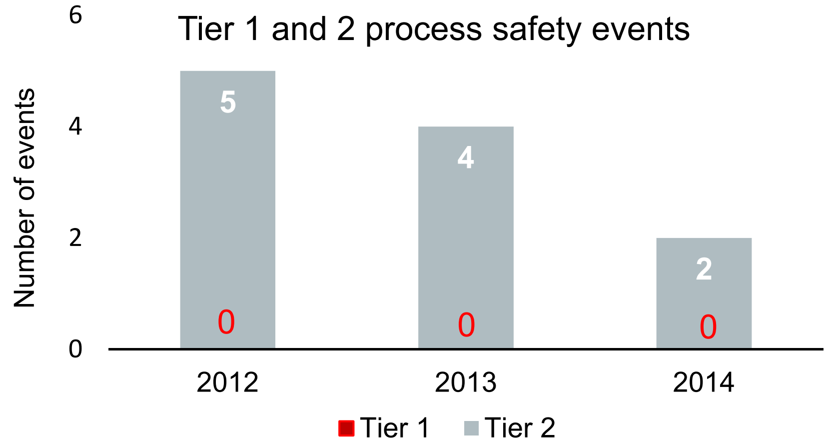
Supplier of choice
- Reliable supplier
- Trading capability

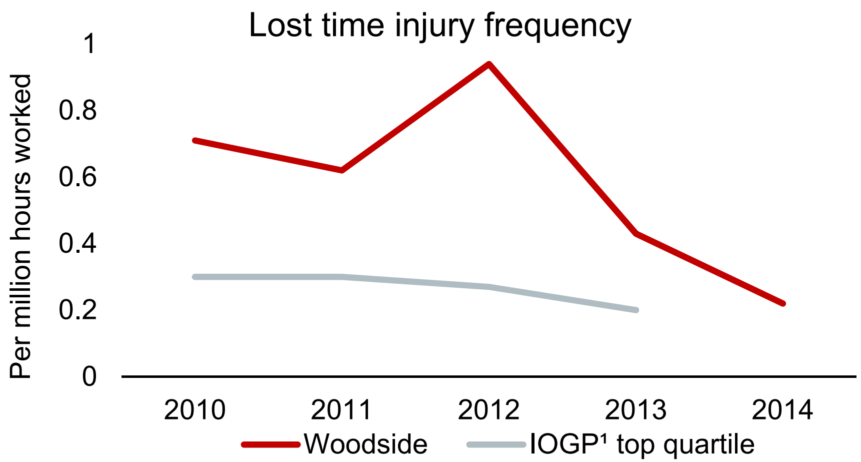
Underpinned by relentless focus on HSE and cost management

HSE performance

Improving, on track to deliver world class HSE performance





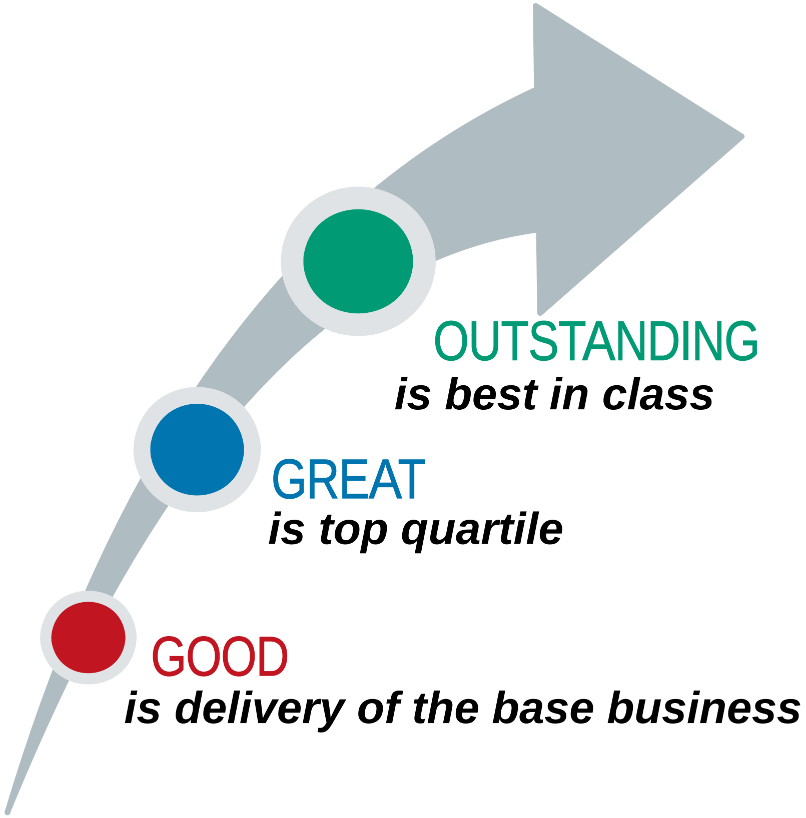


- Our best ever HSE performance in 2014
  - 37% reduction in total recordable injury rate
  - 50% reduction in process safety events
  - 29% reduction in flaring

1. *International Association of Oil and Gas Producers, 2014 data not available*

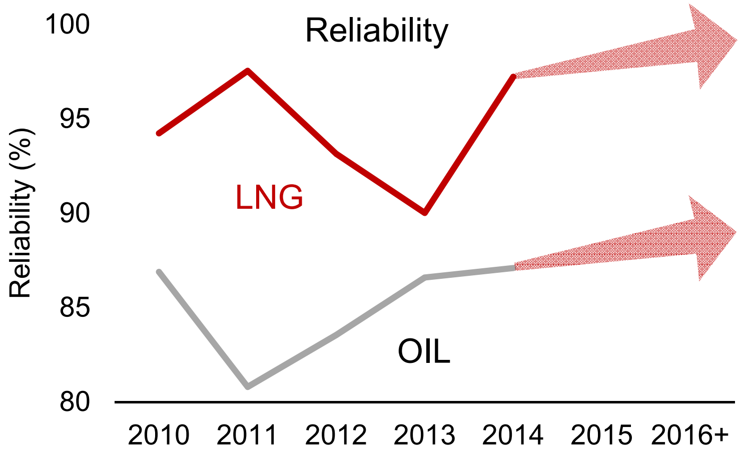
Operational excellence

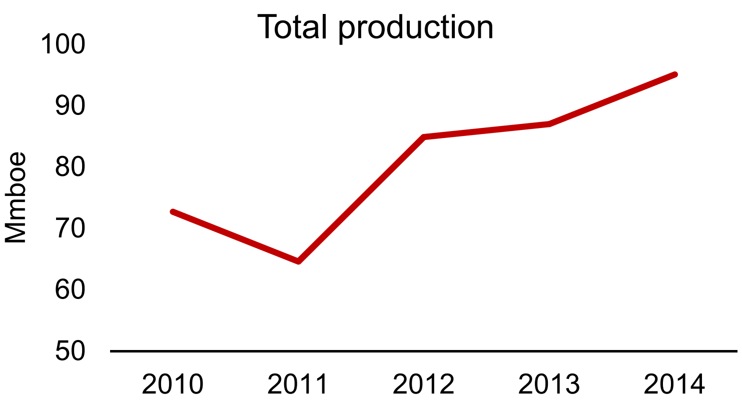
Our journey to outstanding operational performance



Increased volumes

Delivering on our productivity promises – reliability and capacity improvement



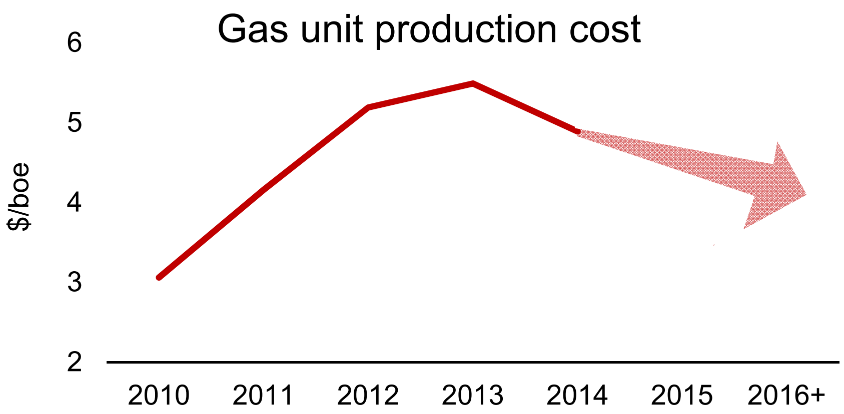


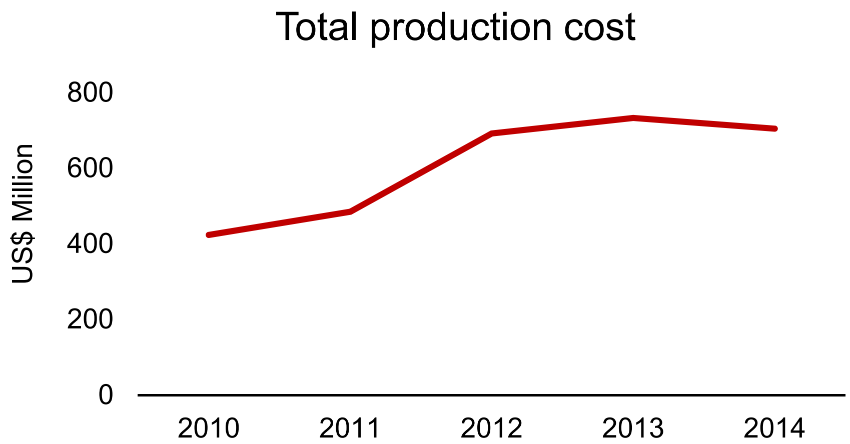
2016 Target	2014 result
❑ +3 to 5%	❑ +5% attributed to reliability

- Achieved top quartile LNG reliability performance on NWS and Pluto in 2014
- Oil performance improved, further gains in 2015
- Facility optimisation through constraints management
- Planned LNG capacity increases: potential 1 to 2% improvement on Pluto and NWS

Reducing costs

Delivering cost reductions through our operational excellence program





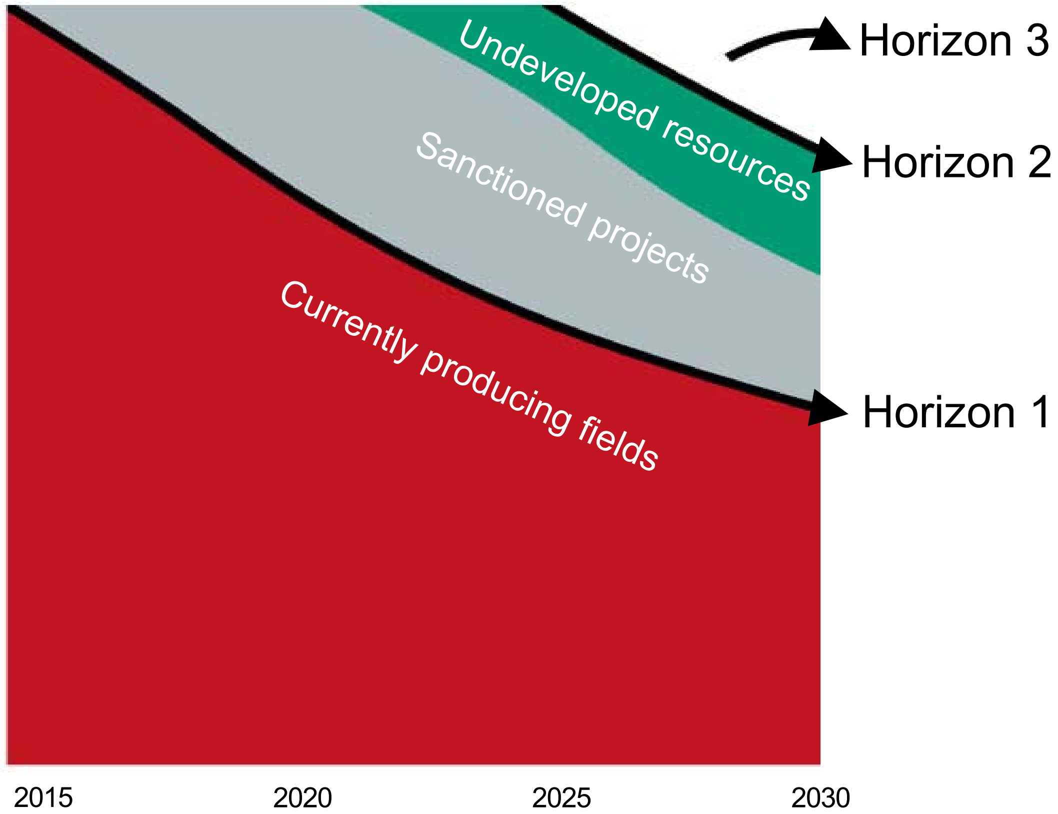
2016 Target	2014 result
❑ 10 to 20%	❑ 12% reduction in unit production costs[1]

- Maintenance excellence
  - Maintenance strategies
  - Core and campaign
  - Turnarounds
- Supply chain optimisation
- Integrated activity planning

1. *The 12% reduction in unit production costs contributed towards the overall 13% reduction in opex in 2014*

North West Shelf post 2025

Maximise the value of the North West Shelf through plateau extension



- Horizon 1: Safe and reliable operations of the base business
- Horizon 2: Disciplined project delivery to develop North West Shelf reserves
- Horizon 3: Extend plateau beyond current reserves
  - Fortuna 3D seismic
  - Other resource owners

Key messages

Continue our journey to outstanding operational performance

- Maximise value from reservoir to market
- Relentless focus on HSE performance
- Maximise volumes through reliability and capacity enhancement
- Continue to deliver cost efficiencies
- Delivering sustained value through continuous improvement
- Leverage our capabilities and world-class assets

Question and Answer

Peter Coleman | CEO

Morning tea

Return at 11:00am AEST

Schedule

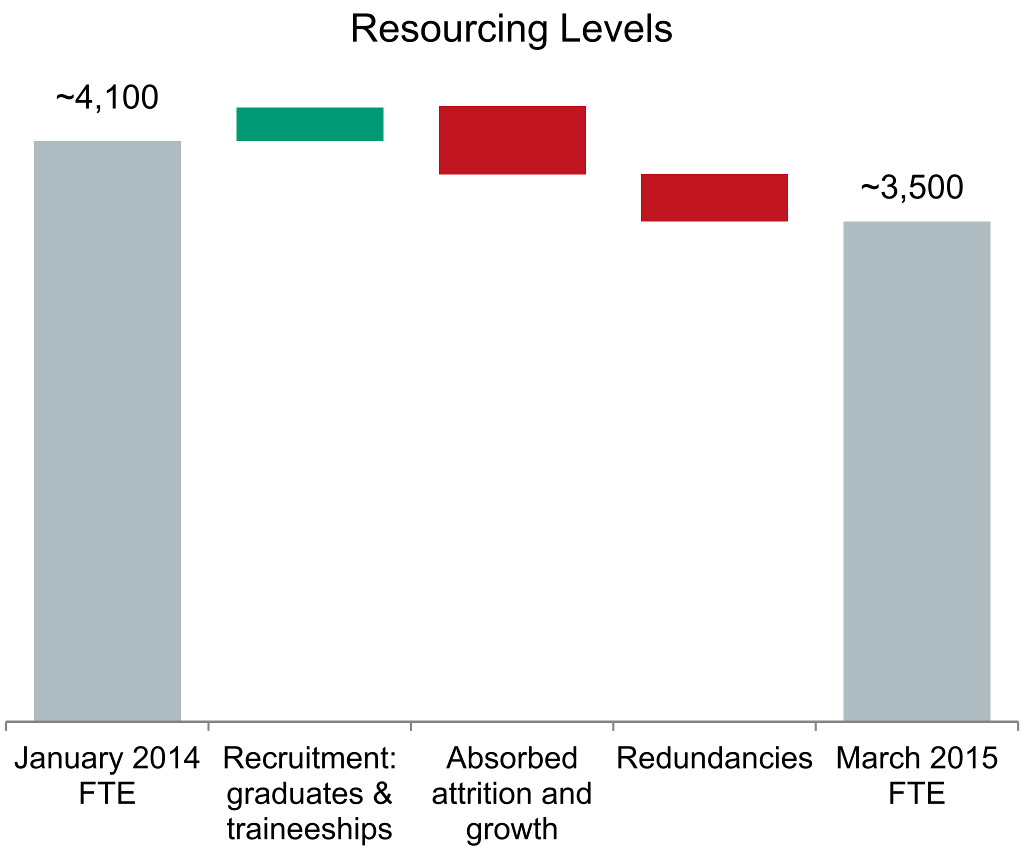
Start	Topic	Presenter
Session 2		
11:00	People and Capability	David McLoughlin
11:10	Marketing and Trading	Reinhardt Matisons
11:40	Q&A session 2	Peter Coleman
12:20	Lunch	

People and Capability

David McLoughlin | Vice President People and Capability

Our workforce

Reshaping our workforce with discipline to deliver organisational efficiency

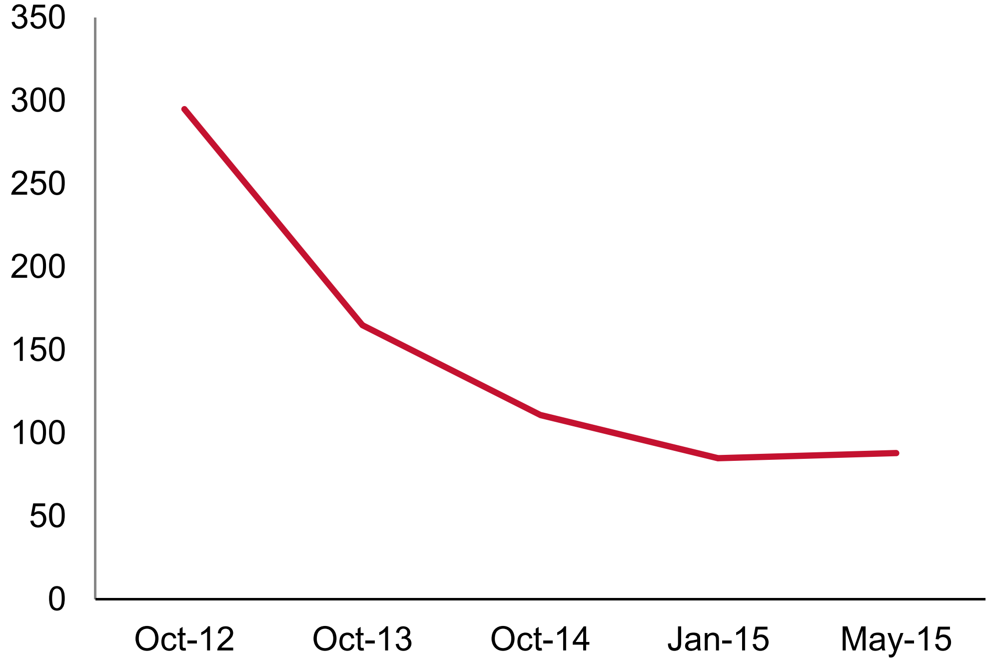


- Productivity review identified an opportunity to improve 10 - 20% in organisational efficiency
- From early 2014 we have achieved a ~ 20% organisational efficiency, while delivering on our growth commitments and graduate / traineeship intake
- To streamline the organisation we have:
  - reduced organisational layers from ~ 8 to 7
  - reduced managers by ~18%
  - improved spans of control from ~ 5 to 6.5

Our culture in action

Creating in-house capability and embedding a high performance culture

Total number of third party contractors[1] (2012-2015)



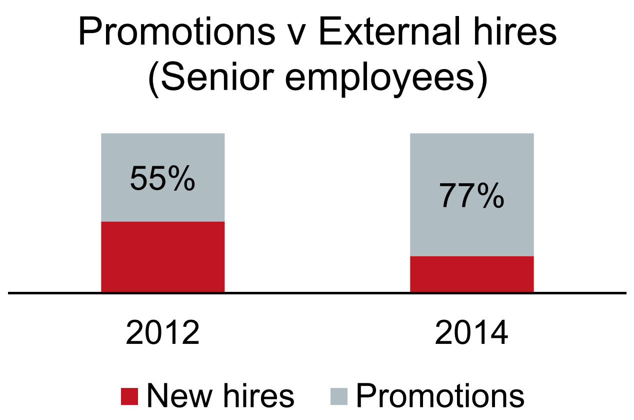
- Discipline and continuous improvement culture delivering results
- Third party contractor numbers reduced from 295 in 2012 to 88 in 2015
    - Associated spend reduced from A$120 million in 2012 to A$32 million in 2014
    - Average of 27% rate reductions implemented in 2015
    - Working smarter and building staff capability and culture

Values are presented in terms of gross joint venture operated expenditure in Australian dollars.

1. Excluding apprentices, trainees and service providers

Our talent pipeline

Developing talent and leadership from within



- Committed to developing talent
  - Implemented best practice graduate development program
  - Expanding international graduate pool
  - Ratio of almost 2:1 graduate hire to mid career hire in 2014
- Promoting our next generation of leaders from within
  - Strong progress towards our aspiration of 80%

Diversity

Delivering progress on building a diverse workforce

- Gender diversity focus and committed to growth
  - Female workforce increased to 29% compared to 16% in the Australian resource sector
- Providing indigenous opportunities
  - 15 scholarships awarded
  - 8 community cadetships
  - 44 participants in traineeships and apprenticeship programs
  - Indigenous comprise 2.7% of workforce compared to 3.1% in the Australian resource sector and 1.4% in all Australian industries

Diversity video

http://youtu.be/aSRQbD65RRY

Key messages

- Achieved ~20% organisational efficiency, ~600 FTEs reduced since Jan 2014
- Ahead of the curve with controlled re-structuring
- Ongoing commitment to building a values-led performance culture
- Developing our leadership and talent through:
  - promotion from within
  - increased graduate intake

Marketing and Trading

Reinhardt Matisons | Executive Vice President Marketing, Trading and Shipping

woodside

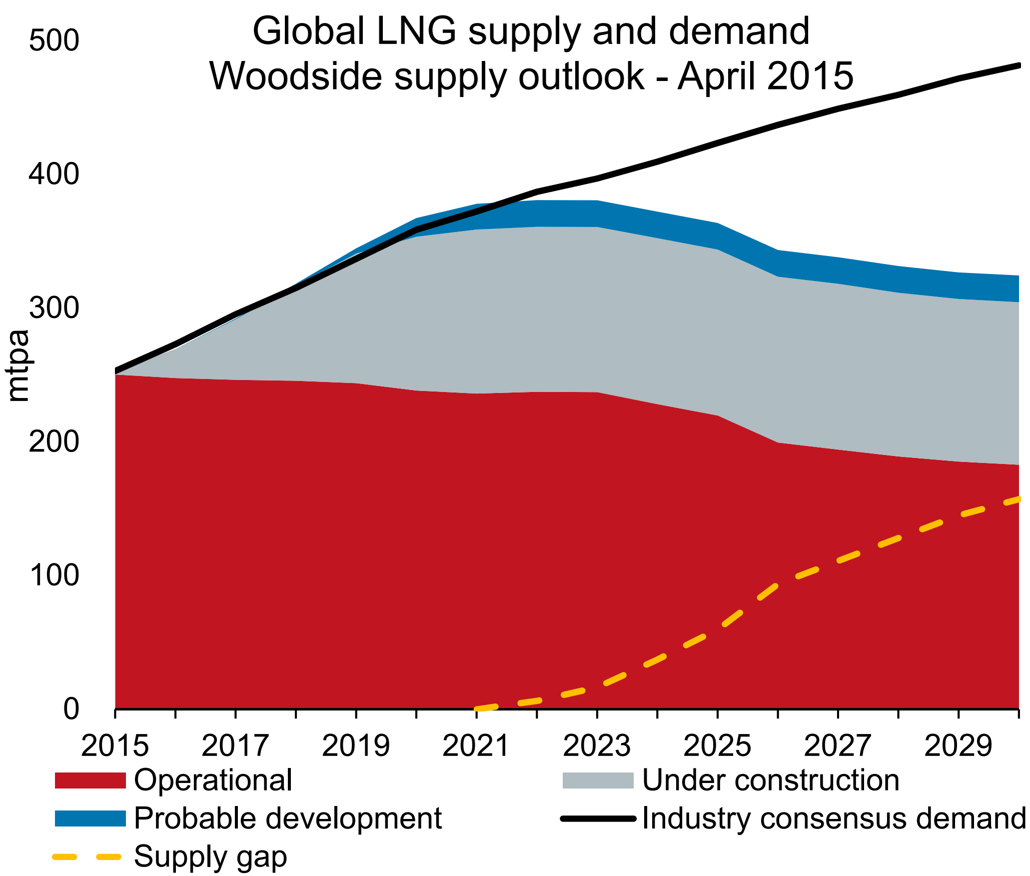
Strategy

Focus is competitive bulk supply of LNG into Asia and other regional markets

- Ability to supply any market, at any time, from any source (not single source to single buyer)
- A competitive supplier of LNG into Asia (price, terms, supply reliability and security) to meet customer requirements
- Woodside's transition to a portfolio seller:
  - Backed by substantial equity LNG and third party sources
  - Secure sales contracts with source flexibility
  - Enhanced and more diversified customer offerings
- Trading strategy is to be an "optimiser" (a trader of physical cargoes) not a proprietary trader
  - Support projects
  - Pursue incremental value through trading and shipping optimisation

Global LNG market

Market continues to grow, including substantial uncontracted Asian demand 2021+



LNG trade expected to grow ~7% p.a. to 2020

Asia-Pacific demand remains core at ~70% of market

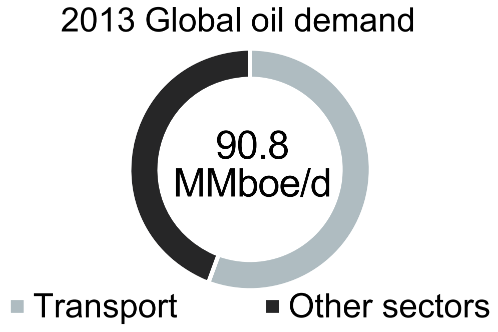
- Significant new demand across a broader customer base
- Expanding import infrastructure
- Traditional buyers recontacting demand

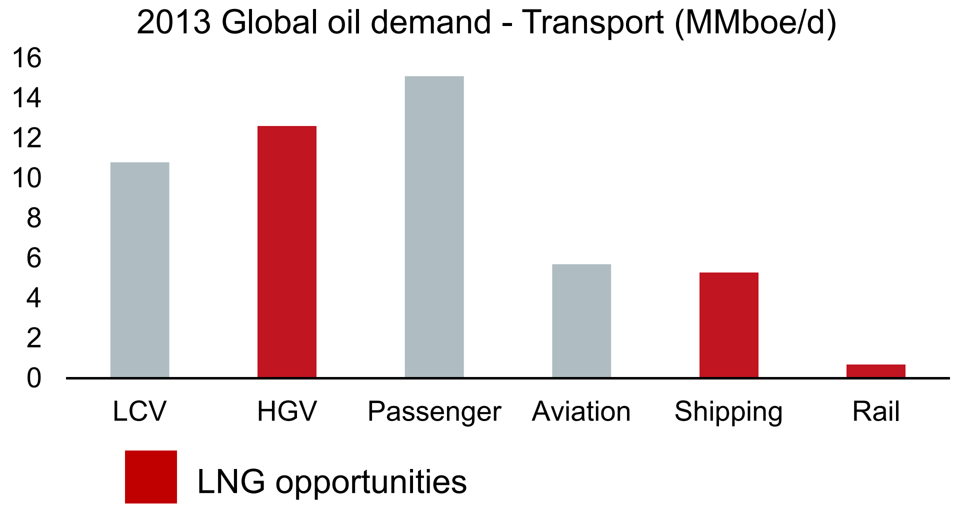
Momentum for many proposed projects stalled

To avoid post 2021 supply shortfall, buyers and industry need to support ~15 mtpa of project FIDs per year

LNG upside opportunities

Replace oil transport and overall energy growth in non OECD countries such as China





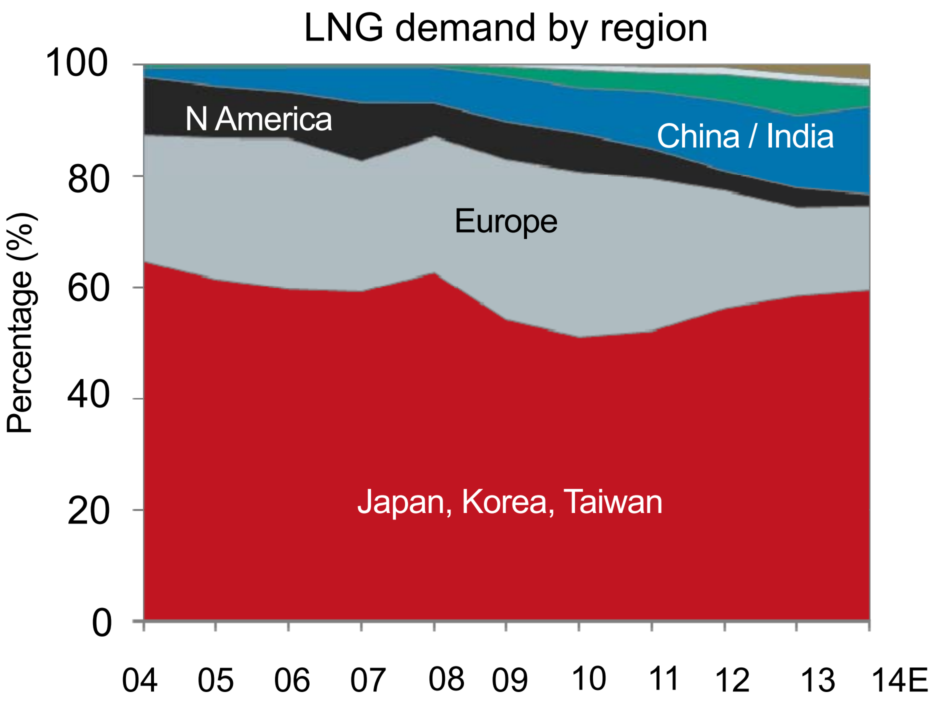
- Global LNG trade 2013 = 6.1 MMboe/d
- Global oil demand 2013 = 90.8 MMboe/d
  - Transport represents 50.5 MMboe/d
- Transportation fuel displacement market is three times 2013 LNG traded (~ 19 MMboe/d):
  - Heavy good vehicles ~ 13 MMboe/d
  - Shipping ~ 5 MMboe/d
  - Rail ~ 1 MMboe/d

Source: IHS Energy, Study conducted on 2013 data concluded in February 2015

LNG demand profile is diversifying

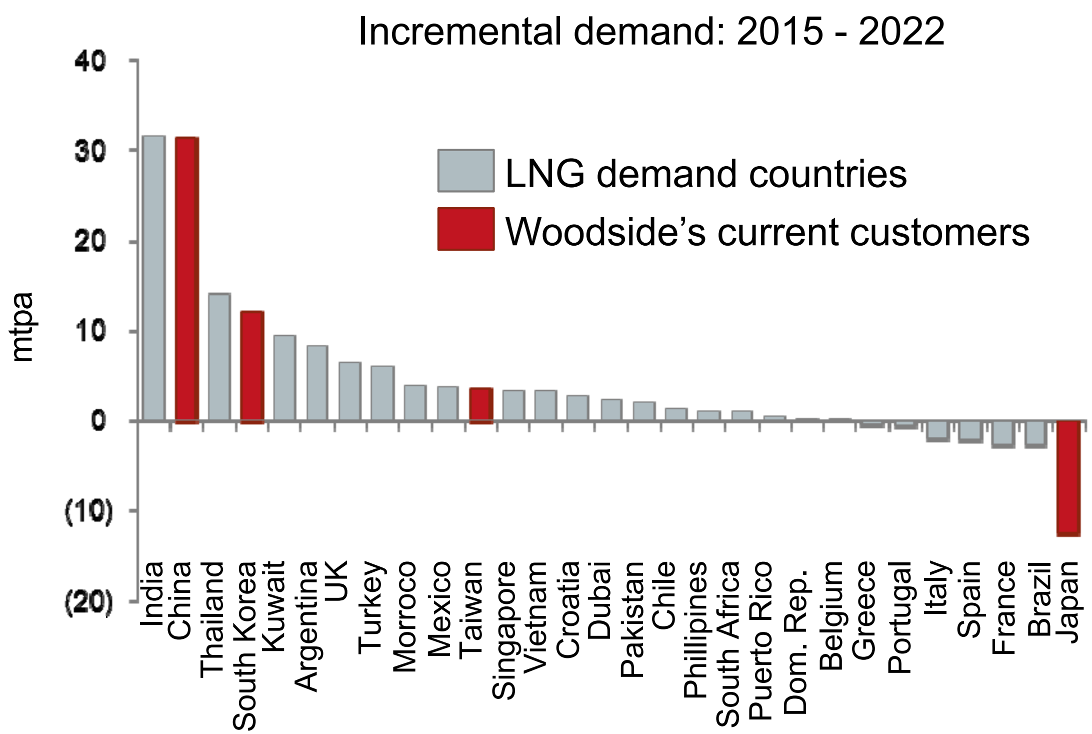
Woodside has opportunities both in traditional and new regions

Historic



Japan, Korea and Taiwan have been the dominant premium LNG markets over last decade

Future

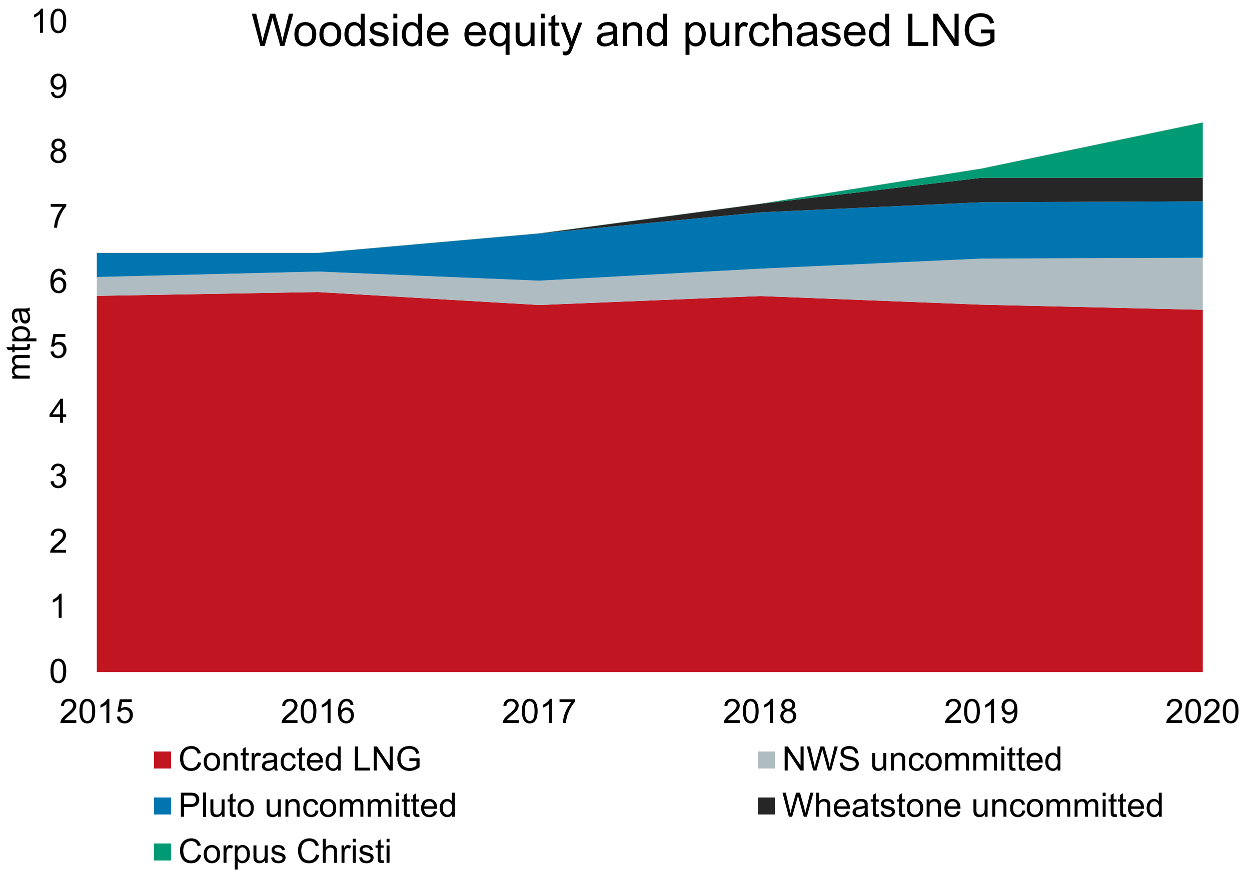


The largest future incremental growth is being seen in emerging economies

Source: Wood Mackenzie data; BCG demand model; BCG analysis; EIA; IEA

Woodside's LNG portfolio

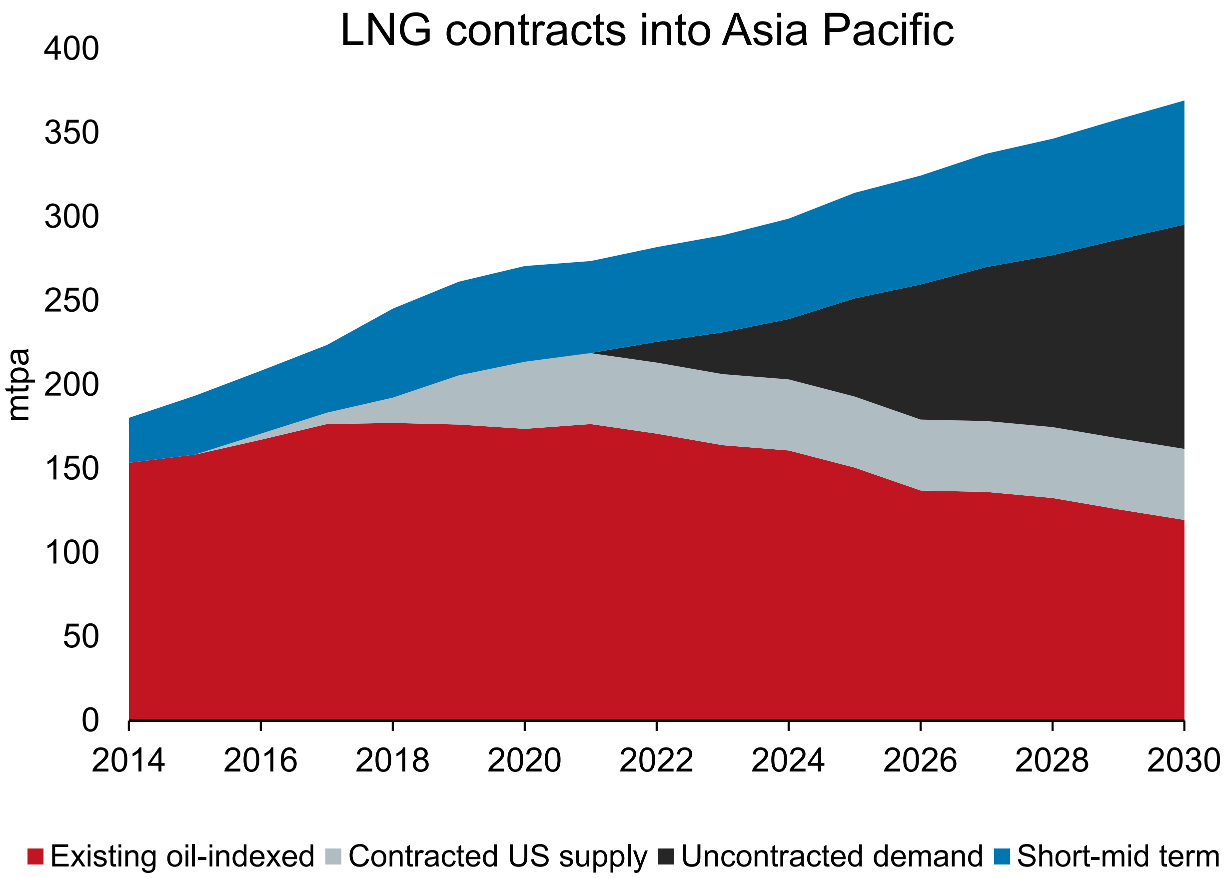
Strong suite of existing LNG contracts; portfolio marketing to secure robust new SPAs



- Limited exposure to current spot market
  - 2015 - 2016: up to 10% of total LNG sales
- Uncommitted volumes are available for short, mid and long-term marketing
- Wheatstone adds further high quality LNG SPAs to our existing portfolio
- Existing mid-term contracts provide optionality
- Existing mid and long-term LNG agreements have varying levels of indexation to oil / JCC

LNG price indexation

Differentiated pricing in Asia-Pacific to continue; low oil prices disruptive to new projects



Low oil prices:

- Challenges financial feasibility / ability to progress to FID for many projects

Future arrangements:

- Likely to include a mix of pricing structures, but still majority oil linked
- Opportunities to balance downside price protection with upside

Trading strategy and evolution

Support projects and “optimise” the trade of physical cargoes, not proprietary trade

	2011[1]	2012	2013	2014	2015 YTD
Long term US off-ake				Corpus Christi FOB agreement	Corpus Christi FID
Mid-term deals				3 mid-term deals over 3 years	
Optimisation, arbitrage & spot trades	2 cargoes	12 cargoes	4 cargoes	12 cargoes	4 cargoes
Project support / mitigation	17 cargoes	6 cargoes			

2013: Trading vessel procured (Woodside Goode)

- Already material value protection / creation: 2014 activities added over US$40m additional revenue
- Support projects: risk management
- Actively seek options / flexibility to enable asset backed trading
- Long term US FOB volumes: price diversity, flexibility to optimise and arbitrage opportunities

1. *Pluto project*

Trading optionality

Optionality increasingly critical to maintain margin and value

Asia-Pacific LNG terminal capacity

	Country	Current number of terminals	Number of terminals proposed or under construction	Potential Capacity by 2025 (Mtpa)
Traditional	Japan	32	6	201
	South Korea	5	2	84
	Taiwan	2	1	24
Developing	China	12	14	97
	India	4	6	60
Emerging	All	5	11	62
Total	**Asia Pacific**	**60**	**40**	**528**
	Rest of World	48	66	435

- We may acquire equity or capacity rights in receiving terminals
- Develop and access niche and emerging markets
- Avoid rent seeking from others

Source: Wood Mackenzie, Q4 2014

Key messages

Market:

- LNG market continues to grow (size and number of participants)
- Customer base is broadening
- Substantial uncontracted demand 2021+ for our growth projects

Our strategy:

- Supplying Asia and other regional markets with competitive bulk supply of LNG
- Transitioning to a portfolio based seller; leverage experience, capability and growing portfolio
- Trading to optimise and add incremental value
- Securing optionality - we may acquire equity or capacity rights in receiving terminals

Wrap up

Peter Coleman | Chief Executive Officer and Managing Director

Summary

Strategy

- Effective, unchanged

Strong financial position

- Credit ratings reaffirmed, stable outlook
- Dividend pay out ratio unchanged
- Refinanced balance sheet at improved terms (in low oil price environment)
- Continued focus on growth, and maintaining returns

Future focus

- Aggregating opportunities in existing focus areas
- Providing strong yield with growth optionality
  - De-risked future growth through Wheatstone acquisition
  - Added upside with Kitimat purchase
  - Organic growth through Browse and Greater Enfield
  - Additional upside through exploration, acquisition, marketing and trading

Biographies

Peter Coleman
BEng (Civil and Computing), MBA, FATSE
Chief Executive Officer and Managing Director

Peter was appointed as Chief Executive Officer and Managing Director in May 2011, and has over 30 years' experience in the global oil and gas industry.

Peter is the Chairman of the Australian-Korea Foundation, a Fellow of the Australian Academy of Technological Sciences and Engineering and, in 2012, was awarded the honorary title of Adjunct Professor in Corporate Strategy from the University of Western Australia. In 2013, he received the Distinguished Alumni Lifetime Achievement Award from Monash University. Following graduation from Monash University, he began his career at Esso Australia (which became part of the ExxonMobil group) and stayed with ExxonMobil until joining Woodside.

Lawrie Tremaine
BBus, FCPA
Executive Vice President Finance and Commercial and Chief Financial Officer

Lawrie was appointed as Chief Financial Officer in 2010. In 2014, leadership of the Commercial function was also added to his remit.

He joined Woodside in 2006 and has over 30 years of finance leadership experience, predominantly in the resource and minerals processing industry.

Lawrie is responsible for a range of functions including finance, investor relations, commercial, contracting and procurement, information technology and performance excellence.

Prior to joining Woodside, he worked for Alcoa for 17 years.

He is a National Executive Member of the Group of 100.

Michael Utsler
BSc (Petroleum Engineering)
Chief Operations Officer

Michael was appointed as Chief Operations Officer in 2013, following an extensive career in upstream oil and gas spanning 36 years.

He is responsible for Woodside's producing facilities and stewardship of programs in health, safety, environment and security and emergency management.

Prior to joining Woodside, Michael held the position of President for the BP-Gulf Coast restoration organisation, leading the Deepwater Horizon response effort.

Dr Robert Edwardes
BSc (Eng), PhD
Executive Vice President Development

Robert was appointed as Executive Vice President Development in 2012. He has over 37 years of resources industry experience, spanning the full breadth of operations and projects.

In his current role, he is accountable for front-end planning and execution of onshore and offshore capital projects, reservoir management, engineering and subsea.

Prior to joining Woodside, Robert's roles included Managing Director of Worley Parsons (US and Latin America) and Project Director of the Kizomba deepwater oil development in Angola with ExxonMobil.

Phil Loader
BSc (Geology), MBA, MSc, DIC
Executive Vice President Global Exploration

Phil was appointed as Executive Vice President Global Exploration in 2013, following an extensive career in the upstream sector spanning over 30 years.

Phil is responsible for the company's global exploration activities.

Prior to joining Woodside, Phil's roles included Senior Vice President Exploration at Mubadala Petroleum in the United Arab Emirates and Vice President Exploration at Anadarko Petroleum.

Reinhardt Matisons
BEng, MBA, MIE Aust, CPEng, CPA
Executive Vice President Marketing, Trading and Shipping

Reinhardt was appointed as Executive Vice President Marketing, Trading and Shipping in 2014. He has over 33 years' experience in the energy industry.

In his current position, he is accountable for the newly formed marketing, trading and shipping function. Reinhardt joined Woodside in 1996 and has held various marketing and commercial roles.

Prior to this, he held senior leadership roles with Poten & Partners, Alinta Gas, Western Power and the State Energy Commission of Western Australia.

David McLoughlin
B.A (Psychology), FAHR
Vice President People and Capability
David was appointed as Vice President, People and Capability in 2014. He has twenty years' experience in mining, minerals and engineering services throughout Australia, SE Asia and the Americas.
David is responsible for the People and Capability/Human Resources function within Woodside.
Prior to Woodside David has held a variety of roles including Manager Integration Minera Las Bambas, Vice President Human Resources Glencore Xstrata Copper, General Manager Xstrata Copper Australia, various roles with Thiess Pty Ltd and Rio Tinto.

Hendrik Snyman
BSc (Eng.), MBA
Senior Vice President Spend Reduction Initiative
Hendrik was appointed as Senior Vice President Spend Reduction Initiative in 2015. Previously he was in the role of SVP Chief Procurement Officer.
He joined Woodside in 2013 and has over 26 years of Oil and Gas Industry experience, spanning the full breadth of operations and projects, including HSE and operations integrity, development planning and delivery of major capital projects.
Hendrik is responsible in leading a company wide Spend reduction program to deliver a restructured cost base and position Woodside as a partner of choice.
Prior to working for Woodside he was a General Manager for Shell for 7 years.

Craig Ashton
BSc (MechEng), BLaw, MAppFin
Vice President Investor Relations
Craig was appointed as Vice President, Investor Relations in 2013. He has over twenty years' commercial experience in the resources industry in Australia and South Africa.
Craig is responsible for the Investor Relations function within Woodside. He joined Woodside in 2000 and has held various Commercial and Business Manager roles.
Prior to Woodside Craig worked at Iscor Limited, a South African mining and steel company where he held roles in corporate business development, corporate strategy, marketing and shipping.

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.