ASX Announcement

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WOODSIDE ACHIEVES FIRST HALF PROFIT OF US$679 MILLION

Woodside has achieved a half-year reported net profit after tax (NPAT) of US$679 million, underpinned by production of 42.0 MMboe and operating revenue of US$2.556 billion for the period.

Financial headlines for 1H 2015

- Half-year reported net profit after tax (NPAT) of US$679 million, down 39% on 1H 2014. The reported NPAT is consistent with market consensus. NPAT was predominantly impacted by lower operating revenue.
- Half-year operating revenue of US$2.556 billion, down 28% on 1H 2014, mainly due to lower commodity prices and to a lesser extent reduced sales volumes, predominantly arising from the planned turnaround work at Pluto.
- Earnings per share (EPS) on a reported basis of 83 cps, down 39% on 1H 2014 (134 cps).
- Declared an interim dividend of US66 cents per share, representing an 80% dividend payout ratio.
- Operating cash flow of US$1.08 billion.
- US$0.2 billion in cash and US$3.0 billion in undrawn facilities available to fund growth.
- 2.6% pre-tax portfolio cost of debt, reduced from 3.4% in 1H 2014.
- Raised US$3.75 billion in debt at competitive rates.

Woodside CEO Peter Coleman said the financial results reflected the impact of the fall in commodity prices over the past year.

“Our half-year profit is down 39 percent on the same period last year as a direct result of the fall in oil price over the period,” Mr Coleman said.

“However, we have achieved some significant milestones this year which are part of our strategy to transform the business. With the purchase of interests in Wheatstone, Balnaves and Kitimat we have substantially increased our reserves and production capacity while de-risking our future growth. The recent decision to move to FEED on Browse is a significant step towards developing this world class resource.”

Mr Coleman said the company had continued its focus on cost reduction opportunities and process efficiencies throughout the period.

“Projects such as Greater Enfield have taken advantage of lower costs resulting from the low oil price environment, while we constantly look to improve processes, as demonstrated at our recent Pluto turnaround which was completed ten days ahead of the original schedule,” Mr Coleman said.

Key Business Activities

- Total Recordable Injury Rate per million hours worked was 1.84 in 1H 2015, slightly better than the 2014 full year result of 1.90.
- 2015 production target range remains unchanged at 86 to 94 MMboe.
- The Browse Joint Venture participants agreed to enter the front-end engineering and design (FEED) phase for the proposed floating LNG development, a key milestone in preparing for a final investment decision, targeted for 2H 2016.
- The transaction to acquire interests in Wheatstone LNG, Kitimat LNG and Balnaves oil projects successfully completed in April 2015, increasing the reserves and resources stated in the 2014 Annual Report as follows:
  - Proved (1P) Developed and Undeveloped reserves increased by 191.8 MMboe (18.3%),
  - Proved plus Probable (2P) Developed and Undeveloped reserves by 260.9 MMboe (19.5%) and
  - Contingent resources (2C) by 2,632.0 MMboe (151%).
- Production of 42.0 MMboe, down 9.7% on 1H 2014 (46.5 MMboe). The reduction was primarily due to the first major planned turnaround at Pluto which was completed within 25 days, ten days ahead of the original schedule. Pluto requires turnarounds of this magnitude approximately every three years. Based on the condition of key rotating equipment we are assessing if the next period can be extended to four years.
- We made significant gains in our productivity program during the half, targeting $800 million in enduring benefits by the end of 2016.
- Exploration drilling completed three wells with the Pyxis-1 well in the Carnarvon basin resulting in a gas discovery of an additional 2C Contingent resource of 68 MMboe (net) for future tie-back potential to existing Pluto LNG infrastructure.
- Two 3D marine seismic surveys in New Zealand, one 2D in Peru and one 2D in Tanzania were completed in the half. Woodside has subsequently decided to exit the Lake Tanganyika South production sharing contract in Tanzania.
- Vincent phase IV in-fill drilling was completed and oil production commenced in early June.
- Xena Phase 1 installation activities were completed ahead of schedule and production commenced in June.
- Providing increased supply diversity in support of a portfolio-seller approach, Woodside secured approximately 0.85 million tonnes of LNG per annum commencing from 2019, as a result of the conditions precedent to the LNG sales and purchase agreement with Corpus Christi Liquefaction LLC being satisfied.

  Corpus Christi Liquefaction LLC, a subsidiary of Cheniere Energy Inc., made a final investment decision on the construction of Trains 1 and 2 of the Corpus Christi Liquefaction Project on 13 May 2015.
- Woodside's affiliate, Woodside Energy (USA) Inc. (WUSA), entered into a non-binding Memorandum of Understanding (MOU) with Sempra LNG, an affiliate of Sempra Energy. Under the non-binding MOU, WUSA and Sempra LNG will commence preliminary discussions and assessments pertaining to the potential development of a natural gas liquefaction facility at Port Arthur, Texas. Any decision by WUSA to proceed with a binding arrangement, including the establishment of a joint venture or partnership with Sempra LNG in relation to the project, remains subject to further due diligence and a variety of internal and external approvals.

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 offloading 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. All the material assumptions and technical parameters underpinning the estimates in the Annual Report continue to apply and have not materially changed. All petroleum resource estimates related to the Pyxis-1 discovery are disclosed in this release and those related to acquisition are referred to in the 10 April 2015 ASX announcement.
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.

Pyxis (gas)

1. Reported as at the date of this release, the Pyxis field net Contingent resource estimate (2C) is 366 Bcf Dry gas and 3.5 MMbbl of condensate (gross (100%) 407 Bcf Dry gas and 3.9 MMbbl of condensate), estimated using probabilistic methods. The Contingent resource volume is reported at the 'Best Estimate' (P50) confidence level.
2. The Contingent resource estimate is based on technical evaluation of subsurface data and wireline logging results from the Pyxis-1 exploration well.
3. The proposed development concept is a subsea tie-back to existing Pluto-Xena infrastructure.
4. The key contingencies that prevent the resource from being booked as reserves is the requirement for further evaluation work to be undertaken to assess the technical and commercial maturity.
5. The reported Contingent resource estimates are based on the use of already developed technology.
6. Woodside is 90% equity owner of production licence WA-34-L.

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