ASX Announcement

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WOODSIDE FULL YEAR 2015 RESULTS

Woodside has delivered a full year statutory net profit after tax (NPAT) of US$26 million.

NPAT prior to the deduction of one-off non-cash items was US$1.126 billion[1], a reduction on 2014 due to falling commodity prices and revenues, partially offset by cost reductions.

The statutory NPAT was reduced by $1.1 billion after tax for one-off charges including asset impairments. Impairments have arisen mainly due to lowering our short and long term oil price assumptions.

The directors have declared a final dividend of US43 cents per share (cps) bringing the full-year dividend to US109 cps. The dividend was based on an NPAT of US$1.126 billion prior to the deduction of one-off non-cash items.

Cash flow from operating activities was US$2.376 billion, underpinned by our second highest annual production result and lower operating costs.

Strong levels of liquidity were maintained with US$1.7 billion in cash and undrawn facilities available as at 31 December 2015.

Financial headlines

Profit:

- Statutory NPAT of US$26 million, down from US$2.414 billion in 2014.
- NPAT prior to the deduction of one-off non-cash items of US$1.126 billion.
- Operating revenue of US$5.030 billion.

Cashflow:

- Operating cash flow of US$2.376 billion, despite lower average realised commodity prices.
- Break-even cash cost of sales[2] was reduced for the second consecutive year to ~$11.00/boe, down from ~$16.50/boe in 2013.
- Total unit production costs of US$6.83/boe, down 19% from US$8.43/boe in 2013.

Balance Sheet:

- Available funds of US$1.7 billion (cash of US$0.122 billion and available debt facilities of US$1.6 billion).
- Net debt of US$4.319 billion, up from the 2014 net cash position of US$682 million primarily due to asset acquisitions.
- Raised US$4.1 billion of new and refinanced debt, resulting in a competitive pre-tax portfolio cost of debt of 2.9% pa.
- Gearing at 23%, within our target range of 10-30% across the cycle.

Woodside CEO Peter Coleman said the results reflected Woodside's resilience in this low oil price environment.

"Woodside, with its low cost of production, is well positioned to withstand this commodity cycle.

"A strong performance from our operating assets, disciplined financial management and productivity gains reflect our ongoing commitment to delivering value for our shareholders.

"Throughout 2015, we focused on driving forward productivity improvements and achieved some great results. We also maintained strong levels of liquidity and have low levels of committed capital expenditure," he said.

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[1] Woodside's financial reporting complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS). The NPAT adjusted for one-off non-cash items (non-IFRS) is unaudited but is derived from auditor reviewed accounts by removing the impact of impairments, deferred tax asset de-recognition and onerous lease costs from the reported (IFRS) auditor reviewed profit. Woodside believes the non-IFRS profit reflects a more meaningful measure of the company's underlying performance.
[2] Break-even cash cost of sales includes production costs, royalty and excise, shipping and direct sales costs, carbon costs and insurance; excludes E&E, G&A, DD&A, PRRT and income tax.

Key Business Achievements

Operating activities:

- Achieved our second highest production on record of 92.2 MMboe.
- Continued improvements in plant reliability at Pluto LNG and capacity enhancements at the Karratha Gas Plant partly offset the impacts of field decline, planned and unplanned outages.
- Continued a multi-year trend towards global top quartile performance by improving our Total Recordable Injury Rate per million hours worked by 10% to 1.71, down from 1.90 in 2014.

Maturing Exploration opportunities:

- Discovered gas at the Shwe Yee Htun-1 exploration well in Block A-6 in the Rakhine Basin, located offshore Myanmar. The discovery of gas and reservoir quality rock substantially de-risks the petroleum system, identified leads in the block and our adjacent acreage.
- Drilled six exploration wells globally with the Pyxis-1 well in the Carnarvon basin resulting in a gas discovery of an additional contingent resource (2C) of 68 MMboe (net) for future tie-back potential to existing Pluto LNG infrastructure.
- Completed two 3D marine seismic surveys in New Zealand, one 2D in Peru and one 2D in Tanzania. In Myanmar 6,800 km^2 of 3D seismic was completed on two marine seismic surveys with over 32,000 km^2 total seismic planned.

Delivering growth options:

- The Browse Joint Venture participants agreed to enter the front-end engineering and design (FEED) phase for the proposed floating LNG development.
- Entered into the FEED phase for the Greater Enfield Development.
- Completed the Vincent phase IV in-fill drilling and oil production commenced in early June 2015 resulting in 1.7 MMbbl of production in 2015.
- Completed Xena Phase 1 ahead of schedule and commenced production in June 2015.
- Completed Greater Western Flank Phase 1 ahead of schedule and commenced production in December 2015.
- Approved the US$2.0 billion (100% project) Greater Western Flank Phase 2 Project off the north-west coast of Australia.

Delivering opportunities:

- Increased proved plus probable (2P) reserves to 1,508MMboe, up 12.7% from 2014.
- Increased contingent resources (2C) to 4,398MMboe, up 152% from 2014.
- Secured approximately 0.85 million tonnes of LNG per annum commencing from 2019, as a result of the satisfaction of conditions precedent to the LNG sales and purchase agreement with Corpus Christi Liquefaction LLC, a subsidiary of Cheniere Energy Inc. Corpus Christi Liquefaction LLC made a final investment decision on the construction of Trains 1 and 2 of the Corpus Christi Liquefaction Project in May 2015.

2016 Production range

Woodside reaffirms its 2016 production target range of 86 to 93 MMboe.

Sustainable Development Report

Woodside's 2015 Sustainable Development Report will be released to the ASX in March and available on Woodside's website (www.woodside.com.au) thereafter.

Annual General Meeting

In accordance with ASX Listing Rule 3.13.1, Woodside Petroleum Ltd advises that its Annual General Meeting will be held in Perth, Western Australia on Thursday, 21 April 2016 at 10.00am (AWST).

Investor Briefing Day

Woodside advises that its 2016 Investor Briefing Day will be held in Sydney, New South Wales on Friday, 20 May 2016.

Notes on Petroleum Resource Estimates

1. Unless otherwise stated, all petroleum resource estimates are quoted as at the balance date (i.e. 31 December) of the Reserves Statement in Woodside's most recent Annual Report released to ASX and available at http://www.woodside.com.au/Investors-Media/Announcements, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius). Woodside is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.
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 (FPSO) vessel, 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. 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.

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