

ASX Announcement

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WOODSIDE BOOKS CONTINGENT RESOURCE IN MYANMAR

Woodside has reported an increase in its best estimate contingent resource (2C) by 83 MMboe to 4,481 MMboe following the announcement of two gas discoveries offshore Myanmar in Q1 2016.

Woodside announced the discovery of 32 m net gas pay (increased from an earlier 15 m net gas pay estimate) in the Block A-6 Shwe Yee Htun-1 exploration well and 62 m net gas pay in the Block AD-7 Thalin-1A exploration well.

The contingent resource estimate is based on technical evaluations of subsurface data and wireline logging results from the two wells.

Woodside CEO Peter Coleman said analysis of the exploratory well data confirms the development potential of both discoveries, with further appraisal and exploration of four to seven wells planned to commence in Q1 2017.

“The logical development option for the Thalin-1A discovery is a tieback to the nearby Shwe Field,” Mr Coleman said. “Our strategy is to fully appraise the discovery in one campaign, thereby facilitating concept select in 2017.”

The Shwe Yee Htun-1 discovery has both tieback and standalone development options.

“We recognise additional exploration potential in areas immediately adjacent to the discovery and will target these to ensure any development concept is commensurate with the full block potential,” Mr Coleman said.

The company’s early success in Myanmar establishes the petroleum system credentials of the Rakhine Basin, where Woodside is one of the largest acreage holders, with interests in six blocks (details p3).

Reserves and Resources as at 31 December 2015:

The Woodside reserves and resources presented in the Annual Report 2015 will increase as follows:
Best Estimate Contingent Resource (2C) increase by 83 MMboe to 4,481 MMboe

Shwe Yee Htun (gas) – reported according to Woodside’s economic interest

1. At the date of this release, the Shwe Yee Htun field contingent resource (2C) is 895 Bcf dry recoverable gross gas, of which Woodside’s net economic interest is 209 Bcf, at a best estimate (P50) confidence level using probabilistic methods and a deterministic development scenario (notionally a tie back to the Yadana Gas Processing facility utilising existing technology).
2. Woodside holds a 40% interest in Block A-6 held under a production sharing contract with the Myanmar government. The ultimate net economic interest to Woodside is highly dependent on realised gas prices, Government participation rights, Government share of profit and royalties in the production sharing contract and the outcome of future commercial arrangements.
3. The contingent resource estimate is based on technical evaluation of subsurface data and wireline logging results from the Shwe Yee Htun-1 exploration well.
4. An appraisal drilling and testing program is planned for 2017 to acquire additional volumetric and reservoir data which, together with future commercial arrangements, represent the key uncertainties that prevent the resource from being booked as reserves.

Thalin (gas) – reported according to Woodside’s economic interest

1. At the date of this release, the Thalin field contingent resource (2C) is 1510 Bcf dry recoverable gross gas of which Woodside’s net economic interest is 260 Bcf, at a best estimate (P50) confidence level using probabilistic methods and a deterministic development scenario (notionally a tie back to the Shwe Central Processing Platform utilising existing technology).
2. Woodside holds a 40% interest in Block AD-7 held under a production sharing contract with the Myanmar government. The ultimate net economic interest to Woodside is highly dependent on realised gas prices, Government participation rights, Government share of profit and royalties in the production sharing contract and the outcome of future commercial arrangements.
3. The contingent resource estimate is based on technical evaluation of subsurface data and wireline logging results from the Thalin-1A exploration well.
4. An appraisal drilling and testing program is planned for 2017 to acquire additional volumetric and reservoir data which, together with future commercial arrangements, represent the key uncertainties that prevent the resource from being booked as reserves.

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). Except as provided for in this release, 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 (10⁶) 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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WOODSIDE INTERESTS IN MYANMAR

Block	Woodside Myanmar	BG ¹	MPEP ²	MPRL E&P	Daewoo ³	Total ⁴
A-6	40% ⁵	-	-	20% ⁵	-	40%
AD-7	40% ⁶	-	-	-	60% (operator) ⁶	-
A-7	45% (operator)	45%	10%	-	-	-
AD-5	55% (operator)	45%	-	-	-	-
A-4	45%	45% (operator)	10%	-	-	-
AD-2	45%	55% (operator)	-	-	-	-

Notes:

1. BG Exploration & Production Myanmar Pte. Ltd.
2. Myanmar Petroleum Exploration & Production Company Limited
3. Daewoo International Corporation
4. Total E&P Myanmar
5. MPRL E&P is operator of government liaison, Woodside Myanmar is operator with respect to all other operations
6. Woodside Energy (Myanmar) Pte Ltd, is the operator with respect to deepwater drilling, Daewoo International Corporation is operator for all other operations.

