

# ASX Announcement

Friday, 2 September 2016

ASX: WPL  
OTC: WOPEY

Woodside Petroleum Ltd.  
ACN 004 898 962  
Woodside Plaza  
240 St Georges Terrace  
Perth WA 6000  
Australia  
[www.woodside.com.au](http://www.woodside.com.au)

## 2016 HALF-YEAR SHAREHOLDER REVIEW

The attached Half-Year Shareholder Review provides a summary of Woodside's Half-Year Report 2016 and the Half-Year 2016 results, which were released to the ASX on 19 August 2016.

These documents are available on the company's website at [www.woodside.com.au](http://www.woodside.com.au).

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### Contacts:

#### MEDIA

**Kate Gauntlett**  
W: +61 8 9348 4532  
M: +61 410 884 178  
E: [kate.gauntlett@woodside.com.au](mailto:kate.gauntlett@woodside.com.au)

#### INVESTORS

**Damien Gare**  
W: +61 8 9348 4421  
M: +61 417 111 697  
E: [investor@woodside.com.au](mailto:investor@woodside.com.au)

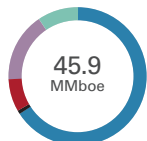
## RESULTS FOR FIRST HALF 2016

	1H 2015 MMboe	1H 2016 MMboe	Variance %
Production volume	42.0	45.9	9
Sales volume	43.4	45.4	5
	US\$m	US\$m	
Sales revenue	2,305	1,807	(22)
Operating revenue	2,556	1,938	(24)
EBITDAX*	1,783	1,381	(23)
Exploration and evaluation expensed	(185)	(191)	3
Depreciation and amortisation	(651)	(659)	1
EBIT*	947	531	(44)
Net finance costs	(53)	(23)	(57)
Petroleum resource rent tax benefit	93	113	22
Income tax expense	(273)	(228)	(16)
Total taxes	(180)	(115)	(36)
Non-controlling interest	(35)	(53)	51
<b>Reported NPAT</b>	<b>679</b>	<b>340</b>	<b>(50)</b>
Reported earnings per share (EPS in cents)	82.5	41.0	(50)
Interim dividend (cps)	66	34	(48)
Net cash from operating activities	1,083	1,124	4
Gearing*	(%) 19.9	22.5	13
Total debt*	3,971	4,522	14
Cash and cash equivalents	155	269	74

\*Refer to page 3 of the 2016 Half-Year Report for definitions.

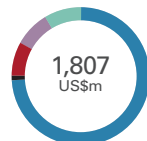
### 1H 2016

#### Production volume



	MMboe	%*
LNG	30.1	66
LPG	0.4	1
Oil	3.4	7
Pipeline gas	7.6	16
Condensate	4.4	10
<b>Total</b>	<b>45.9</b>	

#### Sales revenue

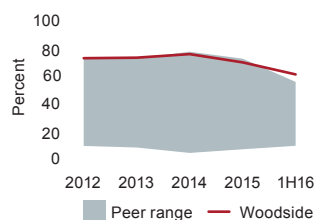


	US\$m	%
LNG	1,329	74
LPG	16	1
Oil	143	8
Pipeline gas	151	8
Condensate	168	9
<b>Total</b>	<b>1,807</b>	

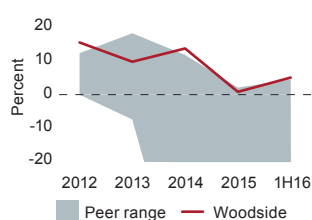
\*Small differences are due to rounding.

### PEER-LEADING PERFORMANCE

#### EBITDA margin



#### Return on capital employed



\*Refer to 2016 Half-Year Results Briefing for peer group and definitions.

### KEY ANNOUNCEMENTS 2016

January	Woodside discovers gas offshore Myanmar
February	Update on Wheatstone schedule Woodside makes second gas discovery offshore Myanmar
March	Browse development update
April	Woodside signs HOA for long-term supply to Pertamina
May	Woodside books contingent resource in Myanmar 2016 investor briefing day
June	Greater Enfield oil development approved
July	Woodside agrees to acquire ConocoPhillips' interests in Senegal

### EVENTS CALENDAR 2016-2017

Key calendar dates for Woodside shareholders in 2016-2017. Please note dates are subject to review.

21 July	Second quarter 2016 report
19 August	Half-year report 2016
29 August	Ex-dividend date for interim dividend
30 August	Record date for interim dividend
30 September	Payment date for interim dividend
20 October	Third quarter 2016 report
31 December	Woodside financial year end
19 January	Fourth quarter 2016 report

### Share registry: Enquiries

Investors seeking information about their shareholdings should contact the company's share registry:

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace, Perth WA 6000

Postal address: GPO Box D182 Perth WA 6840

Telephone: 1300 558 507 (within Australia)  
+61 3 9415 4632 (outside Australia)

Facsimile: +61 3 9473 2500

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

Website: [www.investorcentre.com/wpl](http://www.investorcentre.com/wpl)

#### Head Office:

Woodside Petroleum Ltd  
240 St Georges Terrace  
Perth WA 6000 Australia

Postal Address:

GPO Box D188  
Perth WA 6840 Australia

Telephone: +61 8 9348 4000

Facsimile: +61 8 9214 2777

Email: [companyinfo@woodside.com.au](mailto:companyinfo@woodside.com.au)

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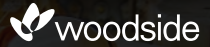
[www.woodside.com.au](http://www.woodside.com.au)



This review provides a summary of Woodside's Half-Year Report 2016 and 2016 Half-Year Results Briefing (ASX releases dated 19 August 2016) which are available on the company's website. The notes to petroleum resource estimates are provided on page 17 of the report. All dollar figures are expressed in US currency unless otherwise stated. Production and sales volumes, reserves and resources are quoted as Woodside share.

# 2016 HALF-YEAR SHAREHOLDER REVIEW

30 JUNE 2016



### ABOUT WOODSIDE

Woodside is Australia's largest independent oil and gas company with a global presence, recognised for our world-class capabilities – as an explorer, a developer, a producer and a supplier.

Our mission is to deliver superior shareholder returns through realising our vision of becoming a global leader in upstream oil and gas.

Our assets are renowned for their safety, reliability and efficiency, and we are Australia's most experienced liquefied natural gas (LNG) operator.

Our producing assets in Australia include the landmark North West Shelf Project, which has been operating since 1984. In 2012, we commenced production from the Pluto LNG Plant and will add additional volumes from our non-operated Wheatstone LNG interests in mid-2017.

We also operate a fleet of floating production storage and offloading (FPSO) facilities. From mid-2019, we will add additional oil production from the Greater Enfield Project via our existing Ngujima-Yin FPSO facility.

We continue to expand our capabilities in marketing, trading and shipping and have enduring relationships that span more than 25 years with foundation customers throughout the Asia-Pacific region.

Our global exploration portfolio includes emerging and frontier provinces in Australia and the Asia-Pacific region, the Atlantic Margins, Sub-Saharan Africa and Latin America.

We have significant equity interests in high-quality development opportunities in Australia (Browse), Canada (Kitimat) and Myanmar and are pursuing new concepts, technology and contracting strategies to enable the earliest commercialisation of these resources.

We believe technology and innovation are essential to bringing down costs and unlocking future growth. Today, we are pioneering remote support and the application of artificial intelligence and advanced analytics in our operations.

We recognise long-term meaningful relationships with communities are fundamental to maintaining our licence to operate, and we work to build mutually beneficial relationships.

Woodside is characterised by strong safety and environmental performance in all locations where we are active and we are committed to upholding our values of integrity, respect, working sustainably, discipline, excellence and working together.

Our proven track record and distinctive capabilities are underpinned by more than 60 years of experience, making us a partner of choice.

## OUR STRATEGY

Woodside is focused on delivering superior shareholder value by maximising our core business; leveraging our capabilities; and growing our portfolio to deliver long-term value growth to our shareholders.

We do so across the exploration and production life cycle through a disciplined approach to capital management and a focus on working sustainably.

We are:

- delivering operational excellence to maximise returns and grow value;
- managing risk and volatility across revenue streams and our balance sheet; and
- creating and building near-term value growth by leveraging our financial strength, core competencies, and lean organisation.

Our company is operating in a challenging low commodity price environment. In response, we increased liquidity, extended our debt maturity profile, reduced our cost structure and concluded numerous price reviews. We continue to progress term sales while growing the business through exploration and acquisitions.

With our financial strength, excellent contingent resource position, leading development and marketing capabilities and a refreshed exploration portfolio, we are well placed to execute our growth strategy.

Peter Coleman

Chief Executive Officer and Managing Director

## HIGHLIGHTS

### Operational excellence

- Increased 2016 production guidance to 90–95 MMboe.
- Production of 45.9 MMboe was 9% higher than 1H 2015, while unit production costs reduced by 38%.

- North West Shelf plateau extension work is progressing well. The Persephone Project remains on budget with a revised earlier start-up expected in 2H 2017 and GWF-2 on track for start-up in 2H 2019.

### Managing risk profile

- De-risked our 2017 to 2018 revenue stream with 85–90% of expected production now either committed under term contracts or subject to finalisation of sale and purchase agreements.
- Secured over \$600 million in funding at competitive rates.
- Negligible near-term debt maturities.
- Liquidity of \$2 billion.
- Investment grade credit ratings affirmed.

- Approved the Greater Enfield Project, developing oil reserves (2P) of 41 MMbbl (Woodside share) as a tie-back to the Ngujima-Yin FPSO, targeting first oil mid-2019.

- Discoveries offshore Myanmar in Block A-6 (Shwe Yee Htun-1) and Block AD-7 (Thalin-1A) increased contingent resources by 83 MMboe (Woodside share, 2C).

- Agreed to acquire ConocoPhillips Senegal B.V., a company that holds a 35% interest in the 560 MMbbl SNE deep water oil discovery (100%, at the 2C confidence level)<sup>1</sup>.

- Entered agreement to acquire a 65% participating interest and operatorship of AGC Profond Block in Senegal – Guinea-Bissau<sup>2</sup>.

- Expanded our acreage position offshore Gabon by acquiring a 40% interest in the Luna Muetse Block<sup>2</sup>.

- Continued progressing work on reducing capital cost at the Kitimat LNG Project in British Columbia. Appraisal drilling of the Liard resource continued with well performance exceeding initial expectations.

### Capturing and building near-term value growth

- The Wheatstone Project (Woodside 13%, non-operator) remains on track for first LNG from Train 1 in mid-2017. First LNG production from Train 2 is expected 6-8 months later.
- The Julimar Project (Woodside 65%, operator) remains on budget and on schedule to be ready for start-up in 2H 2016.

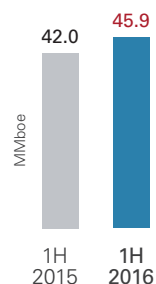
1. Subject to Government of Senegal approval and any applicable pre-emption.

2. Subject to satisfaction of conditions precedent.

## PRODUCTION VOLUME

**9%** higher

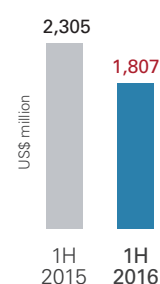
We delivered production of 45.9 MMboe, which was 9% higher than in 1H 2015, primarily due to higher LNG capacity and availability. Pluto LNG annualised loaded production rate of 4.9 mtpa (total project) was 14% higher than expected at FID.



## SALES REVENUE

**\$1.8** billion

First half sales revenue was 22% lower than in 1H 2015, mainly due to lower average realised prices, partly offset by higher sales volumes and favourable price review outcomes. This emphasises the resilience of our sales revenue, as benchmark oil prices<sup>1</sup> fell by 46% from 1H 2015 to 1H 2016.

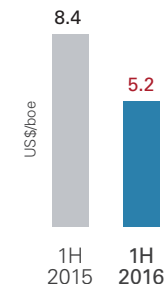


1. Three month lagged Japan Customs-cleared Crude (JCC).

## UNIT PRODUCTION COST

**38%** lower

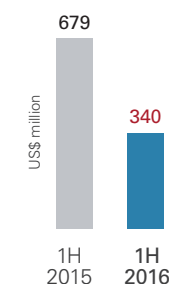
Our unit production cost of US\$5.2/boe was 38% lower than in 1H 2015. This was primarily driven by operational efficiencies, higher throughput, asset management and the impact of the Pluto turnaround in 1H 2015.



## REPORTED PROFIT

**\$340** million

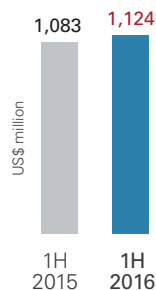
Profit was down on 1H 2015 mainly due to Brent oil price reaching cycle lows of US\$28/bbl at the start of 2016. Lower sales revenue was partly offset by lower production costs.



## CASH FLOW FROM OPERATIONS

**\$1.1** billion

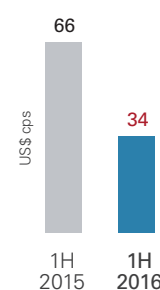
Cash flow from operating activities was 4% higher than in 1H 2015, with strong cash delivery from our core, cash generating assets despite the challenging external environment.



## INTERIM DIVIDEND

**34** cents per share

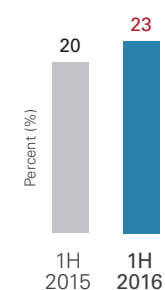
The Board has approved a fully franked interim dividend of 34 cps. This compares to 66 cps (fully franked) in 1H 2015. The Dividend Reinvestment Plan has been suspended for the interim dividend.



## GEARING

**23%**

At the end of the reporting period, our gearing level was 23%. This reflects Woodside's strong financial position and remains within our target range of 10–30%.



## LIQUIDITY

**\$2.0** billion

At the end of 1H 2016, liquidity was US\$2.0 billion, comprising US\$0.3 billion of cash at hand and US\$1.7 billion in undrawn facilities. We have achieved our target liquidity level and are able to fully fund our committed activities and growth opportunities.

