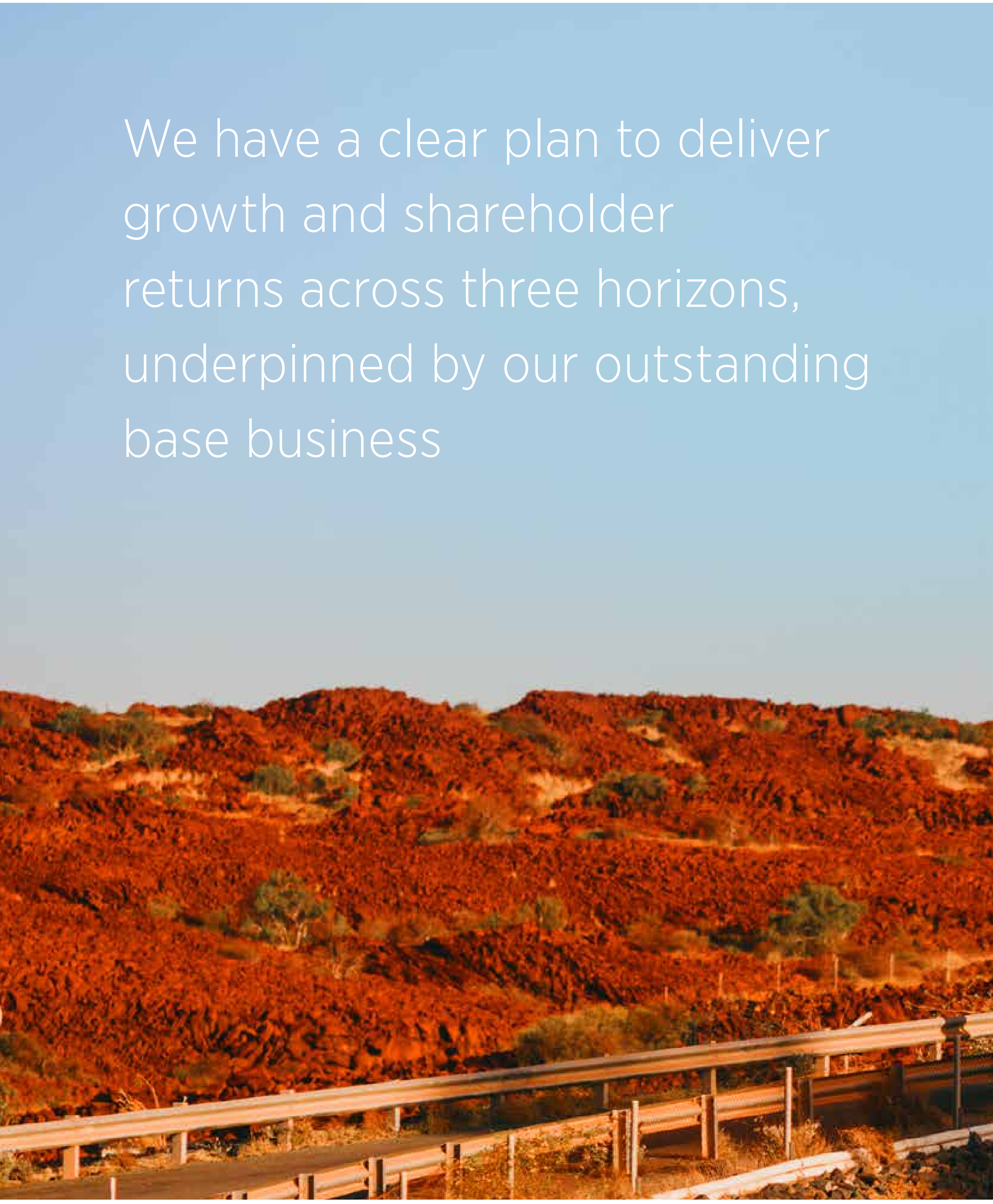
HALF-YEAR REPORT 2018

INCORPORATING APPENDIX 4D

30 JUNE 2018

Woodside

We have a clear plan to deliver growth and shareholder returns across three horizons, underpinned by our outstanding base business



Appendix 4D

Results for announcement to the market

More information on page 34.

				$ MILLION
Revenue from ordinary activities	**Increased**	**27%**[1]	to	**2,388**
Net profit for the period attributable to members	**Increased**	**6%**[1]	to	**541**
Dividends (distributions)				
Interim dividend – fully franked	**53 US cps H1 2018**			
Record date for determining entitlements to the dividend		24 August 2018		

1. Comparisons are to the half-year ended 30 June 2017 and have been restated for the impact of AASB 15 (refer to Note E.4 on page 30).

CONTENTS

About Woodside

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

For more information about Woodside's assets and activities, visit: http://www.woodside.com.au/About-Us/Profile/Pages/home.aspx

On the cover

Aerial image of the Burrup Peninsula, Karratha, Western Australia.

Inside cover

On the Karratha Gas Plant site.

RESULTS

Operating cashflow

$1,540 MILLION

25% increase on H1 2017

Net profit after tax

$541 MILLION

Refer to the financial update on page 8 for further details

Production

44.3 MMboe

5% increase on H1 2017 production driven by Pluto LNG reliability and the start up of Wheatstone LNG

Unit production cost

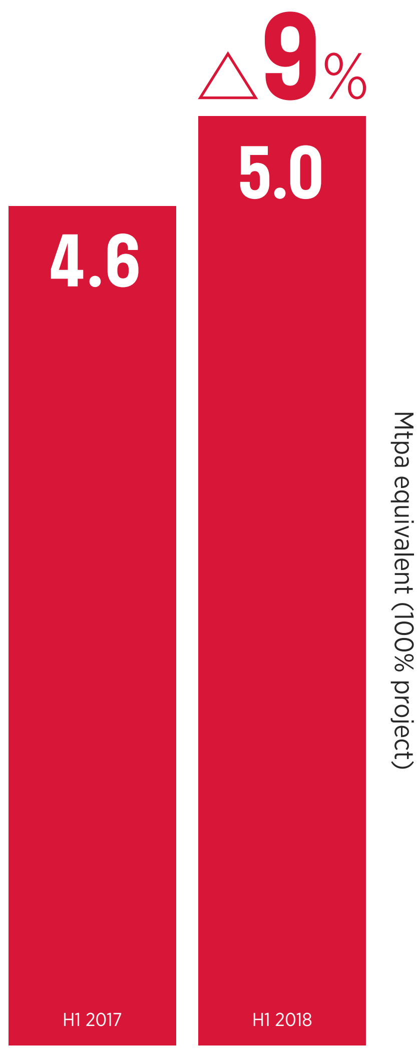
Pluto LNG and NWS Project

$3.6/boe

Maintaining world-class operating costs

Pluto LNG production

Strong performance underpinned by high reliability and production rates



Our outstanding base business continues to deliver attractive margins

Portfolio profitability

PROGRESS UPDATE

H1 2018 achievements across our horizons

HORIZON I 2017–2021

CASH GENERATION

PLUTO LNG
Exceeded 99% LNG reliability

WHEATSTONE
Commenced production from Train 2 with strong ramp up performance

GREATER WESTERN FLANK 2
Completed pipeline construction and Xmas tree installation

GREATER ENFIELD
Completed subsea pipelay, continued drilling and transited the FPSO to the shipyard

HORIZON II 2022–2026

VALUE UNLOCKED

SCARBOROUGH
Increased equity and assumed operatorship; awarded engineering contracts for the concept definiton phase

SENEGAL
Evaluating tender responses for key contracts

BROWSE
NWS Project alignment on key terms and pricing for tolling; progressed joint technical studies

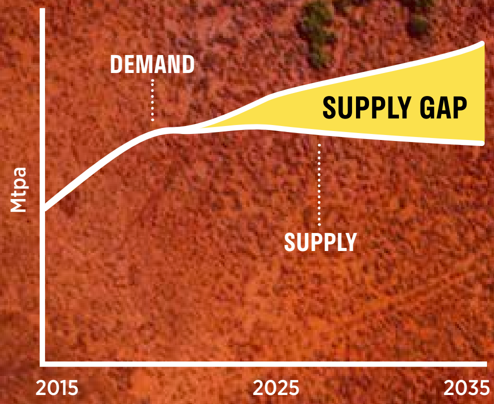
MYANMAR
Further exploration success

We have the resources, people and finances to capture the market opportunity

Market opportunity

A global LNG supply gap is expected to emerge after 2020, when an additional 20 Mtpa of new capacity will be required annually to meet future demand. Now is the time to act.

25% upstream capital costs down since 2014.[1]



Source: Woodside interpretation of IHS Markit data

Resources

Woodside's world-class LNG facilities in Western Australia are well suited to process our significant Scarborough and Browse gas resources, at a globally competitive cost of supply.

Base business

0.7 BILLION BARRELS OF OIL EQUIVALENT

Developed reserves (2P) (Woodside share)

Scarborough and Browse[2]

2.0 BILLION BARRELS OF OIL EQUIVALENT

Contingent resources (2C) (Woodside share)

People

Woodside has proven development and operations capability. We are using the collective knowledge of our people and the application of technology to ensure that we deliver future value.

DELIVERING ON BUDGET

- ✓ Xena
- ✓ Julimar
- ✓ GWF-1
- ✓ Persephone
- ✓ GWF-2
- ✓ Greater Enfield

Pluto LNG reliability

99%

H1 2018

Finances

Our prudent and proactive capital management strategies have ensured that we have the capacity to realise our growth plans.

Gearing

15%

as at 30 June 2018

1. Woodside interpretation of IHS Markit data.
2. Scarborough includes the Scarborough, Thebe and Jupiter gas fields. Browse includes the Brecknock, Calliance and Torosa gas fields.

REVIEW OF OPERATIONS

OUR STRATEGY

Our strategy to deliver superior shareholder returns provides a clear plan for our business and is underpinned by an outstanding base business and a focus on providing sustainable energy solutions.

HORIZON I 2017–2021

CASH GENERATION

- + **Lower capital intensity developments**
- + **New revenue streams**
- + **Preparing for Horizon II growth**
- + **New growth platforms through exploration and acquisitions**
- + **Expanding the LNG market**

In Horizon I we will deliver the committed growth that will underpin targeted production of approximately 100 MMboe in 2020[1] and will be ready to invest in our significant LNG projects. We have a new revenue stream from Wheatstone, and Greater Enfield and Greater Western Flank Phase 2 will commence in this horizon. Progression of our LNG projects is a priority through this period as we seek to deliver successful projects which meet growing Asian LNG demand.

HORIZON II 2022–2026

VALUE UNLOCKED

- + **Developments leveraging existing infrastructure**
- + **Growth funded by base business and Horizon I growth**
- + **Monetise exploration and acquisition success**
- + **Increase supply to new and traditional markets**

We are targeting significant new production early in Horizon II. First oil from Phase I of the SNE oil development offshore Senegal is expected in 2022. We are targeting Scarborough upstream ready for start up (RFSU) in 2023, downstream RFSU in 2024 and Browse RFSU in 2026. These developments will significantly increase our developed reserve base and contribute to earnings for years to come. We are also seeking to establish new production from our resources in Myanmar within this horizon.

HORIZON III 2027+

SUCCESS REPEATED

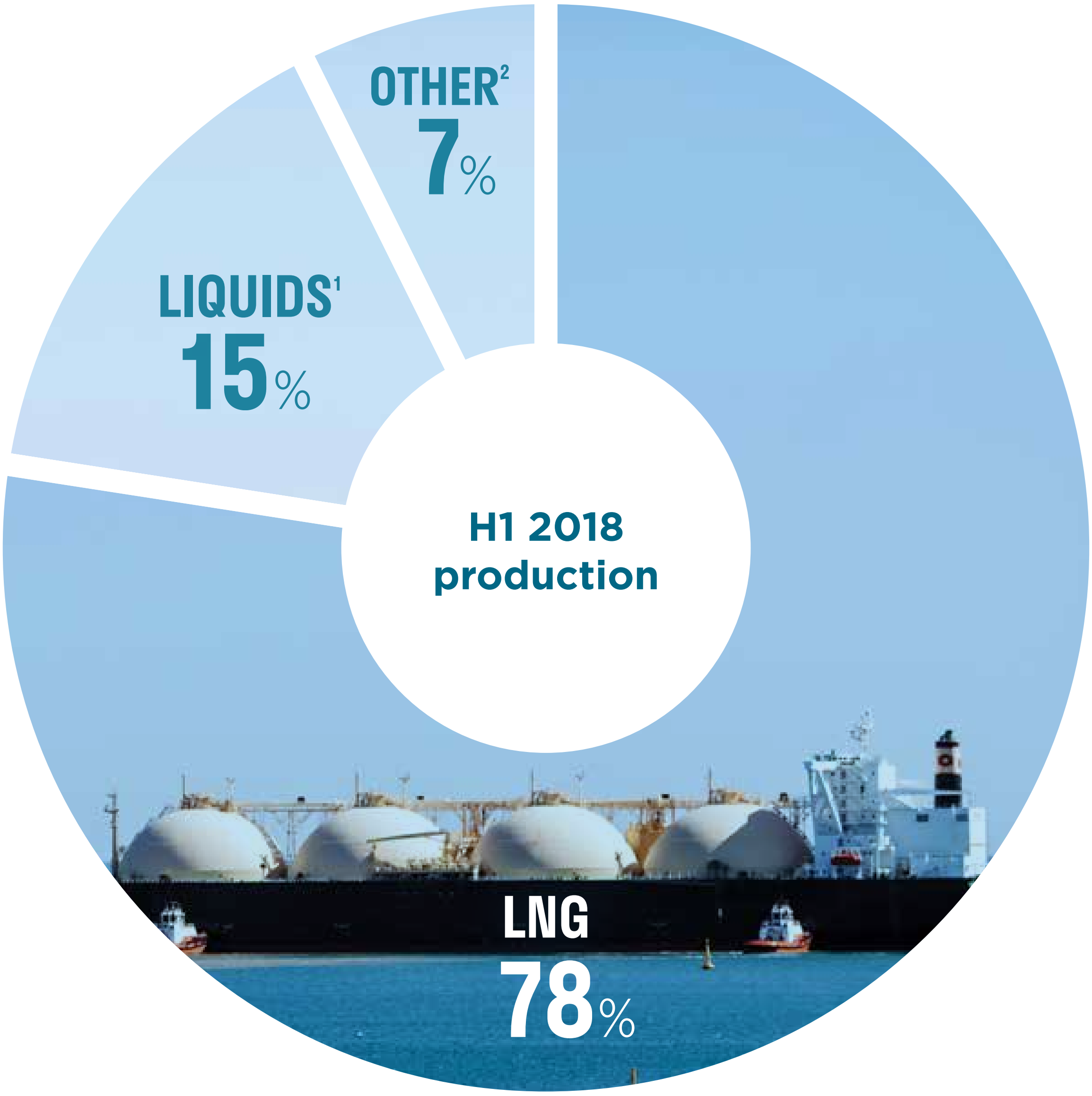
- + **Capital-efficient developments**
- + **Unlock new major hubs**

Within our portfolio, we have resources identified for production in Horizon III. These include our significant resource position in the Liard and Horn River basins, supporting the proposed Kitimat LNG development in British Columbia, Canada and the Sunrise resource located 450 km north-west of Darwin.

OUTSTANDING BASE BUSINESS
SUSTAINABLE ENERGY

1. Based on current project schedules of Wheatstone LNG, the Greater Enfield project and Greater Western Flank Phase 2.

An LNG focused business model



1. Liquids includes oil and condensate.
2. Other includes domestic gas and LPG.

REVIEW OF OPERATIONS

FINANCIAL UPDATE

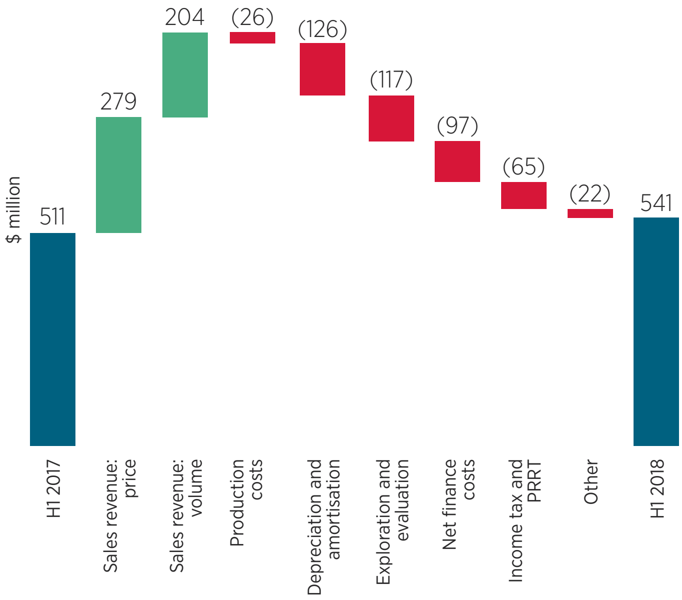
Strong operational performance from our outstanding base business and improving market conditions support ongoing positive financial results.

Key metrics

$ million	H1 2018	H1 2017[1]
Operating revenue	**2,388**	1,877
EBITDA[2]	**1,718**	1,375
EBIT[2]	**987**	788
NPAT	**541**	511
Underlying NPAT[2,3]	**566**	511
Net cash from operating activities	**1,540**	1,235
Investment expenditure	**1,269**	741
Capital investment expenditure[2,4]	**1,070**	651
Exploration expenditure[5]	**199**	90
Free cash flow[2]	**363**	445
Dividends paid	**413**	413

1. Restated for the impact of AASB 15 (refer to Note E.4 on page 30).
2. These are non-IFRS measures that are unaudited but derived from auditor reviewed half-year financial statements. These measures are presented to provide further insight into Woodside's performance.
3. H1 2018 NPAT adjusted for the impact of foreign exchange options associated with the equity raising ($5 million) and finance costs associated with the early redemption of the bond ($20 million).
4. Excludes exploration capitalised, includes restoration and rehabilitation spend.
5. Excludes prior period expenditure written off and permit amortisation, includes evaluation expense.

Net profit after tax reconciliation



Key movements impacting profit

Sales revenue: price

Sales revenue increased due to higher realised prices. Our average realised price increased by 18% to $51/boe.

Sales revenue: volume

Higher sales volumes increased revenue. This was largely due to the start up of Wheatstone LNG Train 1 in the second half of 2017 and strong operational performance at Pluto LNG. This more than offset the impact of lower North West Shelf (NWS) pipeline gas volumes following a change in venture equity share in the prior period, timing of NWS condensate liftings and the planned suspension of Vincent production in May 2018.

Production costs

Production costs increased predominantly due to commencement of Wheatstone LNG Train 1 production in the second half of 2017. Pluto LNG and the NWS Project maintained unit production costs of $3.6/boe for the period.

Depreciation and amortisation

Depreciation and amortisation for oil and gas properties increased primarily due to Wheatstone LNG Train 1 commencing production in the second half of 2017, year-end 2017 Pluto reserves revisions and higher production.

Exploration and evaluation

Exploration and evaluation expense increased following significant activity during the period. The variance was predominantly attributed to well results increasing these expenses by $82 million and permit activity similarly increasing by $35 million. Exploration expenditure is expected to reduce in the second half of 2018.

Net finance costs

Net finance costs increased due to lower capitalised borrowing costs following start up of Wheatstone LNG Train 1, combined with one-off costs associated with the early redemption of a Rule 144A/ Regulation S senior unsecured bond on 14 May 2018.

Income tax and PRRT

Income tax was $27 million higher, predominantly due to increased before income tax profit and higher non-deductible foreign expenditure. The PRRT credit was $38 million lower predominantly due to higher assessable receipts.

Other

Other items are lower, predominantly due to unfavourable inventory movement and higher other costs of sales. This is partially offset by a favourable net trading margin, other operating revenue and favourable foreign exchange movements.

Capital management

We continue to maintain a prudent financial position by appropriately servicing our debt, investing in future growth and distributing funds to shareholders. During the period, we generated $1,540 million of operating cash flow, raised $1,949 million in net proceeds from the Q1 2018 equity raising and ended the period with liquidity of $3,877 million. This, combined with the operating cash flows anticipated in Horizon I and into Horizon II, positions us to deliver our growth plans.

Debt service

As at 30 June 2018, net debt was $2,973 million, with gearing of 15%. Our current credit ratings of BBB+ (S&P Global) and Baa1 (Moody's), were reaffirmed during the period.[1] Our portfolio cost of debt is a competitive 3.6%, and average term to maturity is 4.7 years.

We continue to manage our debt maturities and liquidity levels, redeeming a ten-year $600 million Rule 144A/Regulation S senior unsecured bond on 14 May 2018 prior to the original maturity date of 1 March 2019. On 30 June 2018, two five-year term bilateral facilities totalling $200 million were cancelled. Subsequent to the period, bilateral facilities have further reduced by $500 million, including cancellation of one three-year term facility.

1. Stable outlook.

Investment expenditure

Capital expenditure for the period was $1,070 million and included the acquisition of an additional 50% interest in WA-1-R, which contains the majority of the Scarborough gas field, for $444 million. Sustaining capex during the period was $30 million for Pluto and $9 million for the NWS Project, reflecting the low sustaining capital requirements of these producing assets.

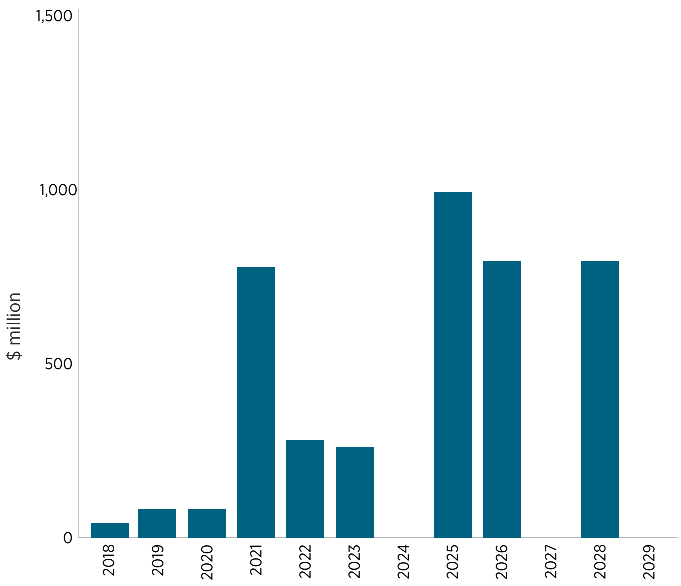
Exploration expenditure was $199 million following significant drilling activity during the period and is expected to be $110 million to $140 million in H2 2018. Exploration expenditure is expected to reduce as we prioritise capital allocation to development of the high-quality resources within our portfolio. Future annual exploration and appraisal expenditure is anticipated to be in the region of $200 million to $250 million.

Dividend payments

A 2018 interim dividend of US 53 cps has been declared. The interim dividend has been determined having regard to the H1 2018 underlying NPAT of $566 million and the strong operating cash flow for the half. Woodside continues to target a payout ratio of 80% of underlying NPAT subject to market conditions and investment requirements. The dividend will be fully franked for Australian taxation purposes. The value of the interim dividend payment is $496 million.

We have prepared our balance sheet for a new growth phase. Our base business delivers high margins and significant cash flow, and we have near-term production growth. Our financial position is robust with low gearing and strong liquidity.

Drawn debt maturity profile



As at 30 June 2018.

EXECUTING OUR STRATEGY

Woodside is well positioned to execute our strategy as we prepare to enter a growth and construction phase on the Burrup Peninsula and progress our offshore development in Senegal, together with our international exploration opportunities.

Projects and developments

Scarborough

Woodside is progressing the Scarborough development to take advantage of the expected global LNG supply gap from the early 2020s.

Following the successful completion of the acquisition of an additional 50% participating interest in WA-1-R, which contains the majority of the Scarborough gas field, Woodside assumed operatorship in April 2018.

The Scarborough gas field contains 7.3 Tcf (100%, 2C) of gas and is located in the Carnarvon Basin, approximately 375 km west-north-west of the Burrup Peninsula in Western Australia.

The Scarborough Joint Venture is aligned on a preferred concept to develop the Scarborough gas field through LNG infrastructure on the Burrup Peninsula. The proposed upstream development concept is to fully develop the Scarborough gas field with up to 12 subsea, high-rate gas wells tied back to a semi-submersible floating production unit.

Woodside's development planning is well advanced, with a geophysical survey for the proposed Scarborough export pipeline route completed in July 2018.

The proposed export pipeline route traverses the Carnarvon Basin, in close proximity to undeveloped fields. Provision for future tie-ins is planned, and confidentiality agreements are progressing with other resources owners to facilitate data exchange for the technical evaluation of future tie-ins.

Woodside's preferred development option is to process Scarborough gas through a brownfield expansion of Pluto LNG. The composition of Scarborough gas is well suited to the Pluto LNG plant, which is designed for lean gas and nitrogen removal. The Scarborough Joint Venture continues to engage with both the Pluto Joint Venture and the NWS Project participants on options to process Scarborough gas through existing LNG infrastructure on the Burrup Peninsula.

Woodside anticipates that the upstream development will be designed for 7–9 Mtpa capacity (100% project, including 1 Mtpa of domestic gas). Woodside's proposed downstream development will require an additional train at Pluto LNG with a targeted capacity of 4–5 Mtpa (100% project).

Woodside awarded several contracts to support early concept definition phase engineering in H1 2018. Discussions are progressing with a number of potential contractors for offshore and onshore engineering, procurement and construction packages.

Woodside is targeting FEED entry in Q1 2019, FID in 2020, upstream RFSU in 2023 and downstream RFSU in 2024.

A non-binding memorandum of understanding (MOU) between Woodside and Perdaman Chemicals and Fertilisers Pty Ltd (Perdaman) was entered into in April 2018 for the supply of approximately 125 TJ/day of domestic gas. The gas would be used for Perdaman's proposed 2 Mtpa urea plant on the Burrup Peninsula. Both parties have committed to negotiate a gas sale and purchase agreement in good faith consistent with the terms of the MOU in 2018.

Woodside interest: 75% in WA-1-R[3]

SIGNIFICANT PROGRESS SINCE FEBRUARY 2018

- ✓ Assumed operatorship
- ✓ Actively pursuing target RFSU in 2023 (upstream) and 2024 (downstream)
- ✓ Increased Pluto LNG Train 2 design capacity to 4–5 Mtpa[1]
- ✓ Increased planned upstream capacity to 7-9 Mtpa[1,2]
- ✓ Signed non-binding MOU for domestic gas supply
- ✓ Completed a geophysical survey for the pipeline route
- ✓ Awarded engineering contracts for concept definition phase
- ✓ Initiated contractor engagement for FEED phase
- ✓ Initiated engagement with third parties for future tie-ins
- ✓ Globally competitive cost of supply

1. 100% project, based on Woodside's preferred development concept.
2. Includes 1 Mtpa of domestic gas.
3. The Scarborough gas field is contained within WA-1-R and the adjacent WA-62-R. Woodside has a 50% interest in WA-62-R.

Browse LNG

The Browse Joint Venture has made significant progress in agreeing the development concept for the Browse resources through existing NWS Project infrastructure. The Browse Joint Venture and the NWS Project participants continue to progress commercial discussions and joint technical studies. The proposed development concept is based on proven technologies including two gas floating production storage and offloading (gFPSO) facilities, delivering around 10 Mtpa of gas through an approximately 900 km pipeline to existing NWS infrastructure. Condensate is proposed to be exported at the gFPSO.

Alignment has been reached between the NWS Project participants on key terms and pricing for processing Browse and other resource owners' gas through NWS Project facilities. Four of the five Browse Joint Venture participants also have an interest in the NWS Project.

The Browse Joint Venture is targeting commencement of the concept definition phase in H2 2018, enabled by alignment on commercial arrangements with the NWS Project. A preliminary tolling agreement is expected between the NWS Project participants and the Browse Joint Venture in Q3 2018.

Woodside is targeting FEED entry in Q4 2019, FID in 2021 and RFSU in 2026 (Calliance and Brecknock fields) and 2027 (Torosa field).

Woodside interest: 30.6%

Wheatstone LNG

Wheatstone LNG Train 2 construction systems were completed and commissioned. LNG production commenced in June 2018, with subsequent ramp up as planned.

In support of Wheatstone's production, Woodside is progressing concept definition for Phase 2 of the Julimar-Brunello project. The project will tieback the Julimar field to the existing Brunello subsea infrastructure connected to the Wheatstone offshore platform. FEED has commenced, and FID is targeted in Q2 2019.

The next milestone for Wheatstone will be the successful commissioning of the domestic gas plant, targeted in the second half of 2018. Once both LNG trains and the domestic gas facility are fully operational, Wheatstone will contribute more than 13 MMboe to Woodside's annual production.

Wheatstone LNG Woodside interest: 13%

Julimar-Brunello project Woodside interest: 65%

Senegal

As Development Lead, Woodside is actively progressing the SNE Field Development, offshore Senegal. Phase 1 of the proposed development is focused on the less complex lower S500 reservoir units.

In February 2018, Woodside released invitation-to-tender packages to pre-qualified contractors for the FPSO facility, supporting subsea infrastructure and drill rig. Responses have been received and are under evaluation ahead of targeted FEED entry in Q4 2018.

In June 2018, the draft Environmental and Social Impact Assessment (ESIA) Report was submitted to the Direction de l'Environnement et des Etablissements Classés in Senegal. Public consultation on the ESIA will commence in Q3 2018.

Subsequent to the period, the joint venture submitted the SNE and FAN Field Development Evaluation Report to the Government of Senegal in accordance with the Production Sharing Contract. The Evaluation Report summarises the technical and economic data relating to the SNE and FAN fields. Following this, the joint venture is targeting the submission of the Exploitation Plan in H2 2018.

The joint venture is considering undertaking further 3D seismic work across the SNE field in H1 2019. The 3D seismic work would improve the resolution and quality of existing data with a focus on the S400 reservoir, as well as support development planning by optimising production and water injection well design.

Woodside interest: 35%

Greater Enfield

The Greater Enfield project is a subsea tieback to the existing Ngujima-Yin FPSO, which has been producing from the Vincent oil field since 2008. The project remains on budget and at the end of the period was 63% complete. The project is on schedule for first oil in mid-2019.

Greater Enfield is initially expected to add an incremental 40,000 bbl/d (100% project) to Vincent production through the Ngujima-Yin FPSO.

Subsea pipelay has been completed and the installation vessel demobilised. Other subsea construction works continue in the field as planned and will be completed in 2019. Offshore drilling continues, and at the end of the period ten top holes had been drilled and cased, and one water injector completed.

The Ngujima-Yin FPSO suspended operations during the period as planned, and transited to the Keppel shipyard in Singapore to commence maintenance and modification activities.

Woodside interest: 60%

Greater Western Flank Phase 2

At the end of the period, the Greater Western Flank Phase 2 (GWF-2) project was 91% complete with a forecast final cost of $230 million (Woodside share), which is approximately 30% under the approved FID budget. Cost savings are being driven by drilling performance, consolidation of well construction and subsea scopes into a single campaign, and focus on risk reduction. The project is actively pursuing the earliest possible start up, which remains on schedule for the first quarter of 2019.

GWF-2 is a subsea tieback of eight production wells to the existing Goodwyn-A platform and is designed to produce at up to 800 MMscf/d (100% project).

Drilling and completions activities and pipeline installation were successfully completed and all subsea Xmas trees installed during the period. Subsea construction is planned to continue following the arrival of the primary installation vessel in July 2018.

Woodside interest: 16.67%

Port Arthur

Subsequent to the period, Woodside terminated its agreement with Sempra Energy after deciding not to pursue a potential equity investment in Port Arthur LNG.

Sunrise

The Sunrise Joint Venture welcomed the signing of the new Maritime Boundary Treaty between Australia and Timor-Leste on 6 March 2018. The Treaty has the potential to unlock Greater Sunrise provided that the underlying arrangements give the Sunrise Joint Venture the fiscal and regulatory certainty necessary for a commercial development to proceed, and current rights of ownership and operatorship are preserved on equivalent terms. The Sunrise Joint Venture will continue to honour its obligations under existing production sharing contracts and retention leases, and maintain social investment activities in Timor-Leste and its office in Dili, while new production sharing contract arrangements are finalised.

Woodside interest: 33.44%

Kitimat

The joint venture continued activities to improve the competitiveness of the Kitimat LNG project, together with ongoing engagement with the British Columbian and Canadian Governments.

Woodside interest: 50%

Exploration

Woodside's exploration strategy remains focused on building and maintaining a portfolio of high-quality prospects to deliver value and resource growth.

Strategy

Our strategy focuses on three broad hub-based themes – established, emerging and future growth hubs. Established hubs are areas with existing Woodside production; emerging hubs are areas with Woodside contingent resources; and future growth hubs are characterised by high-value discovery potential.

Significant exploration drilling campaigns were executed during 2017 and 2018. Our near-term drilling activities will be focused on areas where we have had recent success and areas that are considered high-value and with accelerated FID potential.

Established hubs

In Australia, the Ferrand-1 exploration well in WA-404-P was completed. The well intersected a 69 m gross gas column. The Ferrand-1 well is nearby other Woodside-operated gas discoveries and will help to inform development planning for the greater WA-404-P resources.

Emerging hubs

The 2018 Myanmar drilling campaign is focused on establishing the commerciality of our leading acreage position.

The Aung Siddhi-1 exploration well in AD-1 intersected gas in two primary targets. The upper target intersected a 60 m gross gas column with an interpreted 10 m of net gas pay, and the lower target intersected a 45 m gross gas column with an interpreted 16 m of net gas pay. Both gas columns have been confirmed through pressure measurements and gas sampling. Assessment of the gas discovery is ongoing.

The Dhana Hlaing-1 exploration well in A-7 spudded in June 2018 and was plugged and abandoned on 18 July 2018.

The Shwe Yee Htun-2 appraisal well spudded in July 2018. The well will appraise the volume, deliverability and connectivity of the 2017 Shwe Yee Htun gas discovery, and test additional shallower exploration objectives.

Future growth hubs

In Gabon, the Boudji-1 exploration well in the Likuale (F14) Block[1] intersected a 90 m gross oil and gas column in high-quality hydrocarbon-bearing pre-salt sands. The Ivela-1 exploration well in the Luna Muetse (E13) Block intersected a 78 m gross oil column. Both wells have been assessed as non-commercial by Woodside due to water depth of over 2,600 m and associated development costs.

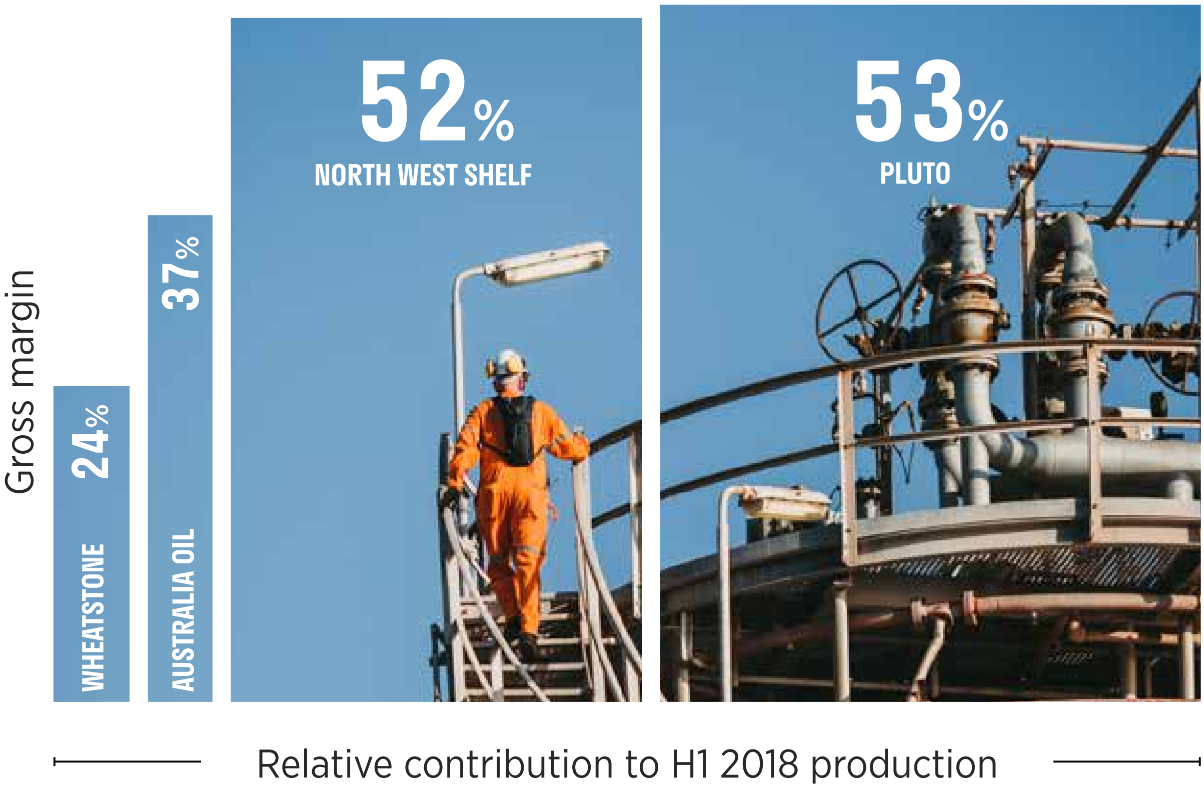
The Rabat Deep-1 (RSD-1) exploration well offshore Morocco was completed. Some possible oil indications of a non-commercial nature were observed on well cuttings, and analysis is ongoing.

In Peru, drilling of the Boca Satipo Este-1X well is scheduled to commence in September 2018. The well is targeting a large prospect with oil potential in Cretaceous reservoirs.

In July 2018, Woodside entered into a farm-in agreement with Shell International Exploration and Development Italia S.p.a. to acquire a 30% non-operated participating interest in Block 1-14 Khan Kubrat, located within the continental shelf and exclusive economic zone of the Republic of Bulgaria in the Black Sea.[1] This opportunity targets an emerging oil and gas province close to existing infrastructure and markets. Planning is in progress to drill an exploration well in Q2 2019.

1. Transaction subject to satisfaction of conditions precedent.

Through safe, reliable and efficient operations we maintain our profitability and high margins



The opportunity to execute our high-value growth portfolio is enabled by the profitability of our outstanding base business

	Production			Profitability			
	LNG (MMboe)	Liquids[1] (MMboe)	Other[2] (MMboe)	Production cost ($/boe)	Depreciation and amortisation ($/boe)	Other costs[3] ($/boe)	Gross margin ($/boe)
Pluto LNG	20.1	1.5	-	3.6	20.2	5.5	32.6
NWS Project	11.6	2.2	2.7	3.6	8.3	8.4	22.1
Wheatstone LNG	2.6	0.5	-	9.7	27.7	3.2	12.9
Australia Oil	-	2.5	-	24.8	15.2	5.2	26.0

1. Liquids includes oil and condensate.
2. Other includes domestic gas and LPG.
3. Other costs include royalties and excise, insurance, inventory, shipping and direct sales costs, other hydrocarbon costs, trading costs and intersegment adjustments. The impact of royalties and excise was $6.3/boe for the NWS Project.

REVIEW OF OPERATIONS

OUTSTANDING BASE BUSINESS

Pluto LNG

Pluto LNG continues to demonstrate operational excellence, with reliability exceeding 99% for the period.

Pluto LNG achieved an annualised loadable LNG production rate equivalent of 5.0 Mtpa (100% project) in H1 2018 and maintained low production costs of $3.6/boe.

Woodside's share of Pluto LNG production increased to 2,259 kt (2,066 kt in H1 2017) during the period, driven by high reliability and production rates. During the period, 37 cargoes were delivered (100% project), comprising 27 sold under foundation contracts and ten independently-marketed cargoes.

Preparations are ongoing for a scheduled major turnaround of approximately 30 days in Q2 2019.

Woodside is targeting the delivery of up to 25 TJ/day of domestic gas to the Dampier to Bunbury Natural Gas Pipeline in H2 2018.[1]

Construction of the Pluto LNG truck loading facility commenced in April 2018, which will provide LNG for distribution to customers in Western Australia's Pilbara region from 2019.

The Pluto Joint Venture took FID on the PLA07 infill well in H1 2018. Project execution and RFSU will commence in 2019.

FID was also taken on the Pluto water handling project, which involves construction and installation of a water handling module on the Pluto platform to enable wet gas production from 2021.

Woodside continued technical studies on the proposed Pluto-NWS Interconnector, connecting Pluto LNG and Karratha Gas Plant. The proposed interconnector could support acceleration of Pluto area gas and is a potential pathway for development of unallocated resources in the Carnarvon and Greater Exmouth basins. Woodside is targeting FID in 2019 and RFSU in 2021.

Concept definition commenced in Q2 2018 for the proposed development of the Pyxis and Pluto North infill wells, through an approximately 25 km tieback to the Pluto platform. RFSU is targeted for 2021, aligned with the proposed Pluto-NWS Interconnector.

Woodside interest: 90%

1. Subject to joint venture approvals and commercial arrangements.

Pluto contributed nearly half of total production for the period and continues to underpin our outstanding base business

Australia Oil

Field and facility	Update
Vincent (Ngujima-Yin FPSO) Woodside interest: 60%	Woodside's share of production decreased to 1.3 MMbbl (2.0 MMbbl in H1 2017) primarily due to production being suspended from 1 May 2018 to undertake FPSO maintenance and modifications to enable additional production as part of the Greater Enfield project. Production will resume from mid-2019.
Cossack, Wanaea, Lambert and Hermes (CWLH) (Okha FPSO) Woodside interest: 33.33%	Woodside's share of production decreased to 0.8 MMbbl (0.9 MMbbl in H1 2017) primarily due to natural reservoir decline.
Enfield (Nganhurra FPSO) Woodside interest: 60%	Woodside's share of production decreased to 0.4 MMbbl (0.5 MMbbl in H1 2017) primarily due to natural reservoir decline. Facility performance continues to be very strong, with reliability for the period approximately 97%. Cessation of production is scheduled for Q4 2018.

NWS Project

Woodside's share of LNG production was 1,300 kt during the period (1,285 kt in H1 2017). Production was impacted by execution of a major integrated onshore and offshore turnaround involving LNG Train 1, LNG Train 2 and the Goodwyn-A platform. During the period, 123 cargoes were delivered (100% project), comprising 104 sold under long-term contracts and 19 independently-marketed cargoes.

Our share of pipeline gas and condensate was lower largely due to fulfilment of the Domestic Gas Joint Venture.[1]

Integrated turnaround campaigns are scheduled for September 2018 and September 2019.

The NWS Project continues to pursue the efficient and effective commercialisation of NWS reserves. The GWF-2 project, which is on schedule for start up in the first quarter of 2019, is the final major development of NWS reserves. The NWS Project is progressing evaluation of other incremental opportunities and is planning exploration of the Achernar gas prospect in Q2 2019 to enhance the value of the NWS infrastructure. Further development of material resources through the Karratha Gas Plant (KGP) will be from third-party resource owners.

The Karratha Life Extension program, which commenced in 2013, is focused on extending the life of KGP and reducing risks to production through the delivery of cost-effective maintenance and refurbishment scopes.

The NWS Project participants continue to dedicate significant resources to transform KGP to a facility for processing third-party gas. This remains the NWS Project's highest priority and the NWS Project participants have aligned on non-binding key commercial terms and pricing for processing other resource owners' gas through NWS infrastructure.

Woodside interest: 16.67%

1. Woodside equity share of NWS domestic gas and associated condensate was 50% in the Domestic Gas Joint Venture (DGJV). The DGJV applied to the first 414 TJ/d with contractual flexibilities allowing up to 517.5 TJ/d. The DGJV production entitlement was fulfilled on 8 May 2017. Woodside's share of domestic gas and associated condensate following fulfilment of the DGJV production entitlement is 16.67%.

Wheatstone LNG

Both LNG Train 1 and Train 2 have commenced production. Train 1 commenced production in October 2017 and Train 2 in June 2018. Train 1 production has been steady and continues to demonstrate production rates above nameplate capacity. Train 2 is ramping up as planned and achieved full production rates in June 2018.

Woodside's share of LNG production was 289 kt and 32 cargoes (100% project) were delivered during the period.

Woodside interest: 13%

International

Woodside's share of production from the Liard basin in British Columbia, Canada was 0.6 MMboe (0.7 MMboe in H1 2017) and was impacted by well availability during the period. There are currently one vertical and three horizontal wells in production.

The natural gas produced is sold into the Canadian domestic grid and is a result of the appraisal program being undertaken to support the proposed Kitimat LNG project.

Kitimat Woodside interest: 50%

SUSTAINABILITY

Working sustainably is embedded as a core value throughout our organisation.

Woodside's approach to sustainability is characterised by five principles: operating responsibly; building a resilient business; fostering our organisation and culture; operating with transparency and integrity; and creating shared value.

Operating responsibly

Health and safety

We had one Tier 1 and one Tier 2 process safety event in the period. We continue to focus on leading process safety metrics to prevent incidents, building competency in process safety critical roles and learning from incidents to prevent recurrence. In response to several personal safety incidents in the period, we have a range of mitigations in place including working with our key contractors on focused improvement plans.

Our annual Woodside-wide Stand Together For Safety event was held in June 2018 with a focus on 'Our Safety Culture – Stronger Together'. This reinforced the importance of our safety culture and provided opportunities for all staff to contribute to strong safety performance.

In May 2018, Woodside was awarded the 2017 Australian Petroleum Production & Exploration Association Safety Excellence award, which acknowledged Woodside's smart safety systems, strong focus on process and assurance management, and the use of data analytics to enhance decisions and minimise risk.

Environment

Flaring intensity exceeded target during the period primarily due to defects in the main heat exchangers at KGP requiring mixed refrigerant to be flared for continued efficient operation. These defects were repaired as part of the turnaround in May 2018. We remain committed to delivering our targeted 5% energy efficiency improvement by 2020.

In April 2018, Woodside signed guiding principles that commit us to further reduce methane emissions from the natural gas assets we operate. In signing these principles, we agree to encourage others across the natural gas value chain – from production to the final consumer – to do the same. An action plan to deliver this will be developed in H2 2018.

Building a resilient business

Woodside continues to investigate opportunities to integrate advanced technologies. We have designed small magnetic smart sensors that can detect and identify problems with equipment by measuring vibration and temperature. These sensors have been deployed in trials within our facilities and can be used to better understand and enhance our operations.

We are also pursuing opportunities for the development of hydrogen as a future energy source. In June 2018, Woodside signed non-binding MOUs with Korea Gas Corporation to cooperate on hydrogen opportunities, and with Pusan National University in South Korea to jointly explore technology applications across the hydrogen value chain. We are investigating the role that we can play, and are interested in learning from government and business their views of the future pace and direction of hydrogen technology, and the scope for partnering and collaboration.

The outcomes of our three-year investment in FutureLab have recently been reviewed. FutureLab is our collaboration hubs based at Monash and Curtin Universities and the University of Western Australia, that support the delivery of our Intelligent Enterprise, Plant of the Future and Offshore Transformation work programs. To date, FutureLab projects have delivered over A$100 million in savings. Woodside is expanding our relationships to underpin the expansion of FutureLab in 2019.

As part of Woodside's crisis management and training exercise program, a cyber security scenario testing our response capabilities was held in June 2018. Over 120 personnel were involved, including a cyber incident response team, incident coordination centre and crisis management team.

Fostering our organisation and culture

Woodside recognises the importance of growing outstanding leaders and building the capacity of our workforce. We refreshed our Leadership Framework during the period to ensure that all staff are clear on expectations and have the skills and capability to execute our strategy.

A refreshed three-year Inclusion and Diversity Strategy 2018–2020 commenced in the period with a focus on increasing the participation of women across all stages of their careers.

Woodside's 2017 Reconciliation Action Plan (RAP) was released in May 2018. The RAP demonstrated a positive shift in our workplace culture and highlighted the increased Indigenous employment and business participation outcomes achieved.

Operating with transparency and integrity

In Myanmar, the Fauna and Flora International (FFI) Phase 2 (2017–2019) program completed a series of surveys and training on coastal biodiversity in early 2018. Through a small grants scheme, the program has supported 12 post-graduate students to carry out independent research projects on mangroves, seagrass and corals. FFI is planning a second year of activities to build capacity in marine science and maintain baseline assessment survey of coastal habitats of the Ayeyarwady region.

In partnership with our joint venture participants in Senegal, Woodside supported a four-day intensive capacity building workshop with representatives from 19 different Senegalese Government departments. The workshop focused on increasing the awareness and understanding of environmental and social risk management in line with industry best practice. The training provided will assist with future appropriate and responsible regulation of the oil and gas industry in Senegal.

Creating shared value

We continue to drive local content and opportunities for the communities in which we operate. In June 2018, together with Western Australian Premier Mark McGowan MLA and local Legislative Assembly member Kevin Michel, Woodside launched a jobs portal for all Karratha residents to apply to work on Woodside-operated projects and other local opportunities. The new jobs portal is focused on ensuring that Karratha benefits from the opportunities that come with another growth and construction phase on the Burrup Peninsula. We are working closely with our key contractors and are in discussions with local employers to add new job and training opportunities to the portal as they become available. Since the launch, over 400 people have registered as members and there have been more than 5,000 users accessing the site.

Internationally, Woodside has expanded its social investment program in Senegal by signing on as a foundation partner with non-government organisation Invest In Africa (IIA). IIA will work to increase local procurement opportunities through its online portal African Partner Pool and build local capacity through its Business Linkage Programme.

Western Australian Premier Mark McGowan MLA and local Legislative Assembly member Kevin Michel with Woodside representatives launch the Karratha local jobs portal at the Karratha Visitors Centre.

2018 guidance

Production

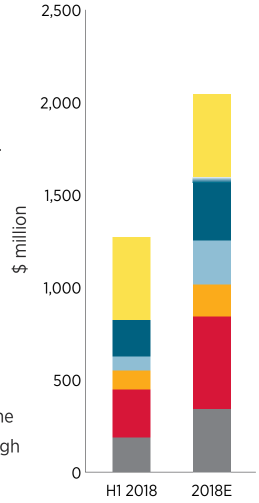
2018 production guidance has been increased from 85–90 MMboe to 87–91 MMboe. The increase is primarily due to the first half performance of Pluto LNG, Wheatstone LNG and the FPSO facilities.

	H1 actual (MMboe)	Full-year guidance (MMboe)
LNG	34.3	69–72
Liquids[1]	6.7	12–13
Other[2]	3.3	6
Total	**44.3**	**87–91**

1. Liquids includes oil and condensate.
2. Other includes domestic gas and LPG.

Investment expenditure

2018 investment expenditure guidance remains $2,000 million to $2,050 million. Investment expenditure includes capital expenditure and exploration expenditure. 2018 exploration expenditure is anticipated to be in the range of $310 million to $340 million. Future annual exploration and appraisal expenditure is anticipated to be in the region of $200 million to $250 million.



Base business
Greater Enfield
Wheatstone
Growth
Exploration
Scarborough acquisition

Line items

	H1 actual	Full-year guidance
Unit production cost ($/boe)	5.2	5.5–5.8
Oil and gas properties depreciation and amortisation ($ million)	697	1,400–1,470
Net finance cost ($ million)	117	160–200

Unit production cost is expected to be higher in the second half of 2018 due to commencement of both trains at Wheatstone LNG and the suspension of Vincent production for FPSO maintenance and modifications as part of the Greater Enfield project.

Oil and gas properties depreciation and amortisation guidance reflects the increase in production guidance.

Net finance cost includes the impact of lower capitalised borrowing costs following the start up of Wheatstone LNG, and is expected to be lower in the second half of 2018 due to the absence of one-off costs associated with the early bond redemption in May 2018 and higher interest income on proceeds from the Q1 2018 equity raising.

H2 2018 activities and milestones

SCARBOROUGH AND PLUTO TRAIN 2	Concept select	Concept definition	FEED readiness
BROWSE	Concept definition entry	Preliminary tolling agreement between the Browse Joint Venture and the NWS Project participants	Commence activities to support award of gas FPSO engineering, pipeline route survey and metocean survey contracts
SENEGAL	Submit final Environmental and Social Impact Assessment	Submit Exploitation Plan	FEED entry

Woodside targets. Subject to all necessary joint venture approvals, regulatory approvals, and/or commerical arrangements being finalised.

DIRECTORS' REPORT

GOVERNANCE

The directors of Woodside Petroleum Ltd present their report (including the review of operations set out on pages 6–17) together with the Financial Statements of the Group.

Board of Directors

The names of the directors in office during or since the end of the period are as follows:

Mr Richard Goyder, AO (Chairman)

Mr Michael Chaney, AO (retired 19 April 2018)

Mr Peter Coleman (CEO and Managing Director)

Mr Larry Archibald

Ms Melinda Cilento

Mr Frank Cooper, AO

Dr Christopher Haynes, OBE

Mr Ian Macfarlane

Ms Ann Pickard

Dr Sarah Ryan

Mr Gene Tilbrook

Rounding of amounts

The amounts contained in this report have been rounded to the nearest million dollars under the option available to the Group under Australian Securities and Investments Commission (ASIC) Instrument 2016/191 dated 24 March 2016, unless otherwise stated.

Management assurance

Consistent with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd edition), before the adoption by the Board of the Half-Year Financial Statements 2018, the Board received written declarations from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) that the financial records of the company have been properly maintained in accordance with section 286 of the *Corporations Act 2001*, and the company's financial statements and notes comply with accounting standards and give a true and fair view of the consolidated entity's financial position and performance for the financial period.

The CEO and the CFO have also stated in writing to the Board that the statement relating to the integrity of Woodside's financial statements is founded on a sound system of risk management and internal control that is operating effectively.

Auditor's Independence Declaration

The Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is set out on this page and forms part of this report.

Signed in accordance with a resolution of the directors.

Richard Goyder

R J B Goyder, AO
Chairman
Perth, Western Australia
15 August 2018

Auditor's Independence Declaration to the Directors of Woodside Petroleum Ltd

As lead auditor for the review of Woodside Petroleum Ltd for the half-year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Woodside Petroleum Ltd and the entities it controlled during the half-year.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth, Western Australia
15 August 2018

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HALF-YEAR FINANCIAL STATEMENTS

CONTENTS

CONSOLIDATED INCOME STATEMENT

for the half-year ended 30 June 2018

	Notes	2018 US$m	Restated* 2017 US$m
Operating revenue	A.1	**2,388**	1,877
Cost of sales	A.1	**(1,196)**	(980)
Gross profit		**1,192**	897
Other income	A.1	**30**	13
Other expenses	A.1	**(235)**	(122)
Profit before tax and net finance costs		**987**	788
Finance income		**13**	4
Finance costs	A.2	**(130)**	(24)
Profit before tax		**870**	768
Petroleum resource rent tax (PRRT) benefit		**13**	51
Income tax expense		**(290)**	(263)
Profit after tax		**593**	556
Profit attributable to:			
Equity holders of the parent		**541**	511
Non-controlling interest		**52**	45
Profit for the period		**593**	556
Basic and diluted earnings per share attributable to equity holders of the parent (US cents)	A.4	**59.6**	59.0

The accompanying notes form part of the Half-Year Financial Statements.

*Certain amounts shown here do not correspond to the 2017 Half-Year Financial Statements, refer to Note E.4.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 30 June 2018

	2018 US$m	Restated* 2017 US$m
Profit for the period	**593**	556
Other comprehensive income		
Items that may be reclassified to the income statement in subsequent periods:		
Losses on hedges	**(1)**	(3)
Tax effect on employee share plans	**2**	-
Items that will not be reclassified to the income statement in subsequent periods:		
Remeasurement gains on defined benefit plan	**2**	-
Other comprehensive income/(loss) for the period, net of tax	**3**	(3)
Total comprehensive income for the period	**596**	553
Total comprehensive income attributable to:		
Equity holders of the parent	**544**	508
Non-controlling interest	**52**	45
Total comprehensive income for the period	**596**	553

The accompanying notes form part of the Half-Year Financial Statements.

*Certain amounts shown here do not correspond to the 2017 Half-Year Financial Statements, refer to Note E.4.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	30 June 2018 US$m	Restated* 31 December 2017 US$m
Current assets			
Cash and cash equivalents		**1,133**	318
Receivables		**380**	406
Inventories		**172**	186
Other financial assets		**14**	74
Other assets		**18**	27
Total current assets		**1,717**	1,011
Non-current assets			
Receivables		**176**	155
Other financial assets		**30**	31
Other assets		**15**	8
Exploration and evaluation assets		**4,054**	3,530
Oil and gas properties		**19,172**	19,398
Other plant and equipment		**227**	141
Deferred tax assets		**1,151**	1,125
Total non-current assets		**24,825**	24,388
Total assets		**26,542**	25,399
Current liabilities			
Payables		**620**	645
Interest-bearing liabilities		**78**	76
Other financial liabilities		**14**	11
Other liabilities		**36**	29
Provisions		**237**	220
Tax payable		**26**	61
Total current liabilities		**1,011**	1,042
Non-current liabilities			
Interest-bearing liabilities		**4,028**	4,989
Deferred tax liabilities		**1,890**	1,811
Other financial liabilities		**23**	22
Other liabilities		**71**	77
Provisions		**1,503**	1,547
Total non-current liabilities		**7,515**	8,446
Total liabilities		**8,526**	9,488
Net assets		**18,016**	15,911
Equity			
Issued and fully paid shares	C.1	**8,880**	6,919
Shares reserved for employee share plans	C.1	**(26)**	(35)
Other reserves		**1,008**	997
Retained earnings		**7,328**	7,200
Equity attributable to equity holders of the parent		**17,190**	15,081
Non-controlling interest		**826**	830
Total equity		**18,016**	15,911

The accompanying notes form part of the Half-Year Financial Statements.

*Certain amounts shown here do not correspond to the 2017 Annual Financial Statements, refer to Note E.4.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 30 June 2018

	Notes	2018 US$m	Restated* 2017 US$m
Cash flows from operating activities			
Profit after tax for the period		**593**	556
Adjustments for:			
Non-cash items			
Depreciation and amortisation		**731**	587
Change in fair value of derivative financial instruments		**1**	(2)
Net finance costs		**117**	20
Tax expense		**277**	212
Exploration and evaluation written off		**87**	5
Other		**3**	8
Changes in assets and liabilities			
Decrease in trade and other receivables		**27**	65
Decrease/(increase) in inventories		**12**	(7)
(Decrease)/increase in provisions		**(2)**	27
Decrease in other assets and liabilities		**65**	2
Decrease in trade and other payables		**(59)**	(1)
Cash generated from operations		**1,852**	1,472
Purchases of shares and payments relating to employee share plans		**(7)**	(7)
Interest received		**12**	4
Dividends received		**5**	4
Borrowing costs relating to operating activities		**(75)**	-
Income tax paid		**(245)**	(220)
Payments for restoration		**(2)**	(18)
Net cash from operating activities		**1,540**	1,235
Cash flows used in investing activities			
Payments for capital and exploration expenditure		**(693)**	(689)
Borrowing costs relating to investing activities		**(40)**	(101)
Payments for acquisition of joint arrangements net of cash acquired	B.2	**(444)**	-
Net cash used in investing activities		**(1,177)**	(790)
Cash flows from/(used in) financing activities			
Proceeds from borrowings		**-**	725
Repayment of borrowings		**(962)**	(667)
Borrowing costs relating to financing activities		**(41)**	-
Contributions to non-controlling interests		**(77)**	(79)
Dividends paid		**(413)**	(413)
Net proceeds from equity raising		**1,949**	-
Net cash from/(used in) financing activities		**456**	(434)
Net increase in cash held		**819**	11
Cash and cash equivalents at the beginning of the period		**318**	285
Effects of exchange rate changes		**(4)**	3
Cash and cash equivalents at the end of the period		**1,133**	299

The accompanying notes form part of the Half-Year Financial Statements.

*Certain amounts shown here do not correspond to the 2017 Half-Year Financial Statements, refer to Note E.4.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2018

	Issued and fully paid shares	Shares reserved for employee share plans	Employee benefits reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity holders of the parent	Non-controlling interest	Total equity
Notes	C.1 US$m	C.1 US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
At 1 January 2018	**6,919**	**(35)**	**218**	**793**	**(14)**	**7,200**	**15,081**	**830**	**15,911**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**541**	**541**	**52**	**593**
Other comprehensive income/(loss)	**-**	**-**	**4**	**-**	**(1)**	**-**	**3**	**-**	**3**
Total comprehensive income/(loss) for the period	**-**	**-**	**4**	**-**	**(1)**	**541**	**544**	**52**	**596**
Shares issued	**1,989**	**-**	**-**	**-**	**-**	**-**	**1,989**	**-**	**1,989**
Share issue costs (net of tax)	**(28)**	**-**	**-**	**-**	**-**	**-**	**(28)**	**-**	**(28)**
Employee share plan purchases	**-**	**(7)**	**-**	**-**	**-**	**-**	**(7)**	**-**	**(7)**
Employee share plan redemptions	**-**	**16**	**(16)**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments	**-**	**-**	**24**	**-**	**-**	**-**	**24**	**-**	**24**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(413)**	**(413)**	**(56)**	**(469)**
At 30 June 2018	**8,880**	**(26)**	**230**	**793**	**(15)**	**7,328**	**17,190**	**826**	**18,016**
At 1 January 2017 (restated*)	6,919	(30)	198	793	(12)	6,957	14,825	823	15,648
Profit for the period (restated*)	-	-	-	-	-	511	511	45	556
Other comprehensive income/(loss)	-	-	-	-	(3)	-	(3)	-	(3)
Total comprehensive income/(loss) for the period (restated*)	-	-	-	-	(3)	511	508	45	553
Employee share plan purchases	-	(7)	-	-	-	-	(7)	-	(7)
Employee share plan redemptions	-	4	(4)	-	-	-	-	-	-
Share-based payments	-	-	26	-	-	-	26	-	26
Dividends paid	-	-	-	-	-	(413)	(413)	(48)	(461)
At 30 June 2017 (restated*)	6,919	(33)	220	793	(15)	7,055	14,939	820	15,759

The accompanying notes form part of the Half-Year Financial Statements.

*Certain amounts shown here do not correspond to the 2017 Half-Year Financial Statements, refer to Note E.4.

About these statements

Woodside Petroleum Ltd (Woodside or the Group) is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the 'Overview' and 'Review of Operations' and in the segment information below.

The condensed half-year financial statements were authorised for issue in accordance with a resolution of the directors on 15 August 2018.

Statement of compliance

The condensed half-year financial statements are condensed general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard (AASB) 134 *Interim Financial Reporting.*

The condensed half-year financial statements do not include all notes of the type normally included in annual financial statements. Accordingly, these condensed half-year financial statements are to be read in conjunction with the 2017 Annual Financial Statements for the year ended 31 December 2017 and any public announcements made by Woodside Petroleum Ltd during the period ended 30 June 2018 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules.*

The accounting policies are consistent with those disclosed in the 2017 Annual Financial Statements except for the impact of all new or amended standards and interpretations effective 1 January 2018. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies, with the exception of the adoption of AASB 15 *Revenue from Contracts with Customers* (AASB 15) (refer to Note E.4). The Group early adopted AASB 9 *Financial Instruments* (AASB 9) on 1 January 2017.

The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

Currency

The functional and presentation currency of Woodside Petroleum Ltd and all its subsidiaries is US dollars.

Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling at that date. Exchange differences in the consolidated financial statements are taken to the income statement.

Rounding of amounts

The amounts contained in the condensed half-year financial statements have been rounded to the nearest million dollars under the option available to the Group under Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, unless otherwise stated.

Basis of preparation

The condensed half-year financial statements have been prepared on a historical cost basis, except for derivative financial instruments and certain other financial assets and financial liabilities, which have been measured at fair value or amortised cost adjusted for changes in fair value attributable to the risks that are being hedged in effective hedge relationships.

The condensed half-year financial statements comprise the financial results of the Group and its subsidiaries for the period ended 30 June 2018. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which the Group ceases to have control.

The subsidiaries of the Group have the same reporting period and accounting policies as the parent company. All intercompany balances and transactions, including unrealised profits and losses arising from intra-group transactions, have been eliminated in full.

Non-controlling interests are allocated their share of the net profit after tax in the consolidated income statement, their share of other comprehensive income, net of tax, in the consolidated statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

The condensed half-year financial statements provide comparative information in respect of the previous period. Reclassifications of items in the financial statements of the previous period have been made in accordance with the classification of items in the condensed half-year financial statements of the current period.

Reporting segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources.

The producing operating segments are consistent with the 2017 Annual Financial Statements. In the reporting period, the Group's development projects have been consolidated into one development segment. This segment comprises the Browse, Scarborough, Kitimat, Sunrise and Senegal exploration and evaluation phase development projects. With the exception of Browse, which was previously a reporting segment, all other projects were previously included in the other reporting segment. Comparatives have been restated to reflect the updated operating segments reported internally.

The geographical location where the Group generates revenue from contracts with external customers has not significantly changed from the year ended 31 December 2017.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

for the half-year ended 30 June 2018

A. Earnings for the period

A.1 Segment revenue and expenses

	Producing								Development		Other					
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other segments		Unallocated items		Consolidated	
	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m
Liquefied natural gas	**487**	404	**1,077**	856	**-**	-	**139**	-	**-**	-	**-**	-	**-**	-	**1,703**	1,260
Pipeline natural gas	**45**	93	**-**	-	**-**	-	**-**	-	**3**	7	**-**	-	**-**	-	**48**	100
Condensate	**143**	139	**128**	78	**-**	-	**26**	-	**-**	-	**-**	-	**-**	-	**297**	217
Oil	**-**	-	**-**	-	**178**	176	**-**	-	**-**	-	**-**	-	**-**	-	**178**	176
Liquefied petroleum gas	**25**	17	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**25**	17
Revenue from sale of produced hydrocarbons	**700**	653	**1,205**	934	**178**	176	**165**	-	**3**	7	**-**	-	**-**	-	**2,251**	1,770
Processing and services revenue	**-**	-	**101**	93	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**101**	93
Trading revenue	**-**	-	**30**	6	**-**	-	**-**	-	**-**	-	**5**	8	**-**	-	**35**	14
Other hydrocarbon revenue	**-**	-	**-**	-	**-**	-	**1**	-	**-**	-	**-**	-	**-**	-	**1**	-
Other revenue	**-**	-	**131**	99	**-**	-	**1**	-	**-**	-	**5**	8	**-**	-	**137**	107
Operating revenue from contracts with customers	**700**	653	**1,336**	1,033	**178**	176	**166**	-	**3**	7	**5**	8	**-**	-	**2,388**	1,877
Production costs	**(60)**	(61)	**(77)**	(75)	**(62)**	(62)	**(30)**	-	**(3)**	(7)	**-**	-	**-**	(1)	**(232)**	(206)
Royalties and excise	**(103)**	(89)	**-**	-	**(2)**	(2)	**-**	-	**-**	-	**-**	-	**-**	-	**(105)**	(91)
Insurance	**(3)**	(2)	**(7)**	(7)	**(2)**	(2)	**-**	-	**-**	-	**-**	-	**(1)**	(6)	**(13)**	(17)
Inventory movement	**3**	-	**(9)**	15	**(9)**	(8)	**2**	-	**-**	-	**-**	-	**-**	-	**(13)**	7
Costs of production	**(163)**	(152)	**(93)**	(67)	**(75)**	(74)	**(28)**	-	**(3)**	(7)	**-**	-	**(1)**	(7)	**(363)**	(307)
Land and buildings	**(2)**	(4)	**(12)**	(12)	**-**	-	**(14)**	-	**-**	-	**-**	-	**-**	-	**(28)**	(16)
Transferred exploration and evaluation	**(6)**	(3)	**(22)**	(18)	**(1)**	(1)	**(5)**	-	**-**	-	**-**	-	**-**	-	**(34)**	(22)
Plant and equipment	**(125)**	(118)	**(402)**	(367)	**(37)**	(45)	**(67)**	-	**-**	-	**-**	-	**-**	-	**(631)**	(530)
Marine vessels and carriers	**(4)**	(3)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(4)**	(3)
Oil and gas properties depreciation and amortisation	**(137)**	(128)	**(436)**	(397)	**(38)**	(46)	**(86)**	-	**-**	-	**-**	-	**-**	-	**(697)**	(571)
Shipping and direct sales costs	**(22)**	(29)	**(66)**	(44)	**-**	-	**(11)**	-	**-**	-	**-**	-	**-**	(9)	**(99)**	(82)
Trading costs	**-**	-	**(30)**	(6)	**-**	-	**-**	-	**-**	-	**(6)**	(14)	**-**	-	**(36)**	(20)
Other hydrocarbon costs	**-**	-	**-**	-	**-**	-	**(1)**	-	**-**	-	**-**	-	**-**	-	**(1)**	-
Other cost of sales	**(22)**	(29)	**(96)**	(50)	**-**	-	**(12)**	-	**-**	-	**(6)**	(14)	**-**	(9)	**(136)**	(102)
Cost of sales	**(322)**	(309)	**(625)**	(514)	**(113)**	(120)	**(126)**	-	**(3)**	(7)	**(6)**	(14)	**(1)**	(16)	**(1,196)**	(980)
Trading intersegment adjustments	**(13)**	2	**(6)**	(13)	**-**	-	**-**	-	**-**	-	**19**	11	**-**	-	**-**	-
Gross profit	**365**	346	**705**	506	**65**	56	**40**	-	**-**	-	**18**	5	**(1)**	(16)	**1,192**	897
Other income	**8**	4	**-**	(2)	**6**	10	**2**	-	**2**	(1)	**1**	6	**11**	(4)	**30**	13
Exploration and evaluation expenditure	**(1)**	(2)	**(3)**	(6)	**-**	-	**-**	-	**-**	-	**(63)**	(44)	**-**	-	**(67)**	(52)
Amortisation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(26)**	(6)	**-**	-	**(26)**	(6)
Write-offs	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(87)**	(5)	**-**	-	**(87)**	(5)
Exploration and evaluation	**(1)**	(2)	**(3)**	(6)	**-**	-	**-**	-	**-**	-	**(176)**	(55)	**-**	-	**(180)**	(63)
General, administrative and other costs	**(2)**	(2)	**-**	-	**-**	-	**-**	-	**-**	-	**(4)**	(3)	**(40)**	(43)	**(46)**	(48)
Depreciation of other plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(1)**	(1)	**(7)**	(9)	**(8)**	(10)
Other[2]	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(1)**	(1)	**(1)**	(1)
Other costs	**(2)**	(2)	**-**	-	**-**	-	**-**	-	**-**	-	**(5)**	(4)	**(48)**	(53)	**(55)**	(59)
Other expenses	**(3)**	(4)	**(3)**	(6)	**-**	-	**-**	-	**-**	-	**(181)**	(59)	**(48)**	(53)	**(235)**	(122)
Profit/(loss) before tax and net finance costs	**370**	346	**702**	498	**71**	66	**42**	-	**2**	(1)	**(162)**	(48)	**(38)**	(73)	**987**	788

1. 2017 amounts have been restated for the retrospective application of AASB 15 and the change of reporting segments detailed in 'About these statements'.
2. Other comprises expenses not associated with the ongoing operations of the business.

A.2 Finance costs

	2018 US$m	2017 US$m
Interest on interest-bearing liabilities	**126**	98
Accretion charge	**20**	20
Other finance costs	**19**	9
Less: Finance costs capitalised against qualifying assets	**(35)**	(103)
	130	24

A.3 Dividends paid and proposed

Woodside Petroleum Ltd, the parent entity, paid and proposed dividends set out below:

	2018 US$m	2017 US$m
(a) Dividends paid during the financial half-year		
Prior year fully franked final dividend US$0.49, paid on 22 March 2018 (2017: US$0.49, paid on 29 March 2017)	**413**	413
(b) Dividend declared subsequent to the reporting period (not recorded as a liability)		
Current year fully franked interim dividend US$0.53 to be paid on 20 September 2018 (2017: US$0.49, paid on 21 September 2017)	**496**	413

A.4 Earnings per share

	2018	Restated 2017
Profit attributable to equity holders of the parent (US$m)	**541**	511
Weighted average number of shares on issue	**907,868,223**	866,485,455
Basic and diluted earnings per share (US cents)	**59.6**	59.0

Earnings per share (EPS) is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares on issue during the year. The weighted average number of shares makes allowance for shares reserved for employee share plans.

During the period, the company completed an equity raising of 93,706,646 shares at a discounted price of A$27.00 per share. As a result of the new shares issued, the weighted average number of ordinary shares to calculate EPS was adjusted by a theoretical ex-rights price factor. The adjustment factor of 1.03 was used to restate the weighted average number of ordinary shares for the EPS calculation for all periods prior to the equity raising.

Equity rights under employee share plans were adjusted in order to maintain value equivalence, resulting in an additional 53,656 rights under the Woodside Equity Plan and 24,079 rights under the Executive Incentive Plan.

Performance rights of 10,169,454 (2017: 10,006,241) are considered to be contingently issuable and have not been allowed for in the diluted earnings per share calculation.

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

B. Production and growth assets

B.1 Impairment of oil and gas properties

The Group assessed each cash generating unit (CGU) for indicators of impairment and impairment reversal. No indicators of impairment or impairment reversal were identified in the period ended 30 June 2018 (30 June 2017: nil). The key estimates and judgements used have not materially changed from those disclosed in Note B.4 in the 2017 Annual Financial Statements.

B.2 Significant production and growth asset acquisitions

On 29 March 2018, Woodside completed the acquisition of ExxonMobil's 50% interest in WA-1-R, which contains the majority of the Scarborough gas field, for an aggregate purchase price of US$444 million. The transaction was accounted for as an asset acquisition. An additional US$300 million payment due to ExxonMobil is contingent on a positive final investment decision to develop the Scarborough field. In conjunction with the transaction, Woodside granted BHP Billiton an option to purchase an additional 10% interest in the Scarborough gas field on equivalent consideration and terms to the transaction with ExxonMobil.

In addition to the contingent payment above, a US$150 million payment is due to BHP Billiton contingent on a positive final investment decision to develop the Scarborough field.

Both contingent payments associated with acquiring the Scarborough development are accounted for as contingent liabilities in accordance with the Group's accounting policies.

Woodside now holds the following interest in Joint Operations relating to the Scarborough development:

- a 75% interest in WA-1-R and a 50% interest in WA-62-R, which together contain the Scarborough gas field;
- a 50% interest in WA-61-R, which contains the Jupiter gas field; and
- a 50% interest in WA-63-R, which contains the Thebe gas field.

Assets acquired and liabilities assumed

The identifiable assets and liabilities acquired as at the date of the acquisition inclusive of transaction costs were:

	US$m
Exploration and evaluation assets	444
Total identifiable net assets at acquisition	**444**

Cash flows on acquisition

	US$m
Purchase cash consideration	444
Transaction costs[1]	-
Total purchase consideration	444
Net cash outflows on acquisition	**444**

1. Transaction costs were less than US$0.5 million.

C. Debt and capital

C.1 Contributed equity

(a) Issued and fully paid shares

	Number of shares	US$m
Period ended 30 June 2018		
Opening balance	**842,444,903**	**6,919**
Equity raising – ordinary shares issued at A$27.00	**93,706,646**	**1,989**
Share issue costs (net of tax)		**(28)**
Amounts as at 30 June 2018	**936,151,549**	**8,880**
Year ended 31 December 2017		
Opening and closing balance	842,444,903	6,919

All shares are a single class with equal rights to dividends, capital distributions and voting. The company does not have authorised capital nor par value in respect of its issued shares.

(b) Shares reserved for employee share plans

	30 June 2018 US$m	31 December 2017 US$m
1,079,411 (2017: 1,248,510) reserved shares	**(26)**	(35)

C.2 Fair value of financial assets and financial liabilities

Other than other financial assets of US$14 million (31 December 2017: US$74 million) there are no material financial assets or financial liabilities carried at fair value. The carrying amount of financial assets and financial liabilities approximates their fair value, with the exception of the Group's four (31 December 2017: five) unsecured bonds which have a carrying amount of US$3,283 million (31 December 2017: US$3,880 million) and a fair value of US$3,230 million (31 December 2017: US$3,985 million).

C.3 Financing facilities

On 14 May 2018, the Group redeemed the ten year US$600 million Rule 144A/Regulation S senior unsecured bond prior to the original maturity date of 1 March 2019.

During the period, the Group repaid the drawn bilateral facilities of $320 million. On 30 June 2018, the Group cancelled two five year term bilateral facilities totalling US$200 million.

Subsequent to the end of the reporting period, the Group reduced bilateral facilities by a total of US$500 million, including cancellation of one three year term facility.

D. Other assets and liabilities

D.1 Segment assets and liabilities

	30 June 2018 US$m	Restated 31 December 2017 US$m
(a) Segment assets		
NWS	**2,746**	2,988
Pluto	**11,535**	11,858
Australia Oil	**1,312**	1,084
Wheatstone	**4,737**	4,663
Development	**3,247**	2,750
Other segments	**394**	422
Unallocated items	**2,571**	1,634
	26,542	25,399

	30 June 2018 US$m	Restated 31 December 2017 US$m
(b) Segment liabilities		
NWS	**579**	602
Pluto	**458**	432
Australia Oil	**688**	646
Wheatstone	**164**	186
Development	**110**	127
Other segments	**93**	69
Unallocated items	**6,434**	7,426
	8,526	9,488

Refer to "About these statements" for information relating to the Group's segments. Unallocated assets mainly comprise cash and cash equivalents and the Group's deferred tax assets. Unallocated liabilities mainly comprise interest-bearing liabilities and deferred tax liabilities.

E. Other items

E.1 Contingent liabilities and assets

	30 June 2018 US$m	31 December 2017 US$m
Contingent liabilities at reporting date		
Not otherwise provided for or disclosed in the financial report		
Contingent liabilities	**53**	66
Guarantees	**8**	8
	61	74

Contingent liabilities relate predominantly to actual or potential claims of the Group for which amounts are reasonably estimated but the liability is not probable and therefore the Group has not provided for such amounts in these condensed half-year financial statements. Additionally, there are a number of other claims and possible claims that have arisen in the course of business against entities in the Group, the outcome of which cannot be foreseen at present and for which no amounts have been included in the table above.

The Group has issued guarantees relating to workers' compensation liabilities.

There were no contingent assets as at 30 June 2018 or 31 December 2017.

E.2 Changes to the composition of the Group

Since the last annual reporting date, the below entities were incorporated:

- Woodside Energy (Korea II) Pte. Ltd. was incorporated on 23 January 2018 – a wholly owned subsidiary incorporated in Singapore.
- Woodside Energy (LNG Fuels and Power) Pty Ltd was incorporated on 22 May 2018 – a wholly owned subsidiary incorporated in Australia.
- Woodside Energy (Domestic Gas) Pty Ltd was incorporated on 23 May 2018 – a wholly owned subsidiary incorporated in Australia.
- Woodside Energy (Bulgaria) Limited was incorporated on 24 July 2018 - a wholly owned subsidiary incorporated in England and Wales.

E.3 Events after the end of the reporting period

Subsequent to the period, Woodside terminated its agreement with Sempra Energy after deciding not to pursue a potential equity investment in Port Arthur LNG.

In July 2018, Woodside entered into a farm-in agreement with Shell International Exploration and Development Italia S.p.a. to acquire a 30% non-operated participating interest in Block 1-14 Khan Kubrat, located within the continental shelf and exclusive economic zone of the Republic of Bulgaria in the Black Sea. The transaction is subject to satisfaction of conditions precedent.

E.4 Accounting policies

(a) New and amended accounting standards and interpretations adopted

The Group adopted AASB 15 as of 1 January 2018.

AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group adopted the new standard on 1 January 2018 using the full retrospective approach. The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

Revenue from sale of produced hydrocarbons

- Revenue from the sale of produced hydrocarbons is recognised at a point in time when control of the asset is transferred to the customer, which is typically on delivery of the goods (the 'sales' method). This policy is applied to the Group's different operating arrangements.
- Revenue from take or pay contracts is recognised in earnings when the product has been drawn by the customer and recorded as unearned revenue when not drawn by the customer. Where a contract includes a significant financing component, the transaction price will be determined by discounting the amount of promised consideration using the appropriate discount rate.

Other operating revenue

- Revenue earned from LNG processing, ship chartering and other services is recognised over time as the services are rendered.
- Trading and other revenue earned from sales of third party products is recognised at a point in time when control of the asset is transferred to the customer, which is typically on delivery of the goods.

The adoption of AASB 15 results in the following key changes in the Group's accounting and reporting:

Revenue will be recognised using the 'sales' method of accounting rather than the 'entitlements' method. The sales method results in recording revenue in accordance with products delivered to customers, as opposed to the Group's percentage interest in production from a producing field. An opening adjustment of a $14 million loss has been recognised in retained earnings as at 1 January 2017 and a $4 million profit for the half-year ended 30 June 2017.

In the normal course of business, the Group enters into long-term sales contracts. Provisions are included in the contracts to renegotiate prices to align to current market conditions at a given point in time. Where the new pricing formula is not agreed by the time the contract enters a price review period, revenue is recognised at the amount to which the Group expects to be entitled. No opening adjustments were recognised as there were no material impacts from this change.

Some of the Group's sales contain provisional pricing features which are considered to be embedded derivatives. AASB 15 will not change the assessment of the existence of embedded derivatives. These embedded derivatives are outside the scope of AASB 15 and are accounted for in accordance with AASB 9.

(a) New and amended accounting standards and interpretations adopted (cont.)

The impact of AASB 15 adoption and representation of other financial assets is as follows:

Impact on equity (increase/(decrease)):

	Adjustment 31 December 2017 US$m	Adjustment 1 January 2017 US$m
Receivables	**(76)**	(99)
Other financial assets[1]	**74**	66
Payables	**(46)**	(13)
Deferred tax liabilities	**13**	(6)
Retained earnings	**31**	(14)

1. Financial assets held at fair value were previously presented within receivables at 31 December 2017. They are now presented as other financial assets in the statement of financial position.

Impact on the income statement and earnings per share (increase/(decrease)):

	Adjustment 30 June 2017 US$m	Adjustment 31 December 2017 US$m
Operating revenue	**8**	67
Other income	**(3)**	1
Other expenses	**-**	(4)
Income tax expenses	**(1)**	(19)
Profit for the year attributable to equity holders of the parent	**4**	45
Basic and diluted earnings per share (EPS) attributable to equity holders of the parent (US cents)[1]	**0.5**	5.4

1. EPS adjustment reflects the impact of AASB 15. It has not been adjusted for theoretical ex-rights price factor associated with the equity raising (refer to Note A.4).

(b) Amended accounting standards and interpretations issued but not yet effective

AASB 16 *Leases* (AASB 16) provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The depreciation of the right of use asset and interest on the lease liability will be recognised in the income statement.

The Group is expecting to apply the modified retrospective approach on transition, whereby prior period comparative financial statements are not restated and the cumulative impact of applying the standard is recognised in opening retained earnings on the initial date of application, being 1 January 2019. The Group has completed a review of contracts, contracting processes and an assessment of system requirements to support the transition to the new standard. Changes to these processes and the system implementation are ongoing and will progress through H2 2018.

AASB 16 will have a material impact on the Group's statement of financial position and the presentation of the income statement. The Group is continuing to assess the final impact of this standard.

DIRECTORS' DECLARATION

for the half-year ended 30 June 2018

In accordance with a resolution of directors of Woodside Petroleum Ltd, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and

    (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;

(b) there are reasonable grounds to believe that Woodside Petroleum Ltd will be able to pay its debts as and when they become due and payable.

On behalf of the Board

R J B Goyder, AO
Chairman

Perth, Western Australia
15 August 2018

P J Coleman
Chief Executive Officer and Managing Director

Perth, Western Australia
15 August 2018

INDEPENDENT REVIEW REPORT

for the half-year ended 30 June 2018

Ernst & Young
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Independent auditor's review report to the members of Woodside Petroleum Ltd

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Woodside Petroleum Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 30 June 2018, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
15 August 2018

TH:CT:WOODSIDE:010/2018

APPENDIX 4D

for the half-year ended 30 June 2018

For 'Results for announcement to the market', refer to page 1.

Dividends

Ex-dividend date	23 August 2018		
Record date for the interim dividend	24 August 2018		
Date the dividend is payable	20 September 2018		
		Current period	**Previous corresponding period[1]**
Interim dividend – fully franked	US cents per share	53	49

None of these dividends are foreign sourced.

Net Tangible Assets (NTA)

NTA backing	**Current period US$**	**Restated[1,2] Previous corresponding period US$**
Net tangible assets (US$ per ordinary security)	18.36	17.22

Details of Associates and Joint Venture Entities

	Percentage of ownership interest held at end of period or date of disposal	
Name of entity	**Current period**	**Previous corresponding period[1]**
North West Shelf Gas Pty Ltd	16.67%	16.67%
North West Shelf Liaison Company Pty Ltd	16.67%	16.67%
China Administration Company Pty Ltd (formerly North West Shelf Australia LNG)	16.67%	16.67%
International Gas Transportation Company Limited	16.67%	16.67%
North West Shelf Shipping Service Company Pty Ltd	16.67%	16.67%
North West Shelf Lifting Coordinator Pty Ltd	16.67%	16.67%

1. Comparisons are to the half-year period ended 30 June 2017.
2. Comparison has been restated for the impact of AASB 15 (refer to Note E.4) and the theoretical ex-rights price factor associated with the equity raising (refer to Note A.4).

SHAREHOLDER INFORMATION

Key announcements 2018

February	Full-year results and Scarborough acquisition
	Woodside announces A$2.5 billion equity raising
March	Offshore Gabon update
	Close of retail entitlement offer
	Woodside to operate Scarborough
	Woodside completes Scarborough acquisition
May	Investor Briefing Day 2018
June	Wheatstone commences Train 2 LNG production

Events calendar 2018–19

Key calendar dates for Woodside shareholders in 2018–19.

July	19	Second quarter 2018 report
August	15	Half-year 2018 results
	23	Ex-dividend date for interim dividend
	24	Record date for interim dividend
September	20	Payment date for interim dividend
October	18	Third quarter 2018 report
December	31	Woodside financial year end
January	17	Fourth quarter 2018 report

Please note dates are subject to review.

Business directory

Registered Office:
Woodside Petroleum Ltd
240 St Georges Terrace
Perth WA 6000
Australia

Postal address:
GPO Box D188
Perth WA 6840
Australia

T: +61 8 9348 4000

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

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

E: web.queries@computershare.com.au
W: investorcentre.com/wpl

The share registry can assist with queries on share transfers, dividend payments, the Dividend Reinvestment Plan, notification of tax file numbers and changes of name, address or bank details.

Details of shareholdings can be checked conveniently and simply by visiting the share registry website at www.investorcentre.com/wpl

Investor Relations enquiries

Requests for specific information on the company can be directed to Investor Relations at:

Postal address:
Investor Relations
Woodside Petroleum Ltd
GPO Box D188
Perth WA 6840
Australia

T: +61 8 9348 4000
E: investor@woodside.com.au
W: woodside.com.au

Glossary, units of measure and conversion factors

Term	Definition
$, $m	US dollars unless otherwise stated, millions of dollars
A$	Australian dollars
AASB	Australian Accounting Standards Board
Cash margin	Gross profit net of other revenue, oil and gas properties depreciation and amortisation, inventory movement and trading costs, divided by sales revenue
cps	Cents per share
EBIT	Calculated as profit before income tax, PRRT and net finance costs
EBITDA	Calculated as profit before income tax, PRRT, net finance costs and depreciation and amortisation
FEED	Front-end engineering and design
FID	Final investment decision
FPSO	Floating production storage and offloading
Free cash flow	Cash flow from operating activities less cash flow from investing activities
Gearing	Net debt divided by net debt and equity attributable to the equity holders of the parent
gFPSO	Gas floating production storage and offloading
Gross margin	Gross profit divided by operating revenue. Gross profit excludes income tax, PRRT, net finance costs, other income and other expenses
GWF	Greater Western Flank
IFRS	International Financial Reporting Standards
JV	Joint venture
KGP	Karratha Gas Plant
Liquidity	Total cash and cash equivalents and available undrawn debt facilities
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
MOU	Memorandum of understanding
Net debt	Total debt less cash and cash equivalents
NPAT	Net profit after tax
NWS	North West Shelf
PRRT	Petroleum resource rent tax
PSE	Process safety event
RAP	Reconciliation Action Plan
RFSU	Ready for start up
SPA	Sales and purchase agreement
Tier 1 PSE	A typical Tier 1 PSE is loss of containment of hydrocarbons greater than 500 kg (in any one-hour period)
Tier 2 PSE	A typical Tier 2 PSE is loss of containment of hydrocarbons greater than 50 kg but less than 500 kg (in any one-hour period)
Unit production costs	Production costs divided by production volume

Units of measure

bbl	barrel
Bcf	billion cubic feet
boe	barrel of oil equivalent
kt	kilotonne
MMbbl	million barrels
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
MMscf/d	million standard cubic feet per day
Mtpa	million tonnes per annum
t	tonnes
Tcf	trillion cubic feet
TJ	terajoules

Conversion factors[1]

Pipeline natural gas	1 TJ	163.6 boe
Liquefied natural gas (LNG)	1 tonne	8.9055 boe
Condensate	1 bbl	1.000 boe
Oil	1 bbl	1.000 boe
Liquefied petroleum gas (LPG)	1 tonne	8.1876 boe
Natural gas	1 MMBtu	0.1724 boe

1. Minor changes to some conversion factors can occur over time due to gradual changes in the process stream.

Asset facts

PRODUCING FACILITIES

Australia

North West Shelf	Karratha Gas Plant	North Rankin Complex	Goodwyn A Platform	Angel Platform		
Role	Operator	Operator	Operator	Operator		
Equity	16.67%	16.67%	16.67%	16.67%		
Product	LNG, domestic gas, condensate and LPG	LNG, domestic gas, condensate and LPG	LNG, domestic gas, condensate and LPG	LNG, domestic gas, condensate and LPG		
Pluto LNG	Pluto LNG Platform	Pluto LNG Plant	**Australia Oil**	Ngujima-Yin FPSO	Nganhurra FPSO	Okha FPSO
Role	Operator	Operator	Role	Operator	Operator	Operator
Equity	90%	90%	Equity	60%	60%	33.33%
Product	LNG, domestic gas and condensate	LNG, domestic gas and condensate	Product	Oil	Oil	Condensate and oil

Wheatstone LNG	
Role	Non-operator
Equity	13%
Product	LNG, domestic gas and condensate

International

Canada	Kitimat LNG
Role	Non-operator
Equity	50%
Product	Domestic gas

PROJECTS

Australia

	Greater Enfield Project	Wheatstone LNG	Julimar-Brunello Project – Phase 2	Greater Western Flank Phase 2
Role	Operator	Non-operator	Operator	Operator
Equity	60%	13%	65%	16.67%
Product	Oil	LNG, domestic gas and condensate	LNG, domestic gas and condensate	LNG, domestic gas and condensate

DEVELOPMENTS

Australia

	Scarborough	Browse	Sunrise LNG
Role	Operator	Operator	Operator
Equity	50–75%[1]	30.60%	33.44%

International

Canada	Kitimat LNG	**Senegal**	SNE-Phase 1
Role	Non-operator	Role	Development Lead
Equity	50%	Equity	35%

EXPLORATION

Established hubs

Australia	Various titles[2]
Role	Operator and non-operator
Equity	Various equities
Product	Oil or gas prone basin

Emerging hubs

Senegal	Rufisque, Sangomar and Sangomar Deep
Role	Non-operator
Equity	35%
Product	Oil prone basin

Myanmar	AD-5 and A-7	AD-7 and A-6	AD-2 and A-4	AD-1, AD-6 and AD-8
Role	Operator	Joint operator	Non-operator	Joint operator
Equity	55% and 45%	40%	45%	50%
Product	Gas prone basin	Gas prone basin	Gas prone basin	Gas prone basin

Future hubs

Gabon	Doukou Dak (F15), Luna Muetse (E13), Diaba Block and Likuale (F14)[3]
Role	Non-operator
Equity	21.25%–40%
Product	Oil prone basin

Peru	Block 108
Role	Non-operator
Equity	35%
Product	Oil prone basin

Morocco	Rabat Deep I-VI	**Bulgaria**	Block 1-14 Khan Kubrat[3]	**Ireland**	FEL 3/14, 5/13, 5/14 and 11/18
Role	Non-operator	Role	Non-operator	Role	Operator
Equity	25%	Equity	30%	Equity	60%–90%
Product	Oil prone basin	Product	Oil or gas prone basin	Product	Oil or gas prone basin

1. The Scarborough gas field is contained within WA-1-R and the adjacent WA-62-R. The majority of the field is contained within WA-1-R. Woodside has a 75% interest in WA-1-R, and a 50% interest in WA-62-R.
2. For further information on Woodside's Australian titles, please refer to the titles register website (neats.nopta.gov.au).
3. The transaction remains subject to satisfaction of conditions precedent.

Notes on petroleum resource estimates

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 the Australian Securities Exchange (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 degrees 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.

Subsequent to the Reserves Statement dated 31 December 2017, Woodside contingent resources have been updated by ASX announcements dated 29 March 2018 (in respect of Greater Scarborough reserves) and 23 May 2018 (in respect of Greater Browse reserves).

Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects and floating LNG (FLNG) projects, the reference point is defined as the outlet of the floating production storage and offloading (FPSO) facility or FLNG facility respectively, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.

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.

'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.

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.

Forward-looking statements

This report contains forward-looking statements, including statements of current intention, statements of opinion and expectations regarding Woodside's present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and may be affected by a variety of known and unknown risks, variables and changes in underlying assumptions or strategy that could cause Woodside's actual results or performance to differ materially from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of Woodside. Some matters are subject to approval of joint venture participants.

Woodside makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. The forward-looking statements in this report reflect expectations held at the date of this report. Except as required by applicable law or the ASX Listing Rules, Woodside disclaims any obligation or undertaking to publicly update any forward-looking statements, or discussion of future financial prospects, whether as a result of new information or of future events.

About this report

This Half-Year Report 2018 is a summary of Woodside's operations, activities and financial position as at 30 June 2018. Woodside Petroleum Ltd (ABN 55 004 898 962) is the parent company of the Woodside group of companies. In this report, unless otherwise stated, references to 'Woodside', 'the company', 'the Group', 'we', 'us' and 'our' refer to Woodside Petroleum Ltd and its controlled entities as a whole. The text does not distinguish between the activities of the parent company and those of its controlled entities.

References to 'H1' refer to the first half of the year, i.e. the period between 1 January 2018 and 30 June 2018. All dollar figures are expressed in US currency unless otherwise stated. Production and sales volumes, reserves and resources are quoted as Woodside share. A glossary of key terms, units of measure and conversion factors is on page 36.

This report should be read in conjunction with the Annual Report 2017 and the Sustainable Development Report 2017, available on Woodside's website, www.woodside.com.au.

Half-Year Report 2018

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