2019

ANNUAL REPORT

INCORPORATING APPENDIX 4E

Woodside

About this report

This Annual Report 2019 is a summary of Woodside's operations and activities for the 12-month period ended 31 December 2019 and financial position as at 31 December 2019. Woodside Petroleum Ltd (ABN 55 004 898 962) is the ultimate holding company of the Woodside group of companies. In this report, unless otherwise stated, references to 'Woodside', the 'Group', the 'company', '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 ultimate holding company and those of its controlled entities. In this report, references to a year are to the calendar and financial year ended 31 December 2019 unless otherwise stated.

All dollar figures are expressed in US currency, Woodside share, unless otherwise stated.

On the cover

Pluto LNG onshore processing facility, a key component of Woodside's Burrup Hub vision.

Sustainable Development Report 2019

A summary of Woodside's sustainability approach, health and safety performance and other material information for the 12-month period ended 31 December 2019 is included in our Sustainable Development Report 2019, which includes topics that have previously been included in Annual Reports.

These two reports provide a complementary review of Woodside's business.

Forward-looking statements

This report contains forward-looking statements. Please refer to page 122, which contains a notice in respect of these statements.

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greenreports

We are working with Green Reports™ on an initiative ensuring that communications minimise environmental impact and create a more sustainable future for the community.

APPENDIX 4E

Results for announcement to the market	2019	2018
Revenue from ordinary activities	Decreased 7.0% to US$4,873 million	US$5,240 million
Profit from ordinary activities after tax attributable to members	Decreased 74.9% to US$343 million	US$1,364 million
Net profit for the period attributable to members	Decreased 74.9% to US$343 million	US$1,364 million

Dividends	Amount	Franked amount per security
Final dividend (US cents per share)	Ordinary 55¢	Ordinary 55¢
Interim dividend (US cents per share)	Ordinary 36¢	Ordinary 36¢
None of the dividends are foreign sourced		
Previous corresponding period:		
Final dividend (US cents per share)	Ordinary 91¢	Ordinary 91¢
Interim dividend (US cents per share)	Ordinary 53¢	Ordinary 53¢

Ex-dividend date	24 February 2019
Record date for determining entitlements to the final dividend	25 February 2019
Payment date for the final dividend	20 March 2019

	31 December 2019	31 December 2018
Net tangible asset per security	$17.64[1]	$18.68

1. Includes lease assets of $948 million and lease liabilities of $1,170 million as a result of AASB 16 *Leases*.

CONTENTS

ABOUT WOODSIDE

Woodside led the development of the LNG industry in Australia and is applying this same pioneering spirit to solving future energy challenges.

We have a focused portfolio and are recognised for our world-class capabilities as an integrated upstream supplier of energy.

As Australia's leading LNG operator, we operated 6% of global LNG supply in 2019.

In Western Australia, we are creating an integrated LNG production hub on the Burrup Peninsula.

Building on more than 30 years of operations, we are progressing development of the Burrup Hub to bring the offshore Scarborough and Browse gas resources through our existing assets, the Woodside-operated Pluto LNG and North West Shelf (NWS) Project. We also operate two floating production storage and offloading (FPSO) facilities, the Okha FPSO and Ngujima-Yin FPSO.

Our operated assets are renowned for their safety, reliability and efficiency and we have a strong track record in project development.

We have a participating interest in Wheatstone, which started production in 2017.

Internationally, we are progressing the Sangomar Field Development in Senegal and the A-6 Development in Myanmar. And we have equity interests in Canada (Kitimat LNG) and Timor-Leste/Australia (Sunrise).

Technology and innovation are essential to our long-term sustainability. We are working to improve our energy efficiency, offset our emissions, reduce our emissions intensity and explore options for lower-carbon energy. We support the use of LNG as a lower-emissions and economically viable fuel. Today we are pioneering remote support and the application of artificial intelligence, embedding advanced analytics across our operations while recognising digital security issues.

We continue to expand our capabilities in marketing, trading and shipping and have enduring relationships that span 30 years with customers throughout the Asia-Pacific region and beyond.

Woodside demonstrates strong safety and environmental performance in all its operations. We are committed to upholding our values of integrity, respect, discipline, excellence, working sustainably and working together. Our success is driven by our people, and we aim to attract, develop and retain a diverse, high performing workforce.

We recognise that enduring, meaningful relationships with communities are fundamental to maintaining our licence to operate. We actively seek to build relationships with stakeholders who are interested in and affected by our activities. We help create stronger communities through programs that improve knowledge, build resilience and create shared opportunities.

Our proven track record and distinctive capabilities are underpinned by 65 years of experience, making us a partner of choice.

We have a focused portfolio and are recognised for our world-class capabilities as an integrated upstream supplier of energy

PERFORMANCE HIGHLIGHTS

Net profit after tax

$343 million

Underlying net profit after tax

$1,063 million

Operating cashflow

$3,305 million

Production

89.6 MMboe

Gas unit production cost

$3.9 per boe[1]

Maintaining world-class operating costs

Total recordable injury rate

0.90 per million work hours

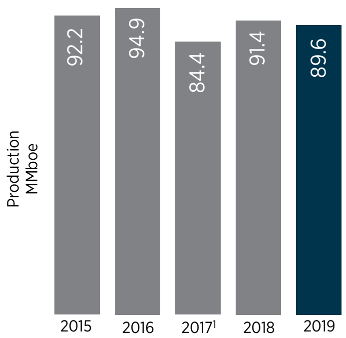
Lowest ever recorded value

1. Excluding oil facilities and impact of the planned Pluto LNG turnaround.

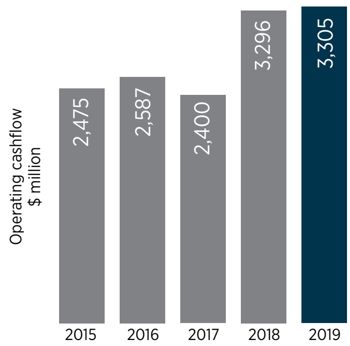
PERFORMANCE HIGHLIGHTS

Strong base business fundamentals

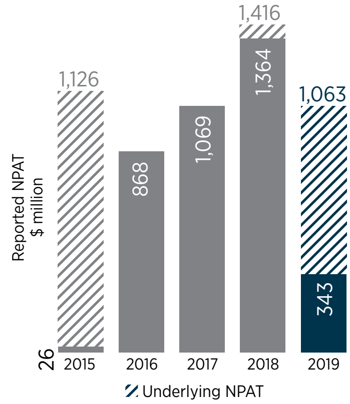
Solid annual production



Delivering significant cashflow

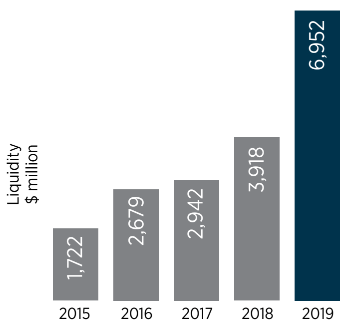


Continuing profitability

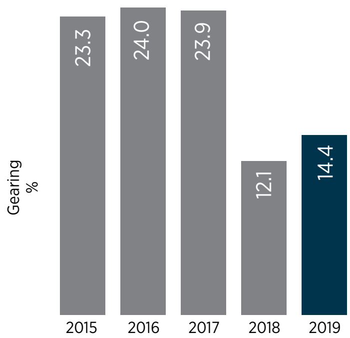


Prepared for growth

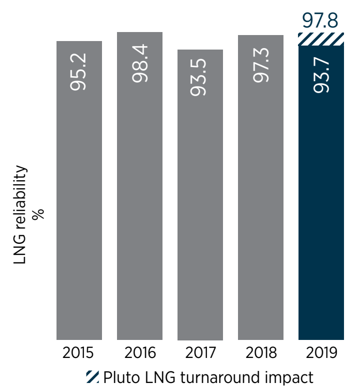
Well placed to execute spend



Low gearing



Sustained high LNG reliability



Momentum for growth

Greater Enfield

- Delivered on schedule and on budget
- Achieved 'best in basin' drilling performance

Complete

Sangomar Phase 1

- Achieved FID
- Commenced execute phase

First oil 2023

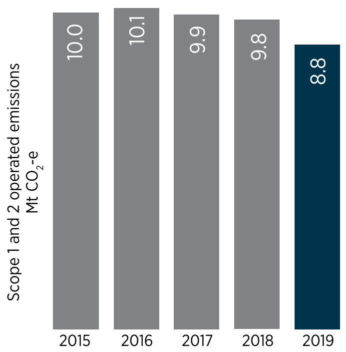
Myanmar A-6

- Agreed fiscal terms
- Commenced pre-FEED

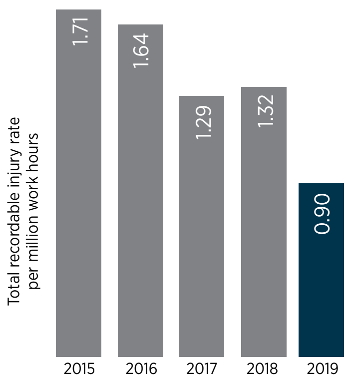
FEED entry 2020

All dates are Woodside targets and remain subject to joint venture approvals, regulatory approvals and relevant commercial arrangements.
1. Woodside's share of NWS pipeline gas and associated condensate reduced in 2017.
2. Net 12 month dividend yield. Source: iBloomberg.

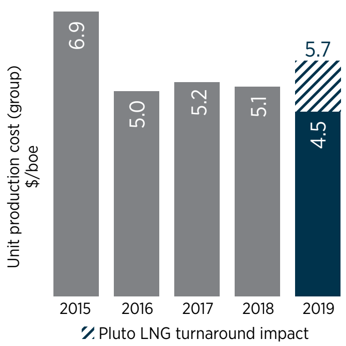
Improving emissions profile



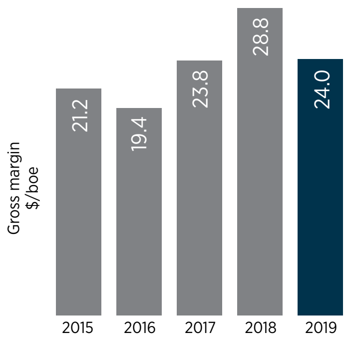
Best-ever safety performance



Continued low cost of production



Ongoing high margins



Scarborough

- Increased resource size estimate by 52%
- Agreed toll price

FID 2020

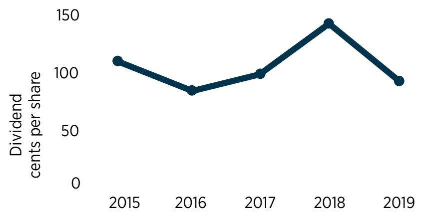
Browse

- Completed basis of design
- Ready for FEED

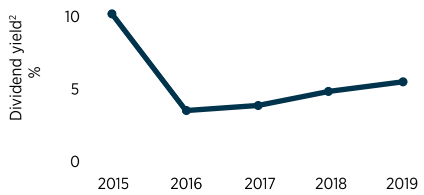
FID 2021

Creating and sharing value

Returning profits to shareholders



Sector-leading returns



Shared value

A$6.4 billion

Distributed in supplier payments, shareholder returns, government taxes, community contributions and employee wages

Increased Scarborough resource

52%

Estimated 2C resource

CHAIRMAN'S REPORT

Richard Goyder, AO
Chairman

Woodside has in 2019 progressed growth plans which, when executed well, will deliver value to all our stakeholders and make a major contribution to the Australian economy and to global energy supply for decades to come.

At the same time, we have delivered value for shareholders, achieving an underlying net profit after tax (NPAT) of $1,063 million. The reported NPAT of $343 million reflects the impairment of the Kitimat LNG asset. We paid an annual dividend of 55 US cps, representing a payout ratio of 80% of underlying profit.

In growing the company and recharging its longevity, our focus is on ensuring Woodside remains a strong value proposition for investors.

We are positioning your company financially for the expenditure associated with responsibly executing our growth plans. This included reactivation of the non-underwritten Dividend Reinvestment Plan for the interim dividend.

The Board will continue to ensure disciplined capital management as we progress our plans for growth, unlocking value for shareholders.

Businesses in Australia make a huge contribution to our society, through the provision of returns to shareholders, employment, taxation and engagement with the community. In the five years to 2019, Woodside paid a total of A$4.4 billion in Australian taxes and royalties. The positive contribution that businesses make is particularly evident when a company like Woodside is considering growth projects that will create enormous local opportunities and have significant flow-on effects through the Australian community and economy.

Our proposed projects on the Burrup Hub in northern Western Australia are about opportunity, prosperity, energy and jobs.

In the lead-up to major investment decisions, a company takes a clear-eyed look at its purpose and its future, engaging closely with stakeholders who will be part of that journey.

Throughout 2019, Woodside has been working hard to achieve alignment with our joint venture partners and to meet the expectations of regulators and the community.

The time and effort we have spent on explaining our growth strategy and securing relevant approvals gives us confidence that we can lock in broad-based support as we approach final investment decisions that lock in our plans for the future.

In particular, the Board has paid close attention to the role that Woodside can continue to play in a lower-carbon world and how our growth projects align with the emissions reductions targeted in the Paris Agreement.

Natural gas is part of the global response to the dual challenge of reducing global emissions while extending access to modern energy.

Renewables are growing – and that growth must continue – but even their exponential growth is not fast enough to satisfy rising global demand for energy. Existing gas fields globally are declining at a rate of approximately 8% per annum without new capital investment, meaning new fields will need to be developed even to meet the world's existing levels of energy demand, let alone future increases. Those new fields will need to be developed in a way that is as carbon-efficient and cost-efficient as possible.

Our plans to expand LNG production through the Burrup Hub in northern Western Australia are cost-efficient because they use existing facilities. These projects can help support significant global emissions reductions in the decades ahead by displacing higher emissions fuel in key Asian markets.

We are also thinking beyond that and investing in exploring how Woodside's experience and resources can be used to support new energy technologies that align with the longer-term global goal of carbon neutrality.

These are challenges that we cannot solve alone. That's why we're drawing on the expertise of a range of partners, including customers in our key markets who have an interest in jointly developing long-term energy options.

We take the same collaborative approach in technology, working with partners from NASA to IBM and Monash University to understand how rapidly advancing technologies that have been developed for other purposes can be applied in our industry to deliver value.

As we head towards our Annual General Meeting, we look forward to engaging with our shareholders. This includes discussion of our approach to climate change. However, it is important that all our shareholders have the opportunity to use the AGM to interact with the Board and management on the issues important to them, rather than proceedings being disrupted by a small group of individuals holding very few shares pushing a particular agenda. Our larger shareholders need to support us on this, rather than siding with simplistic AGM resolutions.

It was a pleasure, on behalf of the Board, to welcome Goh Swee Chen, who started as a director on 1 January 2020. Ms Goh has extensive experience across our industry and others, including consumer goods and IT. Her diverse professional background, extensive international track record and board experience will be a valuable asset to the Woodside Board.

I would like to thank Peter Coleman and his management team for their visionary leadership of the company at this crucial time. And I thank you, our shareholders, for your support.

In December 2019, we marked the 65th anniversary of the listing of your company. The first shareholders have been richly rewarded for backing the vision of the accountant and the stockbroker, who founded a company that went on to develop a whole new industry for Australia. We look forward to the continued support of our shareholders as we prepare to invest in growth and the future.

Richard Goyder

Richard Goyder, AO

Chairman

13 February 2020

Our focus is on ensuring Woodside remains a strong value proposition for investors

CHIEF EXECUTIVE OFFICER'S REPORT

Peter Coleman
Chief Executive Officer
and Managing Director

It was a pivotal year for Woodside in 2019, as we laid the foundation for growth in our business while maintaining our focus as a low-cost and high-margin producer.

We faced numerous challenges both financially and in our operations, but ended the year having achieved significant progress in our growth plans, while strengthening our cashflows and balance sheet.

Disappointingly, we have impaired our Kitimat LNG asset in Canada as a result of continuing significant oversupply in the North American gas markets and increasing costs for carbon that were not foreseen when we initially acquired the asset in 2015. However, very pleasingly, our team has significantly enhanced the fundamental attributes of the asset, reducing development costs and improving reserve recovery from the drilling program.

Across our business, we recorded our best-ever personal safety outcome, which is a credit to our staff and contractors.

Our base operations results were affected by lower prices, a major plant turnaround at Pluto, direct cyclone impact on our processing facilities, and accounting and internal tariff changes.

Our business plan proved to be robust in the face of these challenges, with a gross margin of 44%, and company-wide breakeven costs reducing by 27% to $22/boe, as we have refocused our spend in preparation for growth.

At the Pluto facility, we completed the first major scheduled maintenance turnaround since starting the plant in 2012. Once production was restored at Pluto, the facility achieved record production rates.

Our operating cashflow of over $3.3 billion and year-end cash balance of over $4.0 billion underscore the capacity of our base business to support growth.

The cost performance of our underlying business was good, benefiting from our lower exploration spend.

We were able to secure another $1.7 billion in additional debt from the United States and Asian markets, with our gearing at year-end being 14.4%, at the lower end of our target range.

Our investment in technology is paying off, contributing to a 20% reduction in corrosion maintenance costs at the North West Shelf last year and a 15% increase in Pluto's capacity since 2012.

We have actioned our near-term growth plans, with the Greater Enfield Project delivered on schedule and on budget, demonstrating Woodside's expertise in project execution, which will be critical in the months and years ahead.

You can read in detail in this report about the significant milestones we have already reached in our growth plans in Australia, Senegal and Myanmar, despite the complexity of commercial negotiations and environmental and regulatory approvals.

The use of cloud computing to reanalyse historic seismic data with new techniques and reassess the recoverable gas in the Scarborough reservoir revealed a 52% increase in the estimated resource volume. This underlined both the value of the resource and of the technologies that have improved our understanding of it.

As we outlined during our Investor Briefing Day in November, our portfolio of proposed projects would triple our reserves base and deliver new production at a compound annual growth rate of more than 6% through to 2028. It's a compelling growth story.

On the commercial front, we secured agreement on the tolling price to bring Scarborough gas through the Pluto facility. Our vision for an integrated LNG production hub on the Burrup Peninsula is taking shape. In 2019, we reached a final investment decision on the pipeline component of our Pluto-Karratha Gas Plant Interconnector.

By locking in contractors, we have been able to take advantage of a low point in the cost cycle and minimise the risk of cost overruns.

We are engaging with partners and regulators on our proposal to develop the Browse resource through the Karratha Gas Plant, and we share the view of State and Federal Governments that the timing is right to progress the development of this resource.

Already, we are seeing strong market support for our Burrup Hub plans, reaching long-term supply agreements with domestic and international customers.

The first of our major growth projects, the Sangomar Field Development in Senegal, was approved in January 2020 and is now in project execution. Key contracts have been awarded for the development, which is targeting first oil in 2023.

We took a significant step towards commercialising our assets in Myanmar as fiscal terms were finalised and the Block A-6 Joint Venture moved in December from concept select phase to pre-front end engineering and design.

In 2019, awareness has grown around the world of the impacts of climate change and the role that our industry plays. We can support the energy transition in the decades ahead by developing natural gas resources now that can displace more carbon-intensive fuels and help meet the world's energy needs.

We need to develop these energy resources in a responsible fashion, managing emissions through offsets, energy efficiency and lower-carbon technologies. Our aspiration is that by 2050 we will be at net zero in relation to all of our direct carbon emissions.

For some years, we have been preparing our company to play a constructive role in a lower-carbon world. Progress on this in 2019 included an agreement with Greening Australia to undertake large-scale native tree-planting projects to generate quality carbon offsets.

We are targeting offsetting our equity reservoir emissions across our entire portfolio from 2021. These emissions, which occur naturally in gas reservoirs and need to be removed from the gas prior to liquefaction, account for around a third of our direct emissions over the lifespan of our proposed projects.

We have steered Woodside onto a path of long-term sustainable growth. We are ready for the challenges and opportunities ahead as we progress towards final investment decisions and continue working hard to deliver on our commitments.

I would like to acknowledge the extra effort that all Woodside staff have put in to get us to this point and thank them in anticipation for the hard work that lies ahead.

We have been planning for growth – and now we are ready to deliver it.

Peter Coleman

Chief Executive Officer and Managing Director

13 February 2020

In 2019, we have steered Woodside onto a path of long-term sustainable growth

EXECUTIVE MANAGEMENT

Peter Coleman

BEng, MBA, D.Law (Hon), FTSE

Chief Executive Officer and Managing Director

Michael Abbott

BJuris, LLB, BA, MBA

Senior Vice President Corporate and Legal

+ Audit
+ Business Climate and Energy Outlook
+ Corporate Affairs
+ Legal and Secretariat
+ Risk and Compliance
+ Security and Emergency Management
+ Global Property and Workplace

Jacky Connolly

BCom, MOHS

Vice President People and Global Capability

+ People and Global Capability
+ Employee Engagement

Sherry Duhe

BS (Accounting), MBA

Executive Vice President and Chief Financial Officer

+ Finance, Tax, Treasury and Insurance
+ Commercial
+ Business Development and Growth
+ Contracting and Procurement
+ Investor Relations
+ Strategy, Planning and Analysis
+ Performance Excellence

Robert Edwardes

BSc (Engineering), PhD

Executive Senior Adviser

Dr Edwardes stepped down from the Executive Vice President Development role in September 2019 and continues as Senior Adviser.

Shaun Gregory

BSc (Hons), MBT

Executive Vice President Sustainability and Chief Technology Officer

+ Exploration
+ Digital
+ Geoscience
+ Technology
+ New Energy and Carbon Abatement
+ Kitimat LNG
+ Sunrise

Fiona Hick

BEng, BAppSci, FIEAust

Acting Executive Vice President Operations

+ Producing Business Units
+ Production Support
+ Operations and Maintenance
+ Drilling and Completions
+ Logistics
+ Health, Safety, Environment and Quality
+ Subsea and Pipelines
+ Reservoir Management

Reinhardt Matisons

BEng, MBA, MIEAust, CPEng, CPA

Executive Vice President Marketing, Trading and Shipping

+ Marketing
+ Power and New Markets
+ Shipping
+ Trading
+ International Marketing Offices

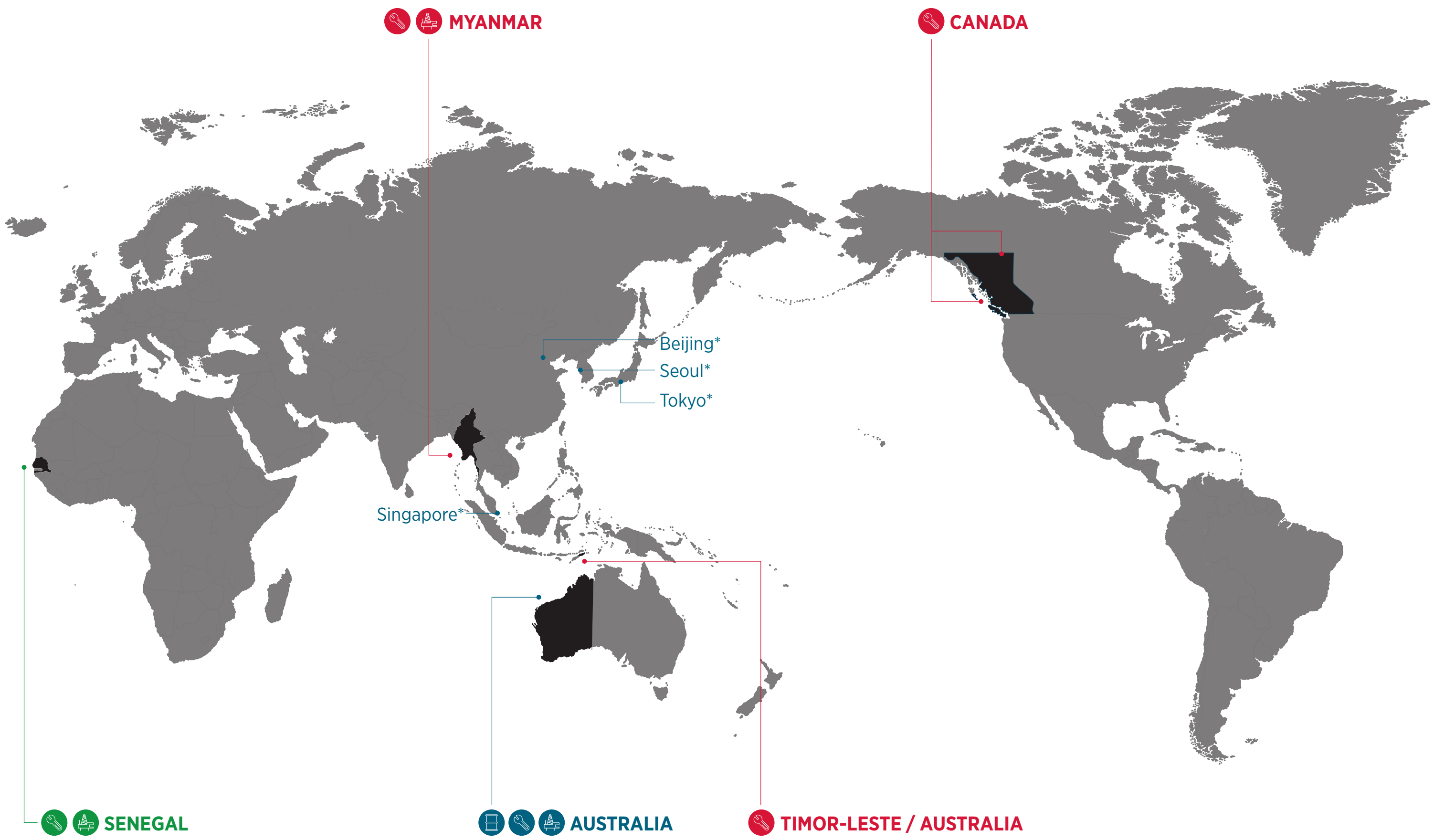
Meg O'Neill

BSc (Ocean Engineering), BSc (Chemical Engineering), MSc

Executive Vice President Development

+ Engineering
+ Projects
+ International Development Offices
+ Development Planning
+ Power
+ Scarborough and Pluto Train 2
+ Browse
+ Sangomar Field Development
+ Myanmar A-6 Development

FOCUS AREAS

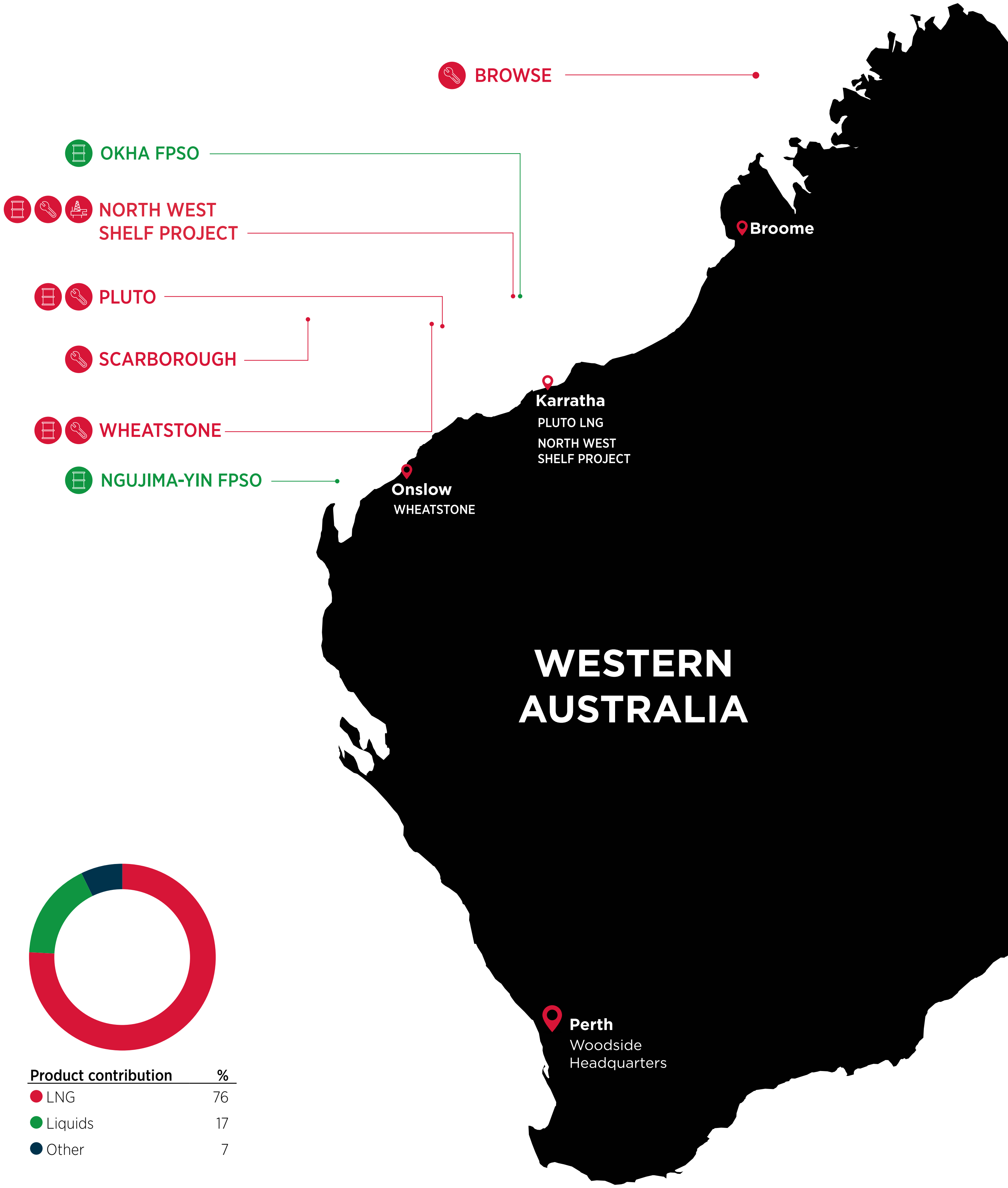


Product type	
●	Gas
●	Oil
●	Gas or oil

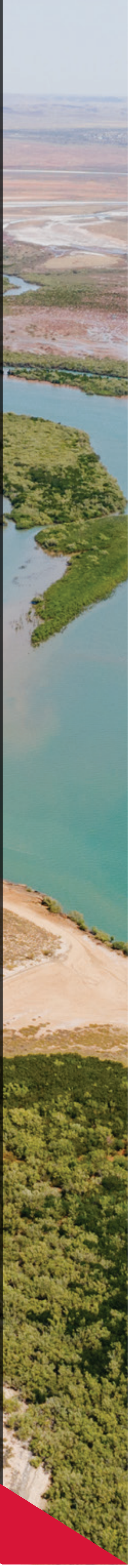
Phase	
	Producing assets
	Developments
	Appraisal and exploration

Refer to the Asset Facts section on page 124 for full details of Woodside's global interests.

*Denotes marketing office



Product contribution	%
LNG	76
Liquids	17
Other	7



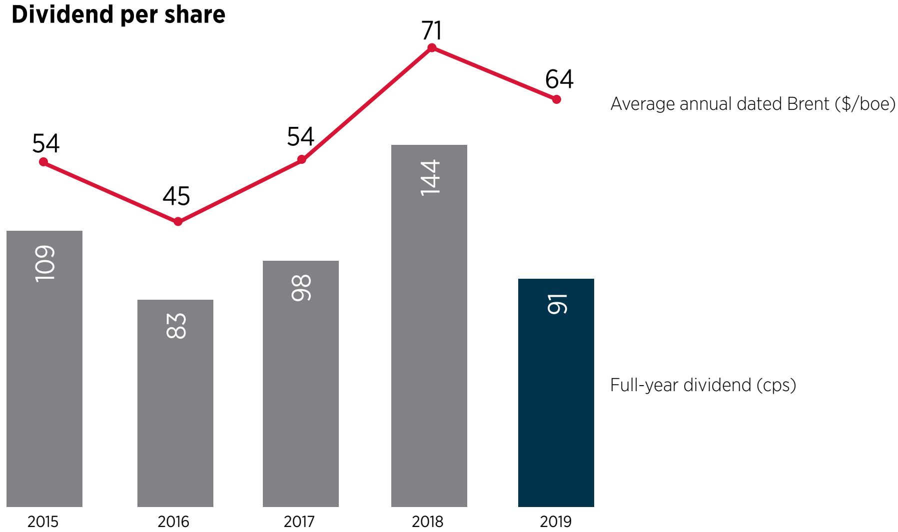
FINANCIAL SUMMARY

Key metrics

$ million		2019	2018
Operating revenue		4,873	5,240
EBITDA[1]		3,531	3,814
EBIT[1]		1,091	2,278
NPAT		343	1,364
Underlying NPAT[1,2]		1,063	1,416
Net cash from operating activities		3,305	3,296
Investment expenditure		1,327	1,922
Capital investment expenditure[1,3]		1,167	1,633
Exploration expenditure[1,4]		160	289
Free cashflow[1]		2,067	1,524
Dividends distributed		1,189	909
Key ratios			
Return on equity	%	2.1	7.8
ROACE	%	4.1	9.3
Earnings	(US cps)	36.7	148.1
Gearing	%	14.4	12.1
Effective income tax rate[5]	%	29.3	29.4
Sales volumes			
Gas[6]	(MMboe)	73.0	75.4
Liquids	(MMboe)	15.9	13.8
Total		88.9	89.2

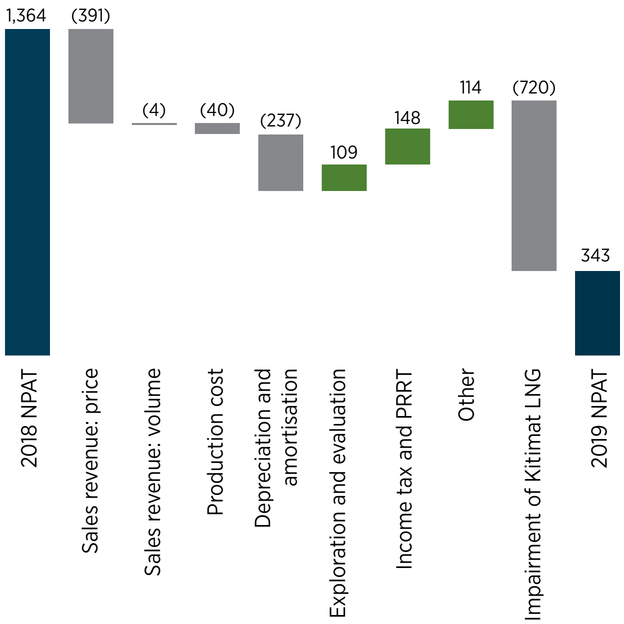
1. These are non-IFRS measures that are unaudited but derived from audited Financial Statements. These measures are presented to provide further insight into Woodside's performance. Refer to footnote 1 on the inside back cover for calculation methodology on EBITDA.
2. 2019 NPAT was adjusted for the impact of an impairment expense for the Kitimat LNG development ($720 million). 2018 NPAT was adjusted for the impact of foreign exchange options associated with the equity raising ($5 million), finance costs associated with the early redemption of the bond ($20 million) and the reclassification of two LNG vessels from oil and gas properties to non-current assets held for sale ($27 million).
3. Excludes exploration capitalised. 2018 expenditure has been restated to exclude restoration and rehabilitation spend.
4. Excludes prior period expenditure written off and permit amortisation; includes evaluation expense.
5. Effective income tax rate for Australian operations.
6. 2019 volume includes 1.4 MMboe recognised in relation to a periodic adjustment reflecting the arrangements governing Wheatstone LNG sales.

Dividend per share



2019 was characterised by strong production performance from all assets, significant planned turnarounds at Pluto LNG and NWS Project, and challenging market conditions. We achieved an underlying profit of $1,063 million and increased our cashflows, but recognised an impairment expense reducing reported NPAT to $343 million. Our increased liquidity position has us well placed to execute expenditure on our key growth projects.

NPAT reconciliation



Key movements

Sales revenue: price

Sales revenue decreased due to lower realised prices. Our average realised price decreased by approximately 7% to $50/boe, as a result of lower Brent and spot prices.

	2019 $/boe	2018 $/boe	Variance %	Impact $m
LNG	50	54	(7)	(250)
NWS[1]	45	48	(6)	(85)
Pluto	54	57	(5)	(93)
Wheatstone[2]	52	59	(12)	(72)
Domestic gas	14	15	(7)	(5)
Condensate	60	71	(15)	(103)
Oil	66	71	(7)	(25)
LPG	59	69	(14)	(8)
Volume weighted average realised prices	**50**	**54**	**(7)**	**(391)**
Brent average price	64	71	(10)	
JCC (lagged 3 months)	70	68	3	

1. Excludes 2019 and 2018 price review adjustments relating to sales from prior years.
2. Includes an amount recognised in other income reflecting the arrangements governing Wheatstone LNG sales.

Sales revenue: volume

Sales volumes decreased due to the planned Pluto LNG turnaround in Q2 2019 and the planned cessation of Nganhurra FPSO production in November 2018. This was partially offset by a full year of Wheatstone Train 2 production and completion of the Greater Enfield Project in August 2019.

$81 million was recognised in relation to a periodic adjustment reflecting the arrangements governing Wheatstone LNG sales.

Production cost

Production cost increased primarily due to planned turnaround activity at Pluto LNG and NWS Project, offset by the cessation of Nganhurra FPSO production.

Depreciation and amortisation

Depreciation and amortisation for oil and gas properties increased primarily due to completion of the Greater Enfield Project in August 2019 and start-up of Wheatstone Train 2 in June 2018.

Exploration and evaluation

Exploration and evaluation expense decreased in line with a decrease in exploration activity in 2019.

Income tax and PRRT

The PRRT benefit decreased by $21 million primarily due to the planned Pluto LNG turnaround and changes to LNG processing agreements. Income tax decreased by $169 million predominantly due to lower profit before income tax.

Other

Other items increasing NPAT include net trading, finance income and a positive stock movement. These were partially offset by restoration adjustments due to revised cost estimates for end of life assets, the implementation of AASB 16 *Leases* (AASB 16) as well as higher interest expense due to lower capitalised borrowing costs following the start-up of both Wheatstone Train 2 and Greater Western Flank Phase 2.

Impairment of Kitimat LNG

The Kitimat LNG asset was impaired by $720 million primarily due to increased uncertainty, particularly in the timing of the development of the upstream resource.

Capital allocation

We continue to maintain a prudent financial position by appropriately servicing our debt, investing in future growth and distributing funds to shareholders.

During the year we generated $3,305 million of operating cashflow. We raised $1,700 million of debt through a Rule 144A/ Regulation S senior unsecured bond and a medium term note, ending the period with liquidity of $6,952 million. This, combined with our expected operating cashflows, prepares us for ongoing delivery of our growth plans.

In 2019, we funded investment in line with our growth strategy, investing $1,327 million in capital and exploration expenditure. This was lower than our 2018 capital expenditure of $1,922 million, which was primarily due to the acquisition of ExxonMobil's 50% interest in the Scarborough resources in 2018 coupled with a reduction in exploration spend in 2019.

2019 capital expenditure was incurred for the Greater Enfield Project, Pluto PLA07, Pyxis Hub and Scarborough FEED activities.

Woodside continues to actively review future capital requirements, including our asset portfolio and equity positions.

Dividend

A 2019 final dividend of US 55 cents per share (cps) has been declared. The final dividend reflects 2019 underlying NPAT of $1,063 million.

The 2019 dividend represents a payout ratio of 80%. Consistent with disciplined capital management we will continue to review the payout ratio as we progress through our growth phase.

To support our growth strategy, we reactivated in August 2019 the dividend reinvestment plan for the 2019 interim dividend. The dividend reinvestment plan will remain in place until further notice. This will allow our eligible shareholders to reinvest their dividends directly into shares at a 1.5% discount.

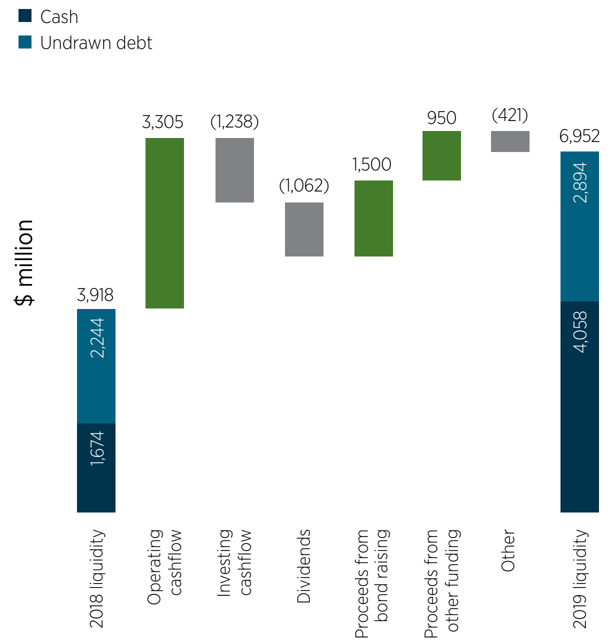
The full year 2019 dividend is 91 cps, the value of the final dividend payment is $518 million and the dividend will be fully franked for Australian taxation purposes.

Unit production cost, cash costs and margins

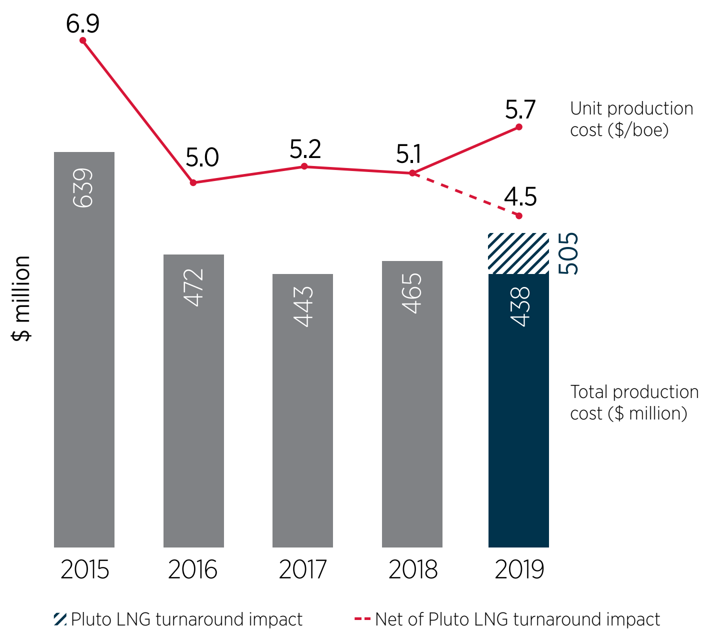
Total unit production cost increased by 12% to $5.7/boe. This was due to the planned Pluto LNG turnaround and increased NWS Project maintenance activities, offset by a full year of production from Wheatstone Train 2 and the completion of the Greater Enfield Project.

Excluding the impact of the Pluto turnaround ($67 million and 7.7 MMboe), unit production cost reduced to $4.5/boe.

Liquidity



Production cost



Balance sheet, liquidity and debt service

We continue to build a resilient balance sheet, ending 2019 with a healthy liquidity position of $6,952 million and net debt (including leases) of $2,791 million.

Gearing decreased from our half year position of 17.9% to 14.4%. Our target gearing range is 15-35%, which was adjusted as a result of adopting AASB 16 from 1 January 2019. Woodside's strong credit ratings of Baa1 and BBB+ were both reaffirmed during 2019 by Moody's and S&P Global respectively with a stable outlook.

We continue to manage our debt portfolio by minimising near-term maturities and maintaining a low cost of debt. The average term to maturity is 5.2 years and our portfolio cost of debt remains competitive at 3.6%. This represents both an increase in maturity and decrease in cost compared to 2018.

In 2019, we extended our liquidity position through prudent management of our debt portfolio. This included:

+ Issuing a $1,500 million Rule 144A/Regulation S senior unsecured bond with a coupon of 4.5% and a term of 10 years. The bond will mature in March 2029
+ Extended and upsized a syndicated revolving facility worth $1,200 million
+ Issued a new medium term note of $200 million in November 2019
+ Extended and upsized bilateral facilities.

2020 outlook

Our investment expenditure guidance for 2020 is $4,100 million to $4,400 million.[1]

We are increasing expenditure on our growth projects including Scarborough and Pluto Train 2, Sangomar Phase 1, Wheatstone and Pyxis. Wheatstone expenditure is for execution of Julimar-Brunello Phase 2. The guidance includes amounts conditional on a positive final investment decision to develop the Scarborough field.

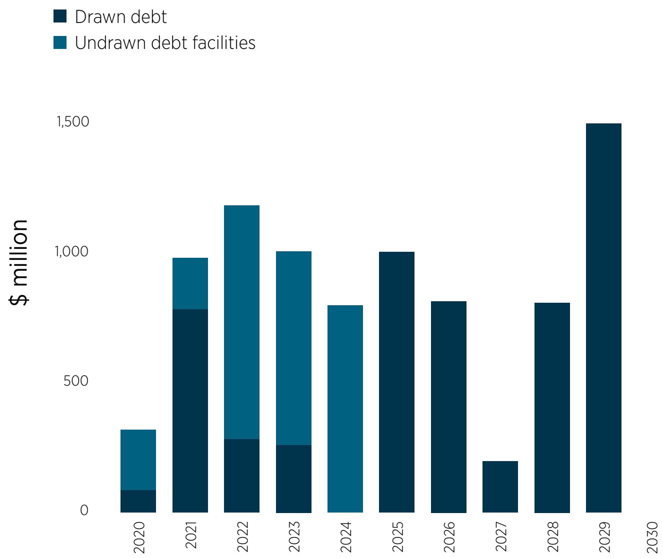
We are also maintaining focus on base business. Outstanding base business performance will allow us to generate cash to fund our growth projects and meet our 2020 production targets.

Exploration expenditure in 2020 is expected to remain consistent with 2019 expenditure at approximately $150 million.

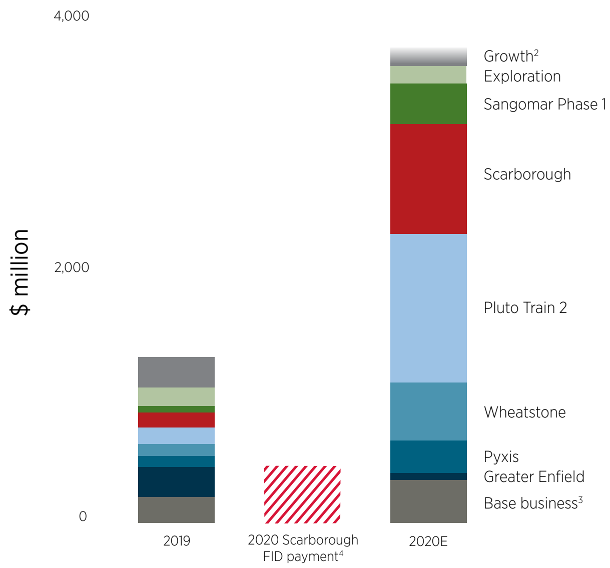
For 2020 the expected impact on NPAT is $24 million for a $1 movement in the Brent oil price, and $10 million for a $0.01 movement in the AUD/USD exchange rate.

We will continue to actively manage our debt portfolio in 2020.

Debt maturity



2020 investment expenditure guidance



1. Guidance range is sensitive to phasing of project expenditure.
2. Growth includes Browse, Pluto-KGP Interconnector, Kitimat, Myanmar A-6 and other spend.
3. Base business includes Pluto LNG, NWS Project, Australia Oil and Corporate.
4. $450 million due to ExxonMobil and BHP on a positive FID to develop the Scarborough field.

STRATEGY AND CAPITAL MANAGEMENT

We have a clear plan to deliver superior shareholder returns through our efficient base business and the execution of high-quality growth opportunities. Our strategy is underpinned by industry-leading capability, technology and focus on sustainable energy solutions.

Base business

Woodside's base business is characterised by world-class LNG and FPSO reliability, cost discipline and strong safety and environmental performance.

We maximise value by developing and deploying technology across our portfolio of assets, enabled by our close collaboration with world-leading experts.

Our base business has been expanded by development in recent years, including the completion of the Greater Enfield Project, the start-up of Wheatstone and delivery of subsea tie-backs extending the field life of our assets.

Growth

Our portfolio of growth opportunities has the right interests in the right assets to unlock value for shareholders and other stakeholders. We are planning to undertake these activities at the right time in the investment cycle in order to deliver new production when anticipated global demand requires it.

Burrup Hub

Our Burrup Hub vision will extend the life of the world-class North West Shelf and Pluto LNG facilities for decades to come. We are targeting the production of approximately 40 Tcf of dry gas in a capital efficient way.[1]

The key projects of our Burrup Hub vision are Scarborough and Browse. Scarborough will develop approximately 11.1 Tcf of dry gas (2C, 100%) from the Scarborough field in the Carnarvon Basin through an expansion of our Pluto LNG facility. Woodside is targeting first LNG cargo in 2024.

Browse extends the life of the existing NWS facilities through the subsea development of three fields in the Browse Basin. Browse gas will be transported to the NWS facilities through an approximately 915 km trunkline. Woodside is targeting final investment decision in late 2021.

International

Commercialisation of our international assets progressed with the approval of the Sangomar Field Development Phase 1 offshore Senegal. The Sangomar Field Development is well matched to our expertise in subsea development and FPSO operations. Phase 1 targets the development of an estimated 231 million barrels of oil (2P, 100%), with an opportunity to potentially export pipeline gas to shore in future phases. Project execution commenced in 2020 and first oil is targeted for 2023.

In Myanmar, the offshore A-6 Development is targeting an estimated 2.2 Tcf of dry gas (2C, 100%) to be transported through a 240 km export pipeline. This development will tie into existing infrastructure to provide a new source of energy for the region.

We are actively progressing future growth opportunities, including Kitimat (Canada) and Sunrise (Timor-Leste / Australia).

Sustainable energy

We are focused on providing sustainable energy solutions that deliver enduring value to shareholders, communities, governments and other stakeholders. We promote LNG as a lower-emissions fuel and cleaner alternative for transport, shipping and power generation.

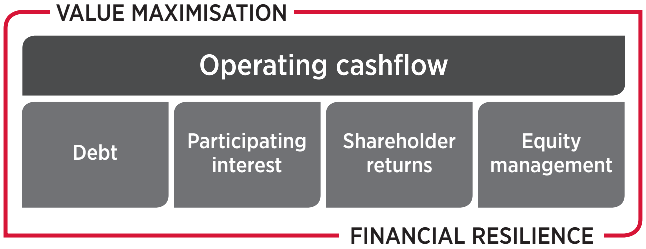
We set and report on our targets to improve the energy efficiency of our operations and our broader contribution to a lower-carbon world. We have established the capacity to generate large-scale carbon offsets in support of this approach. In executing our growth opportunities we are incorporating design and operational activities to reduce our carbon footprint.

As global energy demand grows we will be ready to meet it, including participating in partnerships to promote and develop hydrogen.

1. Refer to the Burrup Hub section on page 30 for more information.

Capital management

Our capital management framework provides us with the flexibility to maximise the value delivered from our portfolio of opportunities. We consider a range of macroeconomic scenarios to inform our decision making and ensure we maintain a resilient financial position.



Our capital investment requirements are primarily funded by our resilient and stable operating cashflows, which we augment or distribute with a number of capital management levers. We do this to maximise shareholder value and consider:

+ Debt management, to ensure that we continue to have access to premium debt markets at a competitive cost to support our growth activities. We seek to manage average debt maturity on our debt portfolio. Our gearing target is 15-35%. We continue to target maintaining an investment-grade credit rating.
+ Participating interest management, to ensure we balance capital investment requirements, project execution risk and long-term value.
+ Shareholder returns, in accordance with our dividend policy we will pay a minimum of 50% of net profit after tax adjusted for non-recurring items. Consistent with prudent and disciplined capital management, we will review the payout ratio as we execute our growth projects. Our strong shareholder distributions will be funded from our high margin base business. We retain the option to return surplus cash to shareholders by increasing the dividend payout ratio, payment of special dividends or stock buy-backs.

We also consider equity management options on an ongoing basis.

Investment criteria

+ Our investment criteria target investment decisions which deliver returns on capital exceeding our cost of capital.
+ The economic criteria we use are set independently of project decisions.
+ We apply a suite of target metrics that are aimed at delivering superior shareholder returns from our investment decisions.
+ We test the robustness of our investments against a range of low-outcome and lower-carbon scenarios. We include carbon pricing in our economics and test the economics for a range of prices.
+ We set higher target metrics for investments with increased complexity and risk, and seek to preserve any upside potential.
+ Typical target metrics required for investment are an ungeared internal rate of return of greater than 12%, a value investment ratio (VIR) of greater than 0.25 and a payback period of less than eight years.

BUSINESS MODEL AND VALUE CHAIN

Woodside's business model seeks to maximise returns across the value chain. This is achieved by prioritising competitive growth opportunities; by utilising our operational, development and drilling capabilities; and by deepening relationships in LNG markets with strong demand growth. We do this with the objective of generating superior shareholder returns.

ACQUIRE AND EXPLORE

We grow our portfolio through acquisitions and exploration, based on a disciplined approach to increasing shareholder value and appropriately managing risk. We look for material positions in world-class assets and basins that are aligned with our capabilities and existing portfolio. We assess acquisition opportunities that complement our discovered and undiscovered resource base.

2019 illustrations

Start of development activities for Myanmar Block A-6 following exploration and appraisal success.

DEVELOP

We are building on over 30 years of development expertise from our assets in Western Australia by investing in opportunities in Australia, Senegal, Myanmar, Canada and Timor-Leste. During the development phase, we maximise value by selecting the most competitive concept for extracting, processing and delivering hydrocarbon products to market. Once the value of the development is confirmed, and approvals are received, a final investment decision is made and project execution commences.

Entered execute phase for Sangomar Field Development Phase 1 in early 2020. Prepared Scarborough for FID targeted in 2020.

OPERATE

Our operations are characterised by strong safety and environmental performance in remote and challenging locations. As Australia's leading LNG operator, our operated assets include the NWS Project and Pluto LNG. We also operate two FPSO facilities and have a non-operated interest in Wheatstone. By adopting technology, a continuous improvement mindset and an efficient, well planned, cost competitive operating model, we have been able to reduce operating costs, increase production rates and improve safety performance to optimise the value of our assets.

Completed major turnarounds at Pluto LNG and NWS Project and achieved record daily production rates at Pluto LNG.

MARKET

Our marketing and trading strategy is to build a diverse customer portfolio and pursue additional sales agreements, underpinned by reliable domestic gas and LNG production and supplemented by globally sourced volumes. Our relationships with customers in Australian and international energy markets have been maintained through a track record of reliable delivery and expertise across contracting, marketing and trading. In addition to long-term sales, we pursue near-term value accretive arrangements through spot and mid-term sales and LNG shipping transactions.

Negotiated long-term LNG supply agreements to underpin the development of the Scarborough gas resource.

DECOMMISSION AND DIVEST

Decommissioning is integrated into project planning, from the earliest stages of development through to the end of field life. Individual assets within our portfolio have a finite life. At appropriate intervals, we consider opportunities to divest ourselves of assets to maximise the value of our portfolio. Our decommissioning planning is implemented at the appropriate time. Through working together with our partners and technical experts, we are able to identify the most sustainable and beneficial post-closure options that minimise financial, social and environmental impacts.

Continued the decommissioning of Nganhurra FPSO infrastructure.

ENERGY MARKETS

LNG is a reliable, affordable and clean energy source. LNG demand is forecast to expand rapidly, potentially doubling by 2040, with Asia the key region of demand. Woodside's strategy is focused on delivering world-class LNG projects to meet this demand and supply a growing and increasingly complex market.

Woodside's proposed Burrup Hub developments can deliver competitively priced LNG to major LNG demand centres nearby in Asia, where it is expected that two-thirds of the global demand will be located.

While 2019 was a record year for new LNG investment decisions, many more projects are required over the next 18 months to ensure the market remains adequately supplied past the mid-2020s. The LNG market is characterised by cycles and the market is adequately supplied in the near-term as production from the wave of projects sanctioned during the last cycle is absorbed. Demand growth is expected to outstrip supply growth in the medium term, tightening the market. LNG demand has increased 42% in the past four years, and is expected to expand at a compound annual growth rate exceeding 4% out to 2035.

Projects best positioned to reach investment will have competitive delivered prices, an ability to attract project financing (if required), and support from experienced equity partners with strong balance sheets.

Continued LNG demand strength is supported by China, India and other Asian economies. Government and social policy is aligned with natural gas as a reliable energy source that improves local air quality whilst lowering national carbon dioxide emissions. LNG on a life-cycle basis emits half the carbon dioxide of coal to generate power, supporting a timely and stable energy transition in support of the goals of the Paris Agreement. Continued coal-to-gas switching and economic growth is expected to see the Asian region increase LNG imports by 84% out to 2035.

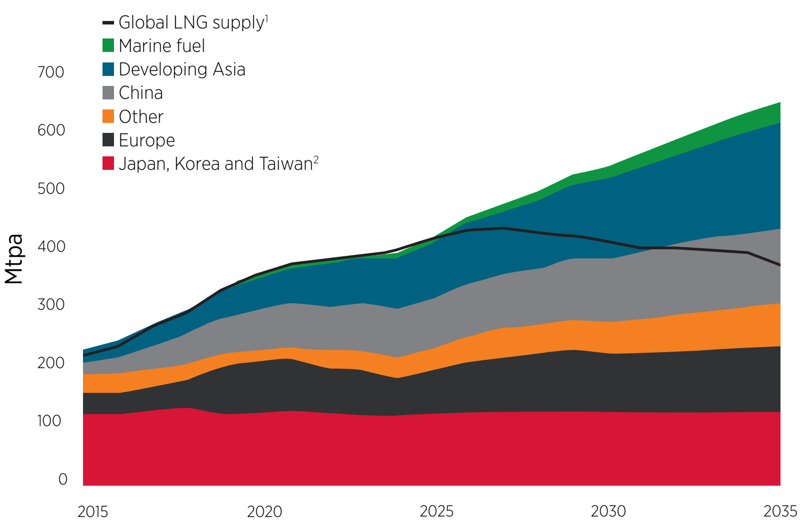
As the cleanest burning hydrocarbon, natural gas is expected to see broad-based growth across all demand sectors, including electricity generation, industrial use (such as steelmaking, petrochemical, fertiliser and manufacturing) and water desalination. Gas use for transport is also expected to increase, doubling in demand by 2040. A new market is emerging for LNG as a marine fuel to support the International Maritime Organisation's efforts to reduce sulphur emissions.

Australia in 2019 became the world's largest supplier of LNG, overtaking Qatar. As additional LNG supply ramps up from the USA and Russia, the market is increasingly globalised. In 2019, over a third of the LNG supply was sold on a destination flexible basis. This destination flexible supply is expected to reach two thirds of the market as soon as 2025.

Increasing spot market liquidity is a key characteristic of a commoditised marketplace. The LNG market is demonstrating greater diversification, with an expected 100 buyers present in 2020 with varying contracting requirements. Traditional long-term contracts remain prevalent, but more innovative hybrid contracting structures are standard with variety in pricing mechanisms, contract length and flexibility.

Woodside is well-positioned, in terms of development opportunities and capability, to meet the requirements of a dynamic LNG market.

Global LNG Outlook

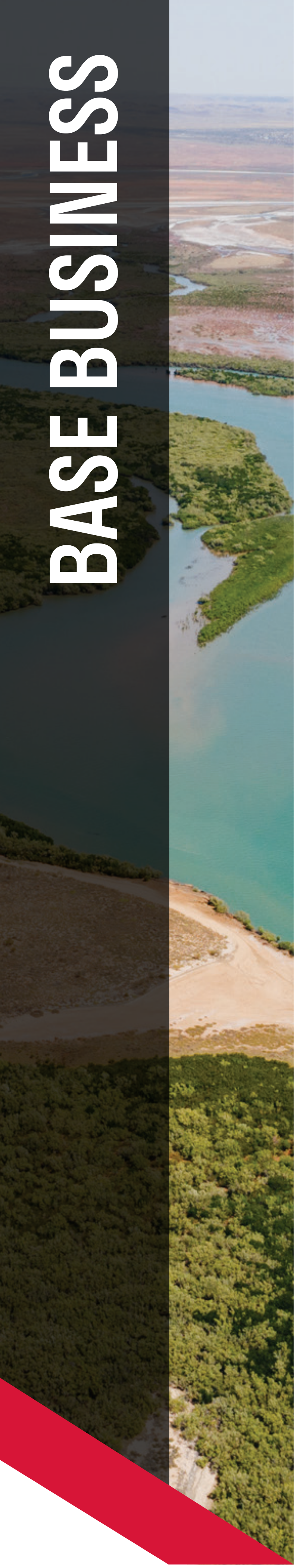


1. Supply forecast based on existing capacity and under construction developments, excluding boil-off gas.
2. LNG demand growth to 2035 is widespread across Asia. Japan is the only regional market to contract.
Source: Wood Mackenzie Q4 2019, including NLNG Seven project.

2035 forecast Asian LNG demand

▲84%

above 2019 levels



PLUTO LNG

Production

37.1 MMboe

LNG reliability[1]

98.5%

Sales revenue

$1,988 million

Unit production cost[1]

$3.5 per boe

1. Excluding impact of planned Pluto LNG turnaround.

2019
Highlights

+ Completed first major turnaround
+ Achieved new record daily production rates
+ Achieved FID on Pyxis Hub
+ Commenced operations at the LNG truck loading facility

2020
Activities

+ Commence Pyxis Hub development drilling
+ Install the Pluto water handling module, in support of 2021 RFSU

Excellent base business

Pluto LNG delivered 37.1 MMboe of production in 2019 (Woodside share).

Woodside safely completed Pluto LNG's first major turnaround in June 2019, delivering improved production capacity and excellent reliability performance. Pluto LNG production capacity is now approximately 15% higher than at start-up in 2012.

A new record daily production rate of 15.3 kt/d (14% above nameplate capacity of 4.9 Mtpa) was achieved in Q3 2019, reflecting the improvements realised by operational learnings, engineering improvements and advanced digital technology. Average reliability following the turnaround was 99.2%.

We recorded no Tier 1 or 2 process safety events in 2019.

Commercial sales of domestic gas from Pluto LNG commenced during 2019.

Enabling growth

Development of additional Pluto resources through subsea tie-backs continued during 2019. We also took a number of significant steps to prepare the onshore facility for our Burrup Hub growth plans.

Refer to page 30 for more information on our Burrup Hub vision.

In November 2019, Woodside achieved start-up of the PLA07 infill well on budget and on schedule. We also achieved final investment decision (FID) on the Pyxis Hub project, comprising the subsea tie-back of the Pyxis, Pluto North and Xena infill wells. Key contracts were awarded to support the design and installation of subsea equipment and infrastructure. Ready for start-up (RFSU) is targeted for 2022.

Tie-ins for the Pluto-KGP Interconnector were installed during the major turnaround in Q2 2019, ahead of the Interconnector's start-up targeted for 2022.

Tie-ins for the Pluto water handling project were also completed during the major turnaround. The project involves the construction and installation of a water handling module on the Pluto platform to enable wet gas production from 2021.

Woodside completed construction and first deliveries from the Pluto LNG truck loading facility. The facility enables LNG to be transported across Western Australia for use by local mining companies for remote power generation and heavy transport, supporting our drive to develop new markets for our LNG and replace higher-emissions fuels.

Woodside interest: 90%

New technologies, operational excellence and the safe completion of the first major turnaround resulted in record daily production

NWS PROJECT

2019 Highlights

- Completed major integrated turnarounds
- Achieved excellent health and safety performance
- Achieved strong production and reliability performance
- Achieved FID on GWF-3 and Lambert Deep[1]

1. Subsequent to the period

2020 Activities

- Targeting FID on NWS component of Pluto-KGP Interconnector
- Safe and efficient execution of major turnarounds

Excellent base business

Woodside delivered strong LNG production and reliability performance from the NWS Project. A significant program of onshore and offshore turnaround activities was completed during the year.

NWS Project delivered 32.0 MMboe of production in 2019 (Woodside share).

We maintained strong average reliability of 97.0% throughout the year.

Our continued focus on health and safety delivered an excellent safety outcome. We also recorded no Tier 1 or 2 process safety events in 2019.

Enabling growth

The existing NWS Project infrastructure is a central component of our Burrup Hub vision. We delivered several key work scopes in 2019 aimed at maintaining our strong safety, reliability and efficiency performance as we transition to including third-party gas processing.

In July 2019 we successfully executed major turnarounds at the Goodwyn A platform and LNG Train 1 on budget and on schedule, and in September 2019 undertook an integrated turnaround involving LNG Train 5, Fractionation, the North Rankin Complex and North Rankin Train 2. Multiple improvements increasing reliability and production performance were implemented during the turnarounds.

We also continued a comprehensive maintenance program at KGP to support ongoing production and our future growth plans. The program was approximately 49% complete at the end of 2019. The application of new technologies and innovative products has helped reduce our external corrosion maintenance costs by approximately 20% since 2018.

FID was achieved for Greater Western Flank Phase 3 (GWF-3) in January 2020, following completion of FEED activities which commenced in Q2 2019. GWF-3 (including Lambert Deep) is a subsea tie-back opportunity to commercialise further NWS Project reserves.

Woodside interest: 16.67%

The NWS Project achieved strong LNG reliability, completed major maintenance activities and invested in extending the life of the facilities

Production

32.0 MMboe

LNG reliability

97.0%

Sales revenue

$1,379 million

Unit production cost

$4.1 per boe

AUSTRALIA OIL

2019

Highlights

+ Delivered the Greater Enfield Project on schedule and on budget
+ Strong production performance from Ngujima-Yin FPSO

Ngujima-Yin FPSO

The Greater Enfield Project involved the refurbishment of the Ngujima-Yin FPSO and subsea tie-back of additional fields. The project was completed on schedule and on budget. Woodside's strong commitment to safety was reflected in the execution of the full shipyard scope without any recordable injuries.

The Ngujima-Yin FPSO recommenced production from the Vincent wells in July 2019 and began production from the Greater Enfield wells in August 2019. Woodside's share of annual production in 2019 from the Ngujima-Yin FPSO was 4.0 MMboe, up from 1.3 MMboe in 2018. 2019 production was above target following project completion.

Woodside interest: 60%

Okha FPSO

The Okha FPSO produces oil from the Cossack, Wanaea, Lambert and Hermes fields and commenced production in 2011. Woodside's share of annual production in 2019 from the Okha FPSO was 1.6 MMboe, down from 1.8 MMboe in 2018 primarily due to natural field decline. Okha subsea life extension activities commenced in 2020.

Woodside interest: 33.33%

Nganhurra FPSO

Decommissioning activities for the remaining infrastructure will continue in 2020.

Woodside interest: 60%

WHEATSTONE

2019

Highlights

+ Commenced domestic gas production
+ Achieved FID on Julimar-Brunello Phase 2

Wheatstone continued to deliver solid production in 2019. The facility achieved new record production rates, driven by improved reliability and constraint management.

Wheatstone delivered 14.4 MMboe of production in 2019 (Woodside share), up from 9.1 MMboe in 2018.

Unit production costs at Wheatstone also decreased significantly from $6.8/boe in 2018 to $4.3/boe in 2019.

Commercial production of domestic gas commenced in March 2019.

Julimar-Brunello

To support Wheatstone production, Woodside is progressing Julimar-Brunello Phase 2, which involves the tie-back of the Julimar field to existing Brunello subsea infrastructure connected to the Wheatstone offshore platform.

FEED activities progressed during 2019, enabling a positive FID to be taken by the joint venture in November 2019. Drilling activities commenced in January 2020.

Woodside interest: 13% (Wheatstone)
Woodside interest: 65% (Julimar-Brunello)

EXPLORATION

2019 Highlights

+ Commenced development activities for the Myanmar A-6 Development
+ Awarded a PSC extension to appraise the FAN and SNE North discoveries in Senegal
+ Acquired 3D seismic offshore Senegal
+ Awarded new permits in Australia and the Republic of Korea

Overview

Exploration activities in 2019 were focused on divesting low-value licences and drilling prospects across our captured interests with a focus on high-value opportunities to provide sustainable growth opportunities.

Australia

The Achernar-1 exploration well was drilled during May 2019 in WA-28-P, safely and under budget. It intersected high porosity sands in the target reservoir which were found to be water bearing.

The Gemtree prospect in WA-49-L was matured to drill-ready status and is scheduled to be drilled in 2020 following the Julimar-Brunello Phase 2 wells. Gemtree offers potential backfill gas into the Julimar-Brunello development.

In the North West Shelf asset area, reprocessing of the Fortuna 3D seismic data, acquired in 2014, was completed on schedule and budget. The data covers five developed fields (Tidepole, Goodwyn, Sculptor-Rankin, Keast and Dockrell), three undeveloped fields (Dixon, Haycock and Gaea) and a number of exploration prospects near existing infrastructure. The reprocessing of data covered approximately 950 km^2 of the Dampier sub-basin with the key purpose of applying new processing technology to increase the resolution and imagery of the subsurface geology. In 2020, seismic interpretation activities will be undertaken to mature prospects in this area for potential development and tieback to existing infrastructure.

New acreage was acquired to provide options for future growth. NT/P86 in the Bonaparte Basin is nearby to the Barossa gas field, and WA-536-P contains high-quality tieback prospectivity to either Pluto or Wheatstone. Retention lease applications were submitted for WA-430-P with the discoveries having the potential to be developed in the future. A declared location was granted in WA-404-P.

Myanmar

Our exploration focus in Myanmar in 2019 was to move our discovered volumes to development. This was successfully achieved with the commencement of pre-FEED activities for the A-6 Development, following the successful appraisal of the Shwe Yee Htun discovery in Q4 2018. In 2020, Woodside will commence a fourth drilling campaign with the primary intention of following up the gas discovery at the Aung Siddhi-1 exploration well and reaching commerciality in our northern blocks.

Bulgaria

The Khan Kubrat-1 exploration well in Bulgaria reached target depth in late May 2019 with non-commercial liquid hydrocarbons recovered to surface from target reservoirs. The well was plugged and abandoned as planned. Further studies are being undertaken to inform future activities in the block.

Republic of Korea

In April 2019, Woodside entered a Concession Contract for Blocks 8 and 6-1N in the Republic of Korea. The blocks lie in the deepwater Ulleung Basin, adjacent to a large, mature gas market. Substantial deepwater prospectivity was identified by Woodside and joint venture partner KNOC when the acreage was held between 2007-2016. A large-scale, high definition 3D marine seismic survey is planned to commence in Q1 2020 to further evaluate the hydrocarbon potential of the basin.

Peru

The Boca Satipo Este-1 exploration well in Peru reached total planned depth in February 2019 with non-commercial hydrocarbon shows in the target reservoir. The well was plugged and abandoned.

We are focusing on high-value opportunities to deliver sustainable growth

MARKETING AND SHIPPING

2019
Highlights

- Executed long-term LNG SPA with Uniper
- Completed first sales from the Pluto LNG truck loading facility
- Achieving a price premium for Greater Enfield heavy sweet crude

Overview

We supply to portfolio players, major gas and electricity utilities, trading houses and industrial and mining buyers around the world. With a focus on LNG, we also supply crude oil, condensate, LPG and pipeline natural gas. We are seeking to develop new markets by exploring the use of LNG as a lower-emissions and cost-effective alternative fuel for heavy transport and remote power generation.

Portfolio LNG marketing

Woodside's portfolio LNG marketing approach provides us with the flexibility to meet changing buyer requirements, including sales price diversity and flexible terms. We manage our LNG portfolio through a mix of short-, mid- and long-term contracts, supplied by Woodside equity cargoes and supplemented by third-party purchases.

Our LNG equity portfolio reached 8.0 Mtpa in 2019. We increased our mid-term contracted volumes in the year by executing portfolio LNG sale and purchase agreements (SPAs) for delivery of up to 5 million tonnes over the period 2020 to 2025.

In mid-2020, we expect to commence offtake from Corpus Christi LNG in Texas, USA, to complement Woodside's LNG portfolio.

Focus on growth

In 2019, we focused on progressing sales arrangements to underpin our growth strategy and support a Scarborough FID in 2020.

During the year, Woodside executed a long-term SPA with Uniper Global Commodities SE (Uniper) for the supply of LNG for a period of 13 years commencing in 2021, and a heads of agreement with ENN Group for the sale of 1.0 Mtpa of LNG for ten years commencing in 2025.

Woodside's existing long-term LNG sale and purchase agreement with PT Pertamina (Persero) (Pertamina) has the option for Woodside to increase supply to Pertamina by approximately 0.5 Mtpa to 1.1 Mtpa from 2024 to 2038.

The Sangomar Field Development Phase 1 in Senegal offers additional oil production with geographical diversification. First oil is targeted for 2023. Woodside is preparing key joint venture agreements that support the lifting and marketing of equity oil production from the project.

We will leverage our pipeline marketing capabilities in 2020 to progress gas sales agreements for the A-6 Development in Myanmar with prospective domestic and international buyers.

Domestic gas

Since the commencement of equity marketing of domestic gas in 2016, we have established our position in the WA market and continued to develop our portfolio of customers and trading capabilities.

Our domestic gas sources include the NWS Project, Pluto LNG and Wheatstone, allowing Woodside to have a portfolio sales approach in Western Australia and to meet customer requirements through a mix of short-, mid- and long-term contracts.

Wheatstone domestic gas production, commissioned in March 2019, increased our equity pipeline gas capacity by 26 TJ/d to approximately 150 TJ/d.

Legacy NWS joint domestic gas contracts will end in 2020.

Integrated trading, shipping and operations

Woodside has a proven track record in shipping and operations, and during the year delivered 328 cargoes, including all LNG, condensate, crude and LPG cargoes with Woodside equity interest.

Woodside maintains an LNG shipping fleet of five LNG vessels under long-term contracts. Access to our own shipping allows us to create value, protects us against price fluctuations in the shipping market, and equips us to deliver third-party cargoes through sub-chartering activities.

Our integrated shipping, operations, marketing and trading teams perform LNG trading and portfolio optimisation activities to maximise the value of our LNG portfolio. The net benefit realised from our trading and optimisation activities for the year was approximately $90 million.

In August 2019, production of Vincent crude from the Ngujima-Yin FPSO recommenced, following completion of the Greater Enfield Project. Vincent crude has proven to be highly sought-after with several cargoes being purchased for low sulphur fuel oil blending ahead of 2020 IMO changes, and other cargoes being bought at strong prices.

Creating new markets

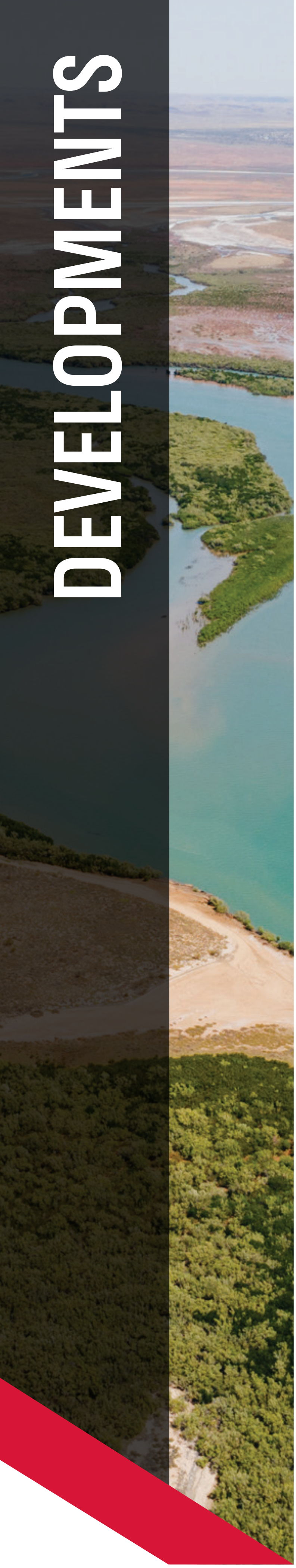
Woodside is working to create new markets for LNG, including for use in remote power generation and as a marine fuel.

Our Pluto LNG truck-loading facility provides LNG for distribution to the Pilbara, Kimberley and Gascoyne regions of Western Australia. We executed a SPA with Sheffield Resources Limited in January 2019 and are in discussions with several other mining companies to deliver LNG energy solutions for their operations. These include solutions integrating LNG with renewable power.

Woodside intends to supply LNG from our existing LNG production facilities to support the transition of iron ore bulk carriers operating in the Pilbara to new LNG-fuelled ships. During 2019, we finalised the concept for an LNG bunker vessel and selected a preferred vessel owner which would operate the vessel under long-term charter. We are actively engaged with potential customers to support FID on an LNG bunker vessel.

We continue to evaluate opportunities to participate further down the LNG value chain in international markets, focusing on Asian countries close to our LNG supply.

Our portfolio marketing approach provides us with the flexibility to meet changing buyer requirements and maximise value



BURRUP HUB

Woodside is progressing the development of an integrated, regional LNG production hub on the Burrup Peninsula. The Burrup Hub builds on our decades of experience in northern Western Australia, bringing together Woodside-operated resources and facilities to target the production of approximately 40 Tcf of gas from the NWS, Pluto, Scarborough and Browse resources.[1]

By processing these resources through Pluto LNG and the Karratha Gas Plant (KGP), we can create value for shareholders and customers, supporting thousands of jobs and supplying energy for decades to come.

Integrating our facilities and transitioning to a toll processing model will provide a cost-efficient pathway for the future development of other resources already discovered in the Carnarvon and Browse Basins.

The key components of the Burrup Hub include:

Scarborough

+ Development of 11.1 Tcf of dry gas (2C, 100%) from the Scarborough resource
+ Semi-submersible floating production unit and a ~435 km trunkline to a proposed expansion of the Pluto LNG onshore facility, with an offshore capacity of 7.5 Mtpa (6.5 Mtpa LNG and 1.0 Mtpa domestic gas).

Pluto Train 2

+ Construction of Pluto Train 2, with capacity of approximately 5 Mtpa
+ Domestic gas infrastructure of approximately 225 TJ/d.

Browse

+ Development of 13.9 Tcf of dry gas and 390 MMbbl of condensate (2C, 100%) from the Browse resources
+ Two FPSO facilities processing gas and condensate, and a ~915 km trunkline to the NWS Project with an offshore capacity of 12 Mtpa (10.5 Mtpa LNG/LPG and 1.5 Mtpa domestic gas).

Pluto-KGP Interconnector

+ Construction of a pipeline connecting Pluto LNG and KGP, with a capacity of greater than 5 Mtpa.

NWS Project Extension

+ Refurbishment to extend the life of the NWS Project facilities by 30+ years for processing third-party gas resources.

We have made progress on all components of the Burrup Hub as detailed on pages 31 to 34. All parts of this plan are now in motion, from preparing to build a second processing train at Pluto LNG to extending the life of the North West Shelf's KGP and connecting the two facilities with a pipeline.

Refer to pages 20-22 of the Sustainable Development Report 2019 for more information on social and cultural impacts on communities.

1. Approximate targeted production, 100% basis. Proved plus probable reserves (2P, 100%) and best estimate contingent resources (2C, 100%) for the Greater Pluto, NWS, Greater Scarborough and Greater Browse. Potential future production from current developments.

Pluto-KGP Interconnector

With a proposed capacity of more than 5 Mtpa, the Pluto-KGP Interconnector will allow the transfer of gas between Pluto LNG and KGP, optimising production across both facilities. The Interconnector will initially deliver gas to KGP to utilise spare capacity as it becomes available.

We approved the pipeline component of the Interconnector in November 2019 and entered into contractual arrangements for the construction of the pipeline and its ongoing operation and maintenance.

Environmental approval for the pipeline was secured in 2019. We continue to work through regulatory approvals and finalisation of commercial arrangements for the Interconnector.

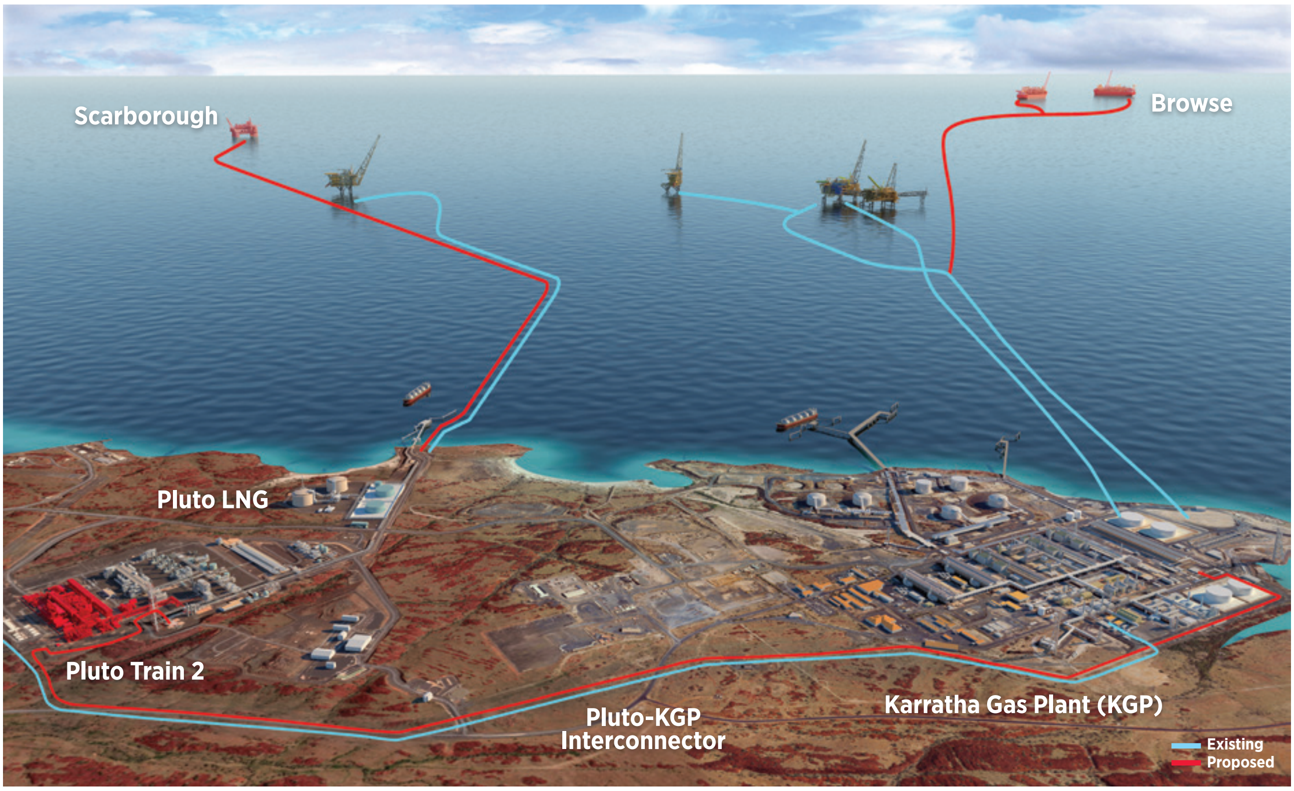
Woodside is targeting start-up of the Interconnector in 2022.

NWS Project Extension

The proposed NWS Project Extension will invest in the future of the world-class KGP by transforming it into a third-party gas processing facility.

Key regulatory, technical and environmental milestones were progressed in 2019, opening the way for this landmark facility to continue to deliver long-term value as NWS reservoirs begin to deplete.

We are targeting production of approximately 40 Tcf of gas through the Burrup Hub



Conceptual image, not to scale. Developments are subject to joint venture approvals, regulatory approvals and relevant commercial arrangements.

SCARBOROUGH AND PLUTO TRAIN 2

2019

Highlights

+ Executed FEED for Scarborough and Pluto Train 2
+ Increased Scarborough resource estimated volume by 52%
+ Executed sale and purchase agreement for long-term LNG supply with Uniper

2020

Activities

+ Award key contracts for execution phase
+ Targeting FID in 2020
+ Finalise commercial agreements with Scarborough Joint Venture
+ Commence drilling activities

Scarborough

The Scarborough gas field is located approximately 375 km west-north-west of the Burrup Peninsula and contains an estimated contingent resource (2C) of 8.3 Tcf of dry gas Woodside share (11.1 Tcf of dry gas, 100%). It is part of the Greater Scarborough resource, including the Thebe and Jupiter fields, which contains an estimated contingent resource (2C) of 9.3 Tcf of dry gas Woodside share (13.0 Tcf of dry gas, 100%).

In 2019, Woodside applied new technology and our geoscience expertise to significantly increase the recoverable volume from the Scarborough field. The application of integrated subsurface studies incorporating full waveform inversion 3D seismic reprocessing and updated petrophysical interpretation to the Scarborough field resulted in a 52% increase in the estimated contingent resource (2C) of dry gas from 5.5 Tcf Woodside share (7.3 Tcf, 100%) to 8.3 Tcf Woodside share (11.1 Tcf, 100%).

The upstream development concept is to initially develop the Scarborough gas field with up to seven subsea, high-rate gas wells, tied back to a semi-submersible floating production unit (FPU). The upstream design capacity will be 7.5 Mtpa (100% project, including 1 Mtpa of domestic gas).

In Q1 2019, Woodside submitted its Offshore Project Proposal (OPP) to the National Offshore Petroleum Safety and Environmental Management Authority. The OPP details the assessment and mitigation measures of potential environmental impacts of the project.

In H1 2019, Woodside awarded engineering contracts to McDermott for the floating production unit design, Saipem for the export trunkline coating and installation, Subsea Integrated Alliance for the subsea, umbilicals, risers and flowlines, IntecSea for the export trunkline design, Boskalis for the trunkline seabed intervention and shore crossing, and MITO for the export trunkline linepipe supply. All contracts, except for IntecSea, were awarded with options to convert to execute phase contracts.

Commercial agreements with the Scarborough Joint Venture for processing Scarborough gas at Pluto are on track to support FID for Scarborough and Pluto Train 2 targeted for 2020. In November 2019, Woodside and BHP agreed the tolling price for processing Scarborough gas through Pluto Train 2 and the existing Pluto facilities. The heads of agreement (HOA), including the agreed tolling price, is valid to 31 March 2020.

Woodside is targeting FID in 2020 and first cargo in 2024.

Woodside interest: 75%

Delivering the world-class Scarborough resource and providing future growth opportunities through the expansion of Pluto LNG

Pluto Train 2

Pluto Train 2 is a highly capital efficient solution for processing Scarborough gas. By utilising existing infrastructure, including major equipment such as LNG storage and the jetty, approximately $4B of capital spend is avoided compared to building a similar greenfield LNG facility.

Pluto Train 2 is designed with a capacity of approximately 5 Mtpa. Additional domestic gas infrastructure will be built to increase the Pluto site domestic gas capacity to approximately 225 TJ/d.

The gas composition of the Scarborough reservoir is well-matched to Pluto LNG due to its lean gas, moderate nitrogen concentration and very low carbon dioxide content.

Existing primary environmental approvals for Pluto LNG allow for two LNG trains and supporting infrastructure, and its commercial structure is designed to facilitate third-party gas processing. An area for a second train was pre-prepared with the foundation project in 2007-2008. Minimal further earthworks are required for Pluto Train 2.

In 2019, Bechtel Australia, as the appointed FEED engineering, procurement and construction contractor for Pluto Train 2, executed FEED activities and provided a lump sum price and schedule for the execute phase.

Development approval was secured in Q4 2019 for a 2,500-bed construction accommodation village in Karratha.

FEED activities commenced for the modification required to Pluto Train 1 for processing approximately 1.5 Mtpa of Scarborough gas.

Woodside is targeting FID for Pluto Train 2 in 2020 and first cargo in 2024.

Woodside interest: 100%

Scarborough resource increased

52%

Estimated 2C resource

BROWSE

2019

Highlights

+ Completed Basis of Design
+ Completed Economic Impact Assessment
+ Commenced primary environmental approvals public comment period

2020

Activities

+ Finalise gas processing agreement
+ Finalise agreements with the State
+ Targeting FEED entry in 2020
+ Apply for production licences over Calliance and Brecknock

Comprising the Brecknock, Calliance and Torosa fields, the Browse resource is located in the offshore Browse Basin, approximately 425 km north of Broome in Western Australia. The Browse resource contains an estimated contingent resource (2C) of 4.3 Tcf of dry gas and 119 MMbbl of condensate Woodside share (13.9 Tcf of dry gas and 390 MMbbl of condensate, 100%).

The proposed Browse development has delivered against key technical, commercial, regulatory and environmental milestones in 2019.

The basis of design was completed in May 2019, representing the primary technical deliverable for the concept definition phase.

The Calliance and Torosa preliminary field development plan was submitted to the National Offshore Petroleum Titles Administrator and the Western Australian Department of Mines, Industry Regulation and Safety in September 2019.

The geophysical, geotechnical and environmental surveys for the Browse export trunkline were safely completed in August 2019.

Concept definition engineering for the wells, FPSOs, subsea, umbilicals, risers, flowlines and trunkline was completed in Q3 2019. Joint technical studies between the Browse and NWS joint ventures for modifications required to KGP were substantially progressed in 2019.

The environmental impact statement/environmental review document was submitted to the Western Australian Environmental Protection Authority and the Commonwealth Department of the Environment and Energy in November 2019. An extended public comment period for the documents opened 18 December 2019 and closed on 12 February 2020.

Progress continues to be made on the gas processing agreement negotiations between the NWS Project and the Browse Joint Venture. The NWS State Agreement Act amendments were tabled in Parliament in October 2019.

The Browse Joint Venture is ready to commence FEED, subject to completion of gas processing agreement negotiations. The FEED phase involves activities required to finalise the costs and technical definition ahead of FID, and to prepare for the post-FID execution phase, including preparation of contracts.

Further engineering definition work is continuing in the lead up to FEED entry.

The Browse development concept utilises two FPSO facilities and is designed to deliver 12 Mtpa of LNG/LPG and domestic gas through an approximately 915 km trunkline to existing NWS infrastructure, with condensate processed on the FPSOs.

Woodside is targeting FID in late 2021, RFSU for the first FPSO in 2026 and RFSU for the second FPSO in 2027.

Woodside interest: 30.6%

SANGOMAR FIELD DEVELOPMENT

2019

Highlights

+ Exploitation Plan approved
+ Achieved FID on Phase 1[1]
+ Commenced execute phase[1]

1. Subsequent to the period

2020

Activities

+ Continue project execution
+ Prepare for exploration and development drilling campaign
+ Progress future opportunities

In January 2020, Woodside took unconditional FID for the Sangomar Field Development Phase 1 (Sangomar Development) and execution phase activities commenced. This followed the Government of Senegal grant of the Exploitation Authorisation.

The Sangomar field (formerly the SNE field), located 100 km offshore to the south of Dakar, is within the Sangomar Deep Offshore permit area and contains estimated oil resources of 484 MMbbl (100%, including Phase 1), across a number of reservoirs.

Activities in 2019 prepared for approval of the Sangomar Development and included the completion of front-end engineering design (FEED) activities. The FEED phase comprised activities required to finalise the costs and technical definition for the proposed development ahead of the execute phase.

As part of the commencement of execute phase activities, Woodside issued in January 2020 the contract for the floating production storage and offloading (FPSO) facility and issued full notices to proceed for the drilling and subsea construction and installation contracts.

Phase 1 of the development will target an estimated 231 MMbbl of oil resources (100%, 60 MMbbl (2P) reserves Woodside net economic interest) from the lower, less complex reservoirs, and a pilot phase in the upper reservoirs.

Phase 1 of the Sangomar Development consists of 23 subsea wells tied back to a stand-alone floating production storage and offloading (FPSO) facility with supporting subsea infrastructure. The FPSO is expected to have a production capacity of 100,000 bbl/day, and will process the oil before it is exported to market by tankers.

In addition to Phase 1, Woodside continues to work with the Ministry of Petroleum and Energies and Petrosen to progress subsequent oil opportunities as well as potentially exporting pipeline gas to shore in future phases of the development. This is in addition to the Sangomar Field Development joint venture continuing to pursue opportunities for the other discoveries located in the Rufisque Offshore and Sangomar Offshore blocks, following a detailed 3D high definition seismic survey undertaken in 2019.

Our sustainable approach is fundamental to maintaining our social licence to operate through delivery of long-term economic and social benefits to the people of Senegal. This includes a commitment to ongoing engagement with a wide range of stakeholders including government authorities, businesses and local communities so that all stakeholders understand the potential benefits of the joint venture's activities and the ways in which they can provide feedback.

First oil is targeted in 2023.

Woodside interest: 35%

Conceptual image of the Sangomar Field Development Phase 1 development concept, not to scale.

MYANMAR A-6

2019
Highlights

+ Completed concept selection and definition studies
+ Commenced pre-FEED

2020
Activities

+ Targeting FEED entry in 2020
+ Conduct site surveys and engineering studies
+ Progress key regulatory approvals and commercial agreements

The A-6 Development will target the development of an estimated contingent resource (2C) of 0.6 Tcf of dry gas Woodside net economic interest (2.2 Tcf of dry gas, 100%) from Block A-6 offshore Myanmar, following the success of the Shwe Yee Htun-1, Pyi Thit-1 and the Shwe Yee Htun-2 wells.

The development concept includes the drilling of six wells in Phase 1 and up to four additional wells in Phase 2 in a water depth of 2,000-2,300m. The wells will be linked to a subsea gathering system routed up the continental shelf slope to a shallow water processing platform. The gas will then be exported via a 240 km export pipeline to a riser platform, which is located near to the existing Yadana platform complex. The riser platform will distribute gas by the existing pipeline infrastructure to Myanmar and Thailand.

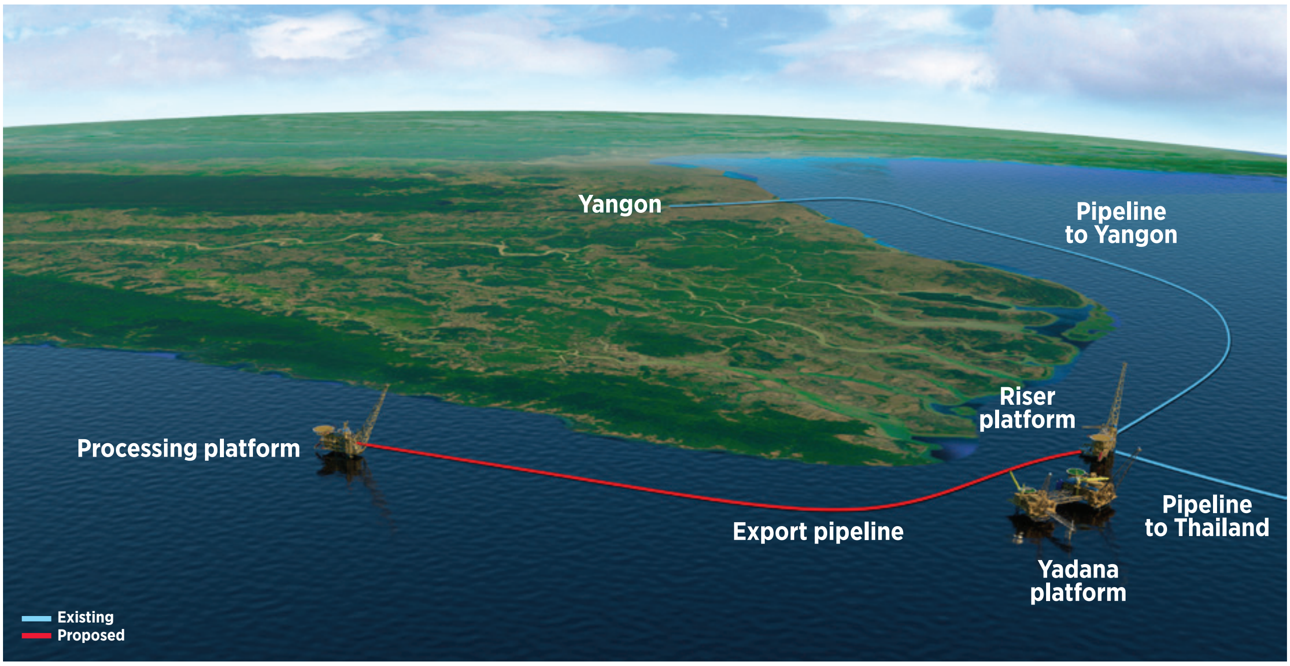
The development will be phased so that the majority of the wells, flowline, platform, export pipeline and riser platform will be installed in the first phase. The second phase, comprising infill wells, installation of compression modules and a second subsea flowline, will be timed according to reservoir performance.

Woodside, the Block A-6 joint venture partners and Myanma Oil & Gas Enterprise (MOGE) executed in December 2019 the Fourth Amendment and Supplementary Agreement to the Production Sharing Contract, and the Agreement on Upstream and Midstream Ratio. These demonstrate strong progress towards commercialisation of the resource.

At this time, the A-6 Development moved from the concept select phase to the pre-FEED phase.

The A-6 Development is targeting FEED entry in 2020, at which time Total will assume operatorship.

Woodside interest: 40%



Conceptual image, not to scale. Developments are subject to joint venture approvals, regulatory approvals and relevant commercial arrangements.

KITIMAT LNG

Kitimat LNG comprises upstream resources in the Liard Basin in northeast British Colombia, supported by a development concept which includes a 471 km Pacific Trail Pipeline and a natural gas liquefaction facility at Bish Cove near Kitimat, Canada.

In response to changing LNG market conditions and global energy prices, we are focused on improving the cost competitiveness of Kitimat LNG. Since 2015, we have made significant progress in enhancing the project's competitiveness, reducing LNG unit costs by over 45% and incorporating a new all-electric LNG facility design to reduce greenhouse gas emissions.

The new Kitimat LNG design eliminates the need for natural gas fired turbines and will be the first all-electric LNG facility in the world to be fully powered by hydroelectricity. This e-drive concept will enable Kitimat LNG to achieve lower emissions intensity. Kitimat LNG carbon emissions intensity will be approximately 4 Mtpa lower compared to a US Gulf Coast gas fired LNG facility.

In December 2019, Kitimat LNG received approval from the Canadian National Energy Board for a new natural gas export licence to increase LNG production from 10 to 18 Mtpa through a foundation project of two 6 Mtpa LNG trains with a possible third train expansion.

Environmental approval work is ongoing with the Impact Assessment Agency of Canada and the British Columbia Environmental Office.

Kitimat LNG continues to receive strong support from communities and First Nations along the project's entire value chain. This includes benefits agreements with the Haisla Nation associated with the LNG facility, and an agreement with all 16 First Nations along the proposed Pacific Trail Pipeline route through the First Nations Limited Partnership (FNLP).

Woodside interest: 50%

SUNRISE

Australia's and Timor-Leste's new treaty to establish their permanent maritime boundaries in the Timor Sea entered into force on 30 August 2019.

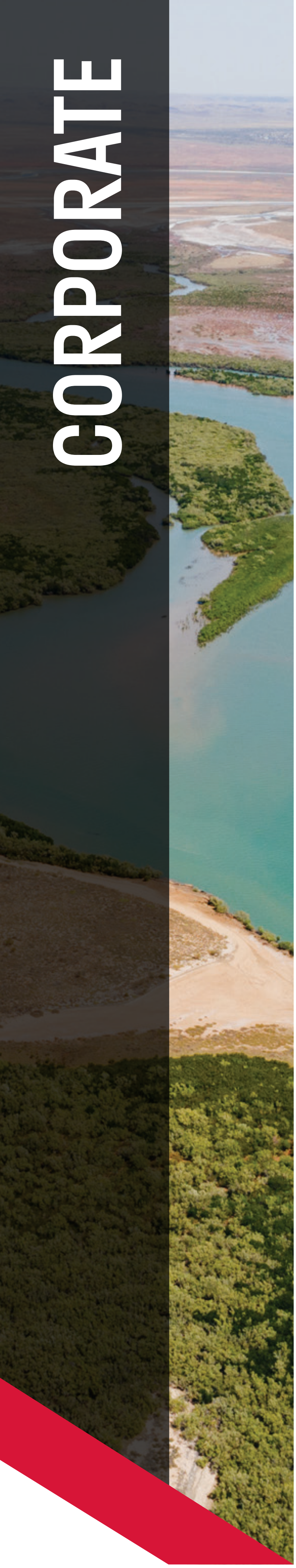
The new treaty provides a pathway for the development of Greater Sunrise. This is subject to the underlying arrangements, including the new Greater Sunrise production sharing contract (PSC) and agreed fiscal regime, being on terms and conditions equivalent to the existing regime and giving the Sunrise Joint Venture the fiscal and regulatory certainty necessary for a commercial development to proceed.

Negotiations between the two Governments and the Sunrise Joint Venture on the new Greater Sunrise PSC commenced in November 2018 and are ongoing.

While the new PSC arrangements are being negotiated, the Sunrise Joint Venture will continue to meet its obligations under existing PSCs (JPDA 03-19 and JPDA 03-20) and Retention Leases (NT/ RL2 and NT/RL4), continue ongoing social investment activities in Timor-Leste and maintain an office in Dili.

Woodside interest: 33.44%

CORPORATE



RISK

Woodside maintains a robust and disciplined focus on effective risk management. We do this to manage risk and uncertainty, to help achieve our business objectives.

Our Risk Management Framework is designed to provide a consistent approach to the identification, assessment and management of risks that have the potential to materially impact Woodside's short and longer term objectives.

The Framework is aligned with the intent of the International Standard ISO31000 for risk management and assesses potential risk in areas such as health and safety, environment, finance, reputation and brand, legal and compliance, social and compliance consequences.

Consistent with recognised industry practice, the Framework requires a biannual review by the Audit & Risk Committee of risks to Woodside's strategic objectives and material (financial and non-financial) operational risks.

This process provides a risk profile of the most significant risks at a whole-of-entity level that, if not managed effectively, could adversely impact Woodside's ability to deliver superior shareholder returns.

As a hydrocarbon producer we are exposed to risks associated with the global development of climate change policies and the transition to a lower-carbon economy. We are taking an integrated approach to this multi-faceted risk, as explained on page 39.

Refer to page 10 of the Sustainable Development Report 2019 for more information on sustainability issues of importance to our stakeholders and our business.

Refer to Woodside's Corporate Governance Statement for more information (www.woodside.com.au/about-us/corporate-governance).

We identify, assess and manage risks in order to deliver superior shareholder returns

Material risks overview

CONTEXT	RISK	MITIGATION
Woodside faces climate change related risks including changes in product demand, carbon pricing, uncertainty surrounding future regulatory frameworks and increased stakeholder expectations.	Demand for oil and gas may subside as lower-carbon substitutes take market share. Global climate change policy remains uncertain and has the potential to constrain Woodside's ability to create and deliver stakeholder value from the commercialisation of our hydrocarbons.	We are focusing on ensuring our portfolio is robust in a carbon constrained market, improving our energy efficiency, and maintaining engagement with key industry and government stakeholders. We are implementing strategies to diversify our product mix, diversify use of our products, broaden our customer base and increase our portfolio resilience.
Our future growth depends on our ability to identify, acquire, explore and develop reserves.	Unsuccessful exploration and renewal of upstream resources may impede delivery of value adding growth through commercialisation of exploration discoveries in support of our strategy.	Adjustments to our exploration strategy support the near-term focus on meeting key milestones for our development growth projects with the required capital allocation through 2023 to 2025 whilst supporting sustainable growth. Our disciplined management of opportunities, together with the application of new technologies and recovery techniques, further reduces the risk of reserve depletion.
	Opportunities to provide value through growth or divestment of Woodside's portfolio incur many risks that may impact the ability to deliver anticipated value and meet company objectives and strategy.	Targeted acquisition and divestment activities consistent with our overarching strategy remain a focus to help deliver maximum value from the portfolio and ensure sustainability of the company in an increasingly disruptive environment. Our processes are designed to realise the value whilst mitigating the risk of a suboptimal outcome.
Efficient and cost competitive commercialisation of hydrocarbons is a contributor to our future growth.	Failure to manage and prioritise our portfolio of opportunities may impact our ability to select a concept and front end load (in support of required commercial agreements) necessary to secure FID. Failure to negotiate, opitimise and finalise commercial agreements with key stakeholders may impact Woodside's current and future opportunity portfolio.	Central to the management of this risk is our focus on creating effective commercial arrangements with a range of participants, stakeholders and contractors. In addition, we continue to invest in robust and high-quality opportunity development and project management systems. We undertake resource planning and management to support the demands of a growing, fast-paced and diverse development portfolio, with ongoing review of the mix of capability for each opportunity phase and capacity to deploy. Our commercial processes are designed to reduce the likelihood of these risks materialising as a result of a commercial transaction. We focus on maintaining a disciplined approach to ensure that we continue to increase shareholder value and appropriately manage risk.

CONTEXT	RISK	MITIGATION
Safe, reliable and efficient production supports delivery of our base business and growth opportunities.	The inability to maintain safe and reliable operations may result in a sustained, unplanned interruption to production and impact our licence to operate and financial performance. Our facilities are subject to operating hazards associated with major accident events, cyber-attack, inclement weather and disruption to supply chain, that may result in a loss of hydrocarbon containment, harm to our people, environmental damage, diminished production, additional costs, and impact our reputation or brand. Key elements of this risk include base business performance and preparation for future growth opportunities.	An extensive framework of controls enables the management of these risks to deliver world-class operational performance in our base business. This framework includes production processes, drilling and completions and well integrity management processes, inspection and maintenance procedures and performance standards. This framework is supported by the ongoing engagement with regulators. The framework identifies and evaluates key drivers and opportunities to maintain and improve the operating model and performance, targeting reliability, cost discipline and strong safety and environmental performance within both our base business and future growth opportunities.
Woodside's financial strength and performance may be impacted by key factors such as: + disruption in market dynamics + ability to maintain competitive advantage + access to capital + capital allocation + management of financial risks.	The inability to maintain financial resilience to internal and external disruptions may impact our ability to support the development of growth opportunities and deliver value. + Commodity prices are variable and are impacted by global economic factors beyond Woodside's control. + Demand for and pricing of our products remain sensitive to external economic and political factors, weather, natural disasters, introduction of new and competing supply, and change within buyer preferences for differing products and price regimes. + We are exposed to treasury and financial risks, including liquidity, changes in interest rates, fluctuation in foreign exchange and credit risk. + Insufficient liquidity to meet financial commitments and fund growth opportunities could have a material adverse effect on our operations and financial performance. + Our financing costs could be affected by interest rate fluctuations or deterioration in our long-term investment grade credit rating. + We are exposed to credit risk; our counterparties could fail or could be unable to meet their payment and/or performance obligations under contractual arrangements.	Financial strength and performance will enable our growth strategy and superior Total Shareholder Returns (TSR). Our growth strategy requires significant capital expenditure to unlock and develop growth opportunities, supported by strong underlying cashflows. + Uncertainty associated with product demand is mitigated by selling LNG in a portfolio manner and under long-term 'take or pay' sale agreements, in addition to the spot market. Our low cost of production and approach to balance sheet risk management further mitigates this exposure. + A flexible approach to capital management enables this overall level of investment in the different areas of our business and the mix to be adjusted to reflect the external environment. Our capital management strategy focuses on capital allocation, capital discipline and capital efficiency. + We maintain insurance in line with industry practice and sufficient to cover normal operational risks. However, Woodside is not insured against all potential risks because not all risks can be insured and because of constraints on the availability of commercial insurance in global markets. + Insurance coverage is determined by the availability of commercial options and cost/benefit analysis, taking into account Woodside's risk management program. Losses that are not insured could impact Woodside's financial performance. For example, Woodside does not purchase insurance for the loss of revenue arising from an operational interruption. Our extensive framework of financial controls, including monitoring of counterparties, enables the management of these risks. + The US dollar reflects the majority of Woodside's underlying cashflows and is used in our financial reporting, reducing our exposure to currency fluctuations.

CONTEXT	RISK	MITIGATION
Woodside must have the right capability and capacity, with staff performing to the required level, to deliver base business and growth.	Failure to establish sufficient capability and organisational culture to support global operations may impact achievement of our base business and future growth objectives.	Our longer term strategic capability plan supports the needs of our base business and growth opportunities. As we progress into a major growth phase, our focus has been on reinforcing our Compass values, the establishment of the right talent and capability, and our employer of choice credentials to attract high talent in the market. We are proactively engaging our tier 1 contractors (and suppliers), strengthening alignment with our Compass values, and are locking in capability and price to meet upcoming business demands.
Woodside's technology strategy is focused on maintaining competitive advantage through innovation to generate value for our business.	Unsuccessful development and delivery of new technology and new products through innovation may impact competitive advantage within base business or fail to establish and commercialise new growth opportunities or ventures.	We are reducing unit costs for developments and deploying technology solutions in new business opportunities to deliver our strategic objectives. We aim to respond nimbly to emerging trends, disruptive innovations and complementary technologies.
Our business activities are subject to extensive regulation and government policy. Our business performance is underpinned by our social licence to operate, which requires compliance with legislation and maintaining a high level of ethical behaviour.	In each of the countries where we do business, Woodside is subject to various national and local laws, regulations and approvals, and stakeholder expectations. These relate to the exploration, development, production, marketing, pricing, transportation and storage of our products, and changes or failure to comply with these may impact our licence to operate.	As we increase our global footprint, we continue to strengthen our regulatory compliance framework and supporting tools. We also proactively maintain relationships with governments, regulators and stakeholders within countries in which we operate and those of interest.
	Bribery and corruption present a significant threat to commercial organisations and communities worldwide. Violation of anti-bribery and corruption laws may expose Woodside to fines, criminal sanctions and civil suits, and negatively impact our international reputation.	Our Fraud and Corruption Control Program provides a clear framework to help prevent, detect and respond to dishonest or unethical behaviour. The framework incorporates policies, programs, training, standards and guidelines that help ensure that all activities are conducted ethically, honestly and to a high standard.
Sustainable and secure digitalisation of Woodside to deliver base business and growth opportunities.	The integrity, availability and reliability of data within Woodside's information technology systems may be subject to intentional or unintentional disruption (e.g. cyber security attack).	Our exposure to cyber security risk is managed by a control framework and the continuing focus on system control improvements, supported by an established and embedded security strategy across the organisation.

CLIMATE CHANGE RISK MANAGEMENT

As a supplier of industrial quantities of energy, Woodside faces material business risks and opportunities due to climate change.

The Task Force for Climate-related Financial Disclosures (TCFD) was established in 2015 and published a set of recommendations in 2017. We manage climate change risk in accordance with our Risk Management Framework and are transparent in related disclosures. Information is available in our Sustainable Development Report 2019 and our website (www.woodside.com.au), in addition to this summary of our management of climate change risk.

TCFD RECOMMENDATION	OUR APPROACH	MORE INFORMATION
Governance Disclose the organisation's governance around climate-related risks and opportunities		
Describe the board's oversight of climate-related risks and opportunities.	Governance responsibility for climate change issues within Woodside rests with the Board. The Board is supported and informed by the Sustainability Committee, which comprises six non-executive directors and meets four times per year.	+ Corporate Governance Statement, p 14 + Sustainable Development Report 2019, p 13-14
Describe management's role in assessing and managing climate-related risks and opportunities.	The executive leadership team provides twice yearly governance over climate change risks in line with the Woodside risk management process. The Vice President Health Safety Environment and Quality is accountable for managing climate change risk. The Executive Vice President Operations is accountable for the overall management of this risk.	
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material		
Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	Woodside sees both opportunities and risks with climate change, related to challenges reducing emissions, meeting stakeholder expectations and adapting to climate change. Opportunities exist to provide lower-emission forms of energy.	+ Corporate Governance Statement, p 18-19 + Strategy and capital management, p 18-19 + Sustainable Development Report 2019, p 26-29
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate change is Woodside's most sensitive sustainability issue and a strategic business risk. As well as assessing the resilience of our existing business, we have recently established a Sustainability Division, which includes responsibility for carbon offsets and hydrogen business development. These emerging areas will be allocated capital, in accordance with existing business processes.	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In testing the resilience of our portfolio, we consider sensitivities across a range of variables including commodity prices, carbon prices, length of asset life, exchange rates and interest rates. The values of these sensitivities are based on several internal and external scenarios, including the International Energy Agency sustainable development scenario (SDS), which aligns with holding global temperature rises below 2 degrees Celsius this century. In all these scenarios, both our existing assets and mature growth opportunities would make a positive contribution to shareholder value and operating cashflows, whilst our product helps to counteract energy poverty and improve air quality in the world.	

TCFD RECOMMENDATION	OUR APPROACH	MORE INFORMATION
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks		
Describe the organisation's processes for identifying and assessing climate-related risks.	The objective of our risk management system is to provide a consistent process for the recognition and management of risks across Woodside's business.	+ Risk, p 39 + Sustainable Development Report 2019, p 13-14
Describe the organisation's processes for managing climate-related risks.	Woodside's Risk Management Procedure defines the minimum mandatory requirements of Woodside's risk management process which enables the organisation to understand and manage risk, including climate change risk, to a level which protects the business and helps deliver on objectives and growth aspirations.	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Woodside considers climate change to be one of the 10 corporate Strategic Risks, which means that it applies globally and has significant oversight from the Executives and Board. Management at all levels has accountability for managing these risks in their area in accordance with Woodside's values (Our Compass).	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	We use a range of internal and external metrics, which vary over the years, to assess climate-related risks and opportunities in line with our strategy and risk management process.	+ Sustainable Development Report 2019, p 26-29
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Our 2019 equity greenhouse gas emissions were:[1] + Scope 1: 3.3 $MtCO_2$-e + Scope 2: 0.01 $MtCO_2$-e + Scope 3 (use of sold product): 27.9 $MtCO_2$-e	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We are working towards our target of 5% energy efficiency improvement against baseline (2016-2020) and have set a new 5% target for 2021-2025. We have also established a new target to offset global portfolio equity reservoir CO_2 from 2021. Woodside's aspiration is to be carbon neutral by 2050.	

1. Scope 1 and 3 emissions are calculated on an equity share basis, scope 2 emissions are reported on an operated basis.

RESERVES AND RESOURCES

Approval of the Sangomar Field Development Phase 1 contributed 60 MMboe of Proved plus Probable (2P) Undeveloped Reserves. Start-up of the Greater Enfield Development and PLA07 contributed Proved plus Probable (2P) Developed Reserves of 41 MMboe and 53 MMboe respectively. Application of full waveform inversion 3D seismic reprocessing and updated petrophysical integration for Scarborough contributed a 502 MMboe increase in Best Estimate (2C) Contingent Resource.

Woodside's reserves[1,2,3,4] and contingent resources[5] overview* (Woodside share, as at 31 December 2019)

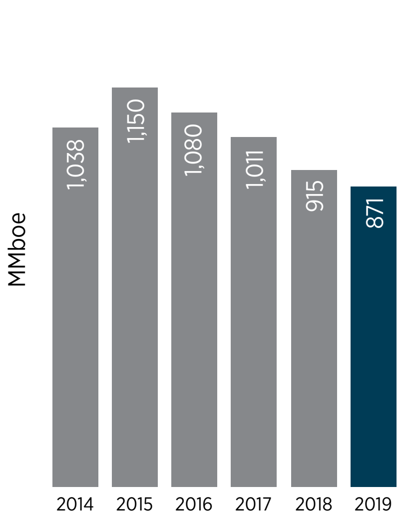
	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Proved[11] Developed[13] and Undeveloped[14]	4,078.2	71.5	83.8	870.8
Proved Developed	2,207.1	38.4	40.4	466.1
Proved Undeveloped	1,871.2	33.1	43.4	404.8
Proved plus Probable[12] Developed and Undeveloped	5,646.5	100.0	122.4	1,213.0
Proved plus Probable Developed	3,098.0	54.7	61.2	659.4
Proved plus Probable Undeveloped	2,548.5	45.3	61.2	553.6
Contingent resources	32,134.8	212.6	129.0	5,979.3

*Small differences are due to rounding.

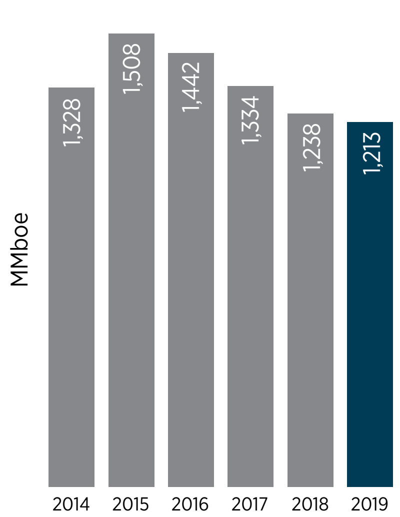
Key Metrics

		Proved	Proved plus Probable
2019 reserves replacement ratio[15]	%	52	73
Organic 2019 reserves replacement ratio[16]	%	52	73
Three-year reserves replacement ratio	%	24	16
Organic three-year reserves replacement ratio	%	24	16
Reserves life[17]	Years	9	13
Annual production[18]	MMboe	92.1	92.1
Net acquisitions and divestments	MMboe	0.0	0.0

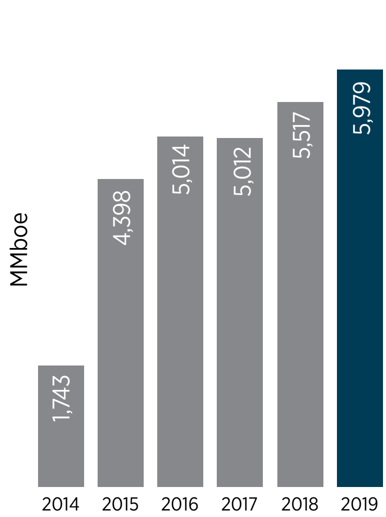
1P Reserves



2P Reserves



2C Contingent resources



Proved (1P) and Proved plus Probable (2P) developed and undeveloped reserves annual reconciliation by product* (Woodside share, as at 31 December 2019)

	Dry gas[6] Bcf[8]		Condensate[7] MMbbl[9]		Oil MMbbl		Total MMboe[10]	
	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)
Reserves at 31 December 2018	4,494.7	6,052.7	80.1	108.2	46.4	67.7	915.0	1,237.8
Revision of previous estimates[19]	-6.0	3.4	-0.1	0.2	0.7	0.0	-0.5	0.8
Transfer to/from reserves	32.8	33.7	0.3	0.3	42.3	60.3	48.4	66.6
Extensions and discoveries[20]	-	-	-	-	-	-	-	-
Acquisitions and divestments	-	-	-	-	-	-	-	-
Annual production	443.3	443.3	8.8	8.8	5.6	5.6	92.1	92.1
Reserves at 31 December 2019	4,078.2	5,646.5	71.5	100.0	83.8	122.4	870.8	1,213.0

*Small differences are due to rounding.

Best Estimate Contingent resources (2C) annual reconciliation by product* (Woodside share, as at 31 December 2019)

	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Contingent Resources at 31 December 2018	29,124.2	214.1	193.6	5,517.2
Transfer to/from Reserves	-33.6	-0.3	-59.6	-65.9
Revision of previous estimates[19]	3,044.2	-1.1	-5.0	527.9
Extensions and discoveries[20]	-	-	-	-
Acquisitions and divestments	-	-	-	-
Contingent Resources at 31 December 2019	32,134.8	212.6	129.0	5,979.3

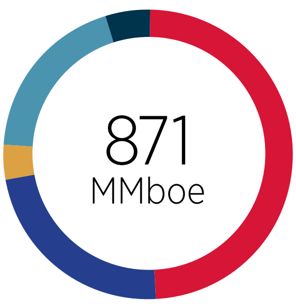
*Small differences are due to rounding.

Best Estimate Contingent resources (2C) summary by region* (Woodside share, as at 31 December 2019)

Project	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Greater Browse[26]	4,257.8	119.4	-	866.4
Greater Sunrise[28]	1,716.8	75.6	-	376.7
Greater Pluto	591.2	7.9	-	111.6
Greater Exmouth	307.4	2.1	32.0	87.9
North West Shelf	257.6	7.4	11.7	64.3
Wheatstone	20.3	0.3	-	3.9
Canada[30]	15,021.1	-	-	2,635.3
Senegal[25]	88.8	-	85.3	100.8
Greater Scarborough[27]	9,275.1	-	-	1,627.2
Myanmar[29]	598.8	-	-	105.1
Total	32,134.8	212.6	129.0	5,979.3

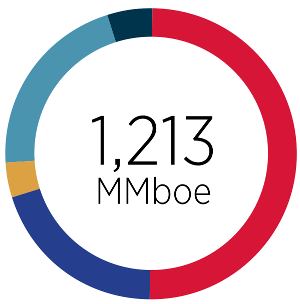
*Small differences are due to rounding.

1P Reserves by region (Developed and Undeveloped)



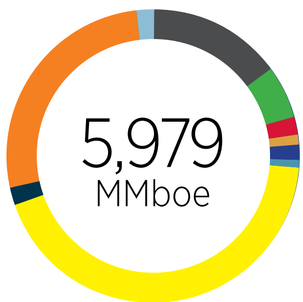
	%		%
Greater Pluto	49	North West Shelf	23
Greater Exmouth	4	Wheatstone	19
Senegal	5		

2P Reserves by region (Developed and Undeveloped)



	%		%
Greater Pluto	50	North West Shelf	20
Greater Exmouth	4	Wheatstone	21
Senegal	5		

2C Contingent resource by region



	%		%
Greater Browse	15	Greater Sunrise	6
Greater Pluto	2	Greater Exmouth	1
North West Shelf	2	Wheatstone	1
Canada	44	Senegal	2
Greater Scarborough	27	Myanmar	2

Proved (1P) Developed and Undeveloped reserves by region*

	Dry gas Bcf			Condensate MMbbl			Oil MMbbl			Total MMboe		
	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total
Greater Pluto[21]	964.5	1,256.3	2,220.8	13.5	21.5	35.0	-	-	-	182.7	241.9	424.6
North West Shelf[22]	882.3	102.3	984.6	16.6	3.1	19.7	9.3	-	9.3	180.7	21.0	201.7
Greater Exmouth[23]	-	-	-	-	-	-	31.1	1.0	32.2	31.1	1.0	32.2
Wheatstone[24]	360.2	512.6	872.8	8.4	8.5	16.8	-	-	-	71.6	98.4	170.0
Senegal[25]	-	-	-	-	-	-	-	42.3	42.3	-	42.3	42.3
Reserves	2,207.1	1,871.2	4,078.2	38.4	33.1	71.5	40.4	43.4	83.8	466.1	404.8	870.8

*Small differences are due to rounding.

Proved plus Probable (2P) Developed and Undeveloped reserves by region*

	Dry gas Bcf			Condensate MMbbl			Oil MMbbl			Total MMboe		
	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total
Greater Pluto	1,511.5	1,678.1	3,189.6	20.5	29.2	49.7	-	-	-	285.7	323.6	609.3
North West Shelf	1,075.1	116.1	1,191.2	22.2	3.5	25.7	11.7	-	11.7	222.6	23.9	246.4
Greater Exmouth	-	-	-	-	-	-	49.4	0.9	50.3	49.4	0.9	50.3
Wheatstone	511.4	754.3	1,265.7	12.0	12.6	24.6	-	-	-	101.7	144.9	246.6
Senegal	-	-	-	-	-	-	-	60.3	60.3	-	60.3	60.3
Reserves	3,098.0	2,548.5	5,646.5	54.7	45.3	100.0	61.2	61.2	122.4	659.4	553.6	1,213.0

*Small differences are due to rounding.

Governance and assurance

Woodside, as an Australian company listed on the Australian Securities Exchange, reports its petroleum resource estimates using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS).

Woodside has several processes to provide assurance for reserves reporting, including the Woodside Reserves Policy, the Petroleum Resources Management Procedure, staff training and minimum competency levels and external reserves audits. On average, 95% of Woodside's Proved Reserves have been externally verified by independent review over the past four years.

Unless otherwise stated, all petroleum resource estimates are quoted as net Woodside share at standard oilfield conditions of 14.696 pounds per square inch (psi) (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).

Qualified petroleum reserves and resources evaluator statement

The Reserves and Resources Statement is based on and fairly represents information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The Reserves and Resources Statement has been approved by Mr Ian F. Sylvester, Woodside's Vice President of 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. Mr Sylvester has consented in writing to the inclusion of this information in this report.

Notes to the reserves and resources statement

1 'Reserves' are estimated quantities of petroleum that have been demonstrated to be producible from known accumulations in which the company has a material interest from a given date forward, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs.

2 Assessment of the economic value of a project, in support of a reserves booking, uses Woodside Portfolio Economic Assumptions (PEAs). The PEAs are reviewed on an annual basis or more often if required. The review is based on historical data and forecast estimates for economic variables such as product prices and exchange rates. The PEAs are approved by the Woodside Board. Specific contractual arrangements for individual projects are also taken into account.

3 Woodside uses both deterministic and probabilistic methods for estimation of petroleum resources at the field and project levels. Unless otherwise stated, all petroleum estimates reported at the company or region level are aggregated by arithmetic summation by category. Note that the aggregated Proved level may be a very conservative estimate due to the portfolio effects of arithmetic summation.

4 Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects the reference point is defined as the outlet of the floating production storage and offloading (FPSO) facility, while for onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility. Downstream fuel and flare represents 9.2% of Woodside's Proved (Developed and Undeveloped) reserves, and 9.2% of Proved plus Probable (Developed and Undeveloped) reserves.

5 'Contingent resources' are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Woodside reports contingent resources net of the fuel and flare required for production, processing and transportation up to a reference point and non-hydrocarbons not present in sales products. Contingent resources estimates may not always mature to reserves and do not necessarily represent future reserves bookings. All contingent resource volumes are reported at the 'Best Estimate' (P50) confidence level.

6 'Dry gas' is defined as 'C4 minus' petroleum components including non-hydrocarbons. These volumes include LPG (propane and butane) resources. Dry gas reserves and contingent resources include 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product.

7 'Condensate' is defined as 'C5 plus' petroleum components.

8 'Bcf' means Billions (10^9) of cubic feet of gas at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).

9 'MMbbl' means millions (10^6) of barrels of oil and condensate at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).

10 'MMboe' means millions (10^6) of barrels of oil equivalent. Consistent with international practice, dry gas volumes 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 are converted from MMbbl to MMboe on a 1:1 ratio.

11 'Proved reserves' are those reserves which analysis of geological and engineering data suggests, to a high degree of certainty (90% confidence), are recoverable. There is relatively little risk associated with these reserves.

12 'Probable reserves' are those reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. Proved plus Probable reserves represent the best estimate of recoverable quantities. Where probabilistic methods are used, there is at least a 50% probability that the quantities actually recovered will exceed the sum of estimated Proved plus Probable reserves.

13 'Developed reserves' are those reserves that are producible through currently existing completions and installed facilities for treatment, compression, transportation and delivery, using existing operating methods and standards.

14 'Undeveloped reserves' are those reserves for which wells and facilities have not been installed or executed but are expected to be recovered through future investments.

15 The 'reserves replacement ratio' is the reserves (Developed and Undeveloped) change during the year, before the deduction of production, divided by production during the year. The 'three-year reserves replacement ratio' is the reserves (Developed and Undeveloped) change over three years, before the deduction of production for that period, divided by production during the same period.

16 The 'organic annual reserves replacement ratio' is the reserves (Developed and Undeveloped) change during the year, before the deduction of production and adjustment for acquisition and divestments, divided by production during the year.

17 The 'reserves life' is the reserves (Developed and Undeveloped) divided by production during the year.

18 'Annual production' is the volume of dry gas, condensate and oil produced during the year and converted to 'MMboe' for the specific purpose of reserves reconciliation and the calculation of reserves replacement ratios. The 'Reserves and Resources Statement' annual production differs from production volumes reported in the company's annual and quarterly reports due to differences between the sales and reserves product definitions, differences between the Woodside equity share of NWS domestic gas production and independently marketed pipeline gas sales, reserves being reported gross of downstream fuel and flare and the 'MMboe' conversion factors applied.

19 'Revision of previous estimates' are changes in previous estimates of reserves or contingent resources, either up or down, resulting from new information normally obtained from development drilling and production history or resulting from a change in economic factors or reservoir modelling to estimate volumes reasonably expected to be recovered from wells in the relevant project.

20 'Extensions and discoveries' represent additions to reserves or contingent resources that result from increased areal extensions of previously discovered fields, discovery of reserves or contingent resources in new fields, or new reservoirs in old fields.

21 The 'Greater Pluto' region comprises the Pluto-Xena, Larsen, Martell, Martin, Noblige, Pyxis and Remy fields.

22 'North West Shelf' (NWS) includes all oil and gas fields within the NWS Project Area. As the NWS consists of a portfolio of fields, probabilistic aggregation is more appropriate than arithmetic summation as inter-field dependencies reflecting different reservoir characteristics between fields are incorporated. Probabilistic aggregation of individual fields in the NWS accounts for 21.5% of NWS Proved (Developed and Undeveloped) dry gas reserves, 30.5% of NWS Proved (Developed and Undeveloped) condensate reserves.

23 The 'Greater Exmouth' region comprises Vincent, Enfield, Greater Enfield, Greater Laverda, Ragnar and Toro fields.

24 The 'Wheatstone' region comprises the Julimar and Brunello fields.

25 The 'Senegal' region comprises the Sangomar field. The Developed and Undeveloped reserves comprise of oil estimates. The Best Estimate (2C) Contingent resources include gas and oil estimates.

26 The 'Greater Browse' region comprises the Brecknock, Calliance and Torosa fields.

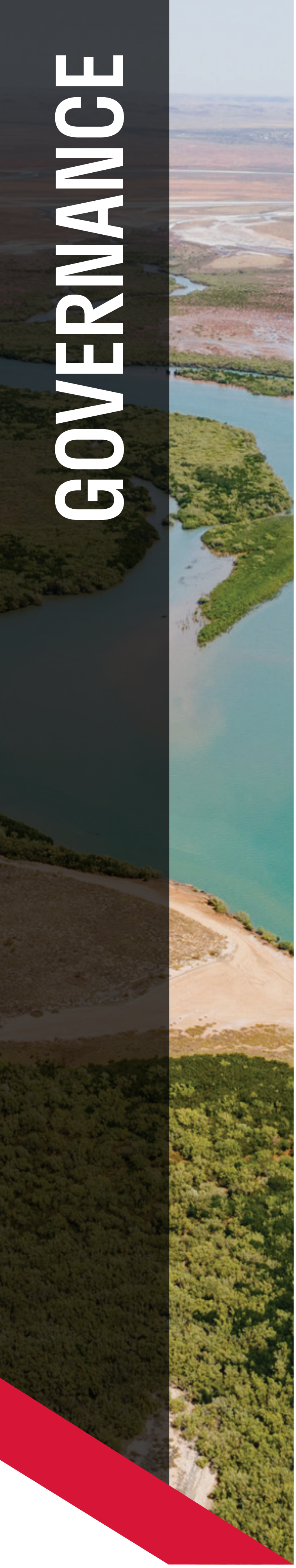
27 The 'Greater Scarborough' region comprises the Jupiter, Scarborough and Thebe fields.

28 The 'Greater Sunrise' region comprises the Sunrise and Troubadour fields.

29 The 'Myanmar' region comprises the Shwe Yee Htun, Pyi Thit and Thalin fields.

30 The 'Canada' region comprises unconventional resources in the Liard Basin.

31 Material concentrations of undeveloped reserves in Greater Pluto and North West Shelf have remained undeveloped for longer than 5 years from the dates they were initially reported as the incremental reserves are expected to be recovered through future developments to meet long-term contractual commitments. The incremental projects are included in the company business plan, demonstrating the intent to proceed with the developments.



WOODSIDE BOARD OF DIRECTORS

Richard Goyder, AO

Peter Coleman

Larry Archibald

Frank Cooper, AO

Swee Chen Goh

Christopher Haynes, OBE

Ian Macfarlane

Ann Pickard

Sarah Ryan

Gene Tilbrook

Richard Goyder, AO

BCom, FAICD

Chairman: Chairman since April 2018

Term of office: Director since August 2017

Independent: Yes

Experience: 24 years with Wesfarmers Limited, including Managing Director and CEO from 2005 to late 2017. Chairman of the Australian B20 (the key business advisory body to the international economic forum which includes business leaders from all G20 economies) from February 2013 to December 2014.

Committee membership: Chair of the Nominations & Governance Committee. Attends other Board committee meetings.

Current directorships/other interests:

Chairman: Qantas Airways Limited, Australian Football League Commission, Channel 7 Telethon Trust, JDRF Australia and WA Symphony Orchestra.

Member: Evans and Partners Investment Committee.

Directorships of other listed entities within the past three years: Wesfarmers Limited (2002 to 2017).

Peter Coleman

BEng, MBA, FTSE, MAICD, D.Law (Hon)

CEO and Managing Director Term of office: Director since May 2011

Independent: No

Experience: More than 35 years in the global oil and gas business, including 27 years' experience with the ExxonMobil group. Appointed an Adjunct Professor in Corporate Strategy by the University of Western Australia in 2012.

Committee membership: Attends Board committee meetings.

Current directorships/other interests:

Chair: Australia–Korea Foundation (since 2014).

Director: Business Council of Australia (since 2017).

Member: Executive Committee of the Australia Japan Business Co-operation Council (since 2011) and Australian Institute of Company Directors (since 2011).

Adviser: Monash Industry Council.

Directorships of other listed entities within the past three years: Nil

Larry Archibald

BSc (Geosciences), BA (Geology), MBA

Term of office: Director since February 2017

Independent: Yes

Experience: Former ConocoPhillips company executive (2008 to 2015), spending eight years in senior positions including Senior Vice President, Business Development and Exploration, and Senior Vice President, Exploration. Prior to this, spent 29 years at Amoco (1980 to 1998) and BP (1998 to 2008) in various positions including leadership of exploration programs covering many world regions.

Committee membership: Audit & Risk, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Chair: University of Arizona Geosciences Advisory Board.

Directorships of other listed entities within the past three years: Nil

Frank Cooper, AO

BCom, FCA, FAICD

Term of office: Director since February 2013

Independent: Yes

Experience: More than 35 years' experience in corporate tax, specialising in the mining, energy and utilities sector, including senior leadership roles at three of the largest accounting firms and director of a leading Australian utility company.

Committee membership: Chair of the Audit & Risk Committee. Member of the Human Resources & Compensation and Nominations & Governance Committees.

Current directorships/other interests:

Chair: Insurance Commission of Western Australia and the University of Western Australia Strategic Resources Committee.

Director: St John of God Australia Limited (since 2015) and South32 Limited (since 2015).

Member: Senate of the University of Western Australia and ASIC Corporate Governance Consultative Panel.

President: Western Australia division of the Australian Institute of Company Directors.

Trustee: St John of God Health Care (since 2015).

Pro Chancellor: University of Western Australia

Directorships of other listed entities within the past three years: Nil

Swee Chen Goh

BSc (Information Science), MBA

Term of office: Director since January 2020

Independent: Yes

Experience: Joined Shell in 2003 and retired as Chairperson of the Shell companies in Singapore in January 2019. Served on the boards of a number of Shell joint ventures in China, Korea and Saudi Arabia and has extensive board and governance experience. Prior to joining Shell, worked at Procter & Gamble and IBM. Gained significant experience in a diverse range of industries, including oil and gas, consumer goods and IT.

Committee membership: Member of the Human Resources & Compensation, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Chair: Singapore Institute for Human Resource Professionals (since 2016) and the National Arts Council Singapore (since 2019).

Director: Singapore Airlines Ltd (since 2019), Singapore Power Ltd (since 2019) and CapitaLand Ltd (since 2017).

Advisory Board Member: The Centre for Liveable Cities

Member: Singapore Legal Services Commission.

President: Global Compact Network Singapore.

Trustee: Nanyang Technological University.

Christopher Haynes, OBE

BSc, DPhil, FREng, CEng, FIMechE, FIEAust

Term of office: Director since June 2011

Independent: Yes

Experience: A 38-year career with Shell including as Executive Vice President, Upstream Major Projects within Shell's Projects and Technology business, General Manager of Shell's operations in Syria and a secondment as Managing Director of Nigeria LNG Ltd. From 1999 to 2002, seconded to Woodside as General Manager of the North West Shelf Venture. Retired from Shell in 2011.

Committee membership: Member of the Audit & Risk, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Director: Worley Limited (since 2012).

President: Energy Industries Council (since 2015).

Directorships of other listed entities within the past three years: Nil

Ian Macfarlane

Former Australian Federal Minister (Resources; Energy; Industry and Innovation), FAICD

Term of office: Director since 2016

Independent: Yes

Experience: Australia's longest-serving Federal Resources and Energy Minister and the Coalition's longest-serving Federal Industry and Innovation Minister with over 14 years of experience in both Cabinet and shadow ministerial positions. Before entering politics, Mr Macfarlane's experience included agriculture, and being President of the Queensland Graingrowers Association (1991 to 1998) and the Grains Council of Australia (1994 to 1996).

Committee membership: Member of the Human Resources & Compensation, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Chief Executive: Queensland Resources Council (since 2016).

Chair: Innovative Manufacturing Co-operative Research Centre.

Member: Toowoomba Community Advisory Committee of the University of Queensland Rural Clinical School.

Directorships of other listed entities within the past three years: Nil

Ann Pickard

BA, MA

Term of office: Director since February 2016

Independent: Yes

Experience: Retired from Shell in 2016 after a 15-year tenure holding numerous positions, including Executive Vice President Arctic, Executive Vice President Exploration and Production, Country Chair of Shell in Australia, and Executive Vice President Africa. Previously had an 11-year tenure with Mobil prior to its merger with Exxon.

Committee membership: Chair of the Sustainability Committee. Member of the Human Resources & Compensation and Nominations & Governance Committees.

Current directorships/other interests:

Director: KBR Inc. (since 2015).

Member: Chief Executive Women and University of Wyoming Foundation Board.

Directorships of other listed entities within the past three years: Nil

Sarah Ryan

BSc (Geology), BSc (Geophysics) (Hons 1), PhD (Petroleum and Geophysics), FTSE

Term of office: Director since 2012

Independent: Yes

Experience: More than 30 years' experience in the oil and gas industry in various technical, operational and senior management positions, including 15 years with Schlumberger Ltd. From 2007 to 2017 was an equity analyst, portfolio manager and energy advisor for Earnest Partners.

Committee membership: Member of the Audit & Risk, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Director: Akastor ASA (since 2014), Aurizon Holdings (since 2019), MPC Kinetic Pty Ltd (since 2016) and Viva Energy Group Ltd (since 2018).

Member: Chief Executive Women (since 2016) and ASIC Corporate Governance Consultative Panel (since 2019) and Board of the Future Battery Industries Co-operative Research Centre (since 2020).

Directorships of other listed entities within the past three years: Central Petroleum Limited (2017 to 2018).

Gene Tilbrook

BSc, MBA, FAICD

Term of office: Director since 2014

Independent: Yes

Experience: Broad experience in corporate strategy, investment and finance. Senior executive of Wesfarmers Limited between 1985 and 2009, including roles as Executive Director Finance and Executive Director Business Development.

Committee membership: Chair of the Human Resources & Compensation Committee. Member of the Audit & Risk and Nominations & Governance Committees.

Current directorships/other interests:

Director: Orica Limited (since 2013), GPT Group Limited (since 2010) and the Bell Shakespeare Company.

Member: Western Australia division of the Australian Institute of Company Directors (since 2013).

Directorships of other listed entities within the past three years: Nil.

Melinda Cilento

BA, BEc (Hons), MEc

Ms Melinda Cilento retired effective on 2 May 2019 after 10 years of service on Woodside's Board of Directors.

Ms Cilento served on a number of Woodside Board committees including as Chair of the Human Resources & Compensation Committee and a member of the Sustainability and Nominations Committees.

CORPORATE GOVERNANCE

We believe high standards of governance and transparency are essential.

Corporate governance at Woodside

Woodside is committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect. We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

Woodside's Compass is core to our governance framework. It sets out our mission, vision and strategic direction and core values of integrity, respect, working sustainably, working together, discipline and excellence. The Compass is the overarching guide for everyone who works for Woodside. Our values define what is important to us in the way we work.

Refer to Woodside's website for more information.

Our corporate governance model is illustrated below. The Woodside Management System (WMS) describes the Woodside way of working, enabling Woodside to understand and manage its business to achieve its objectives. It defines the boundaries within which our employees and contractors are expected to work. The WMS establishes a common approach to how we operate, wherever the location.

Woodside has early adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition) (ASXCGC Recommendations) which were released in February 2019. Throughout the year, Woodside complied with all the ASXCGC Recommendations.

Our Corporate Governance Statement reports on Woodside's key governance principles and practices.

These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and developments in corporate governance.

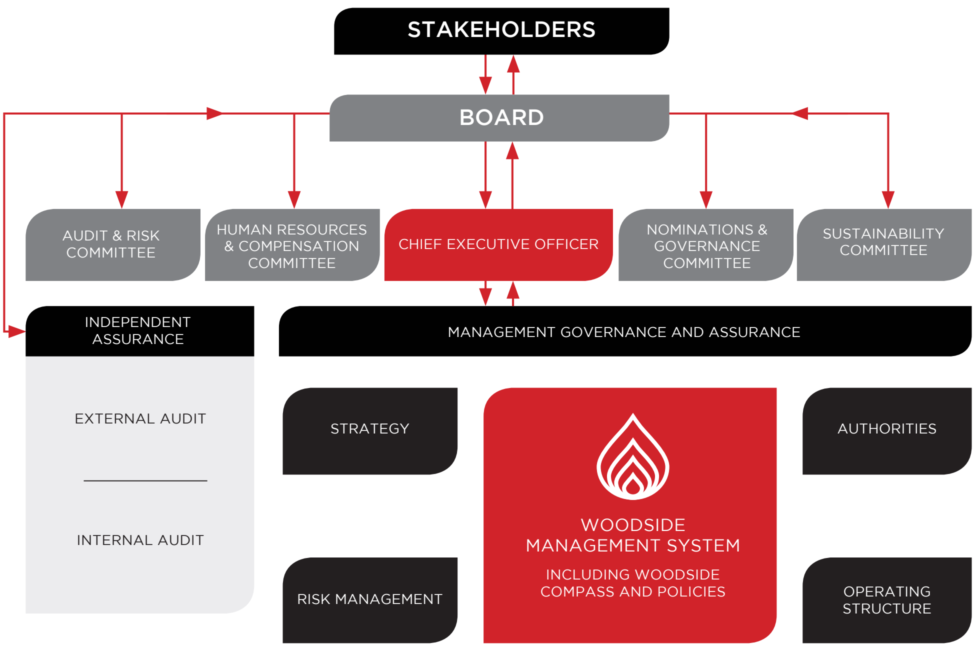
The Corporate Governance Statement discusses arrangements in relation to our Board of Directors, committees of the Board, shareholders, risk management and internal control, the external auditor relationship, and inclusion and diversity.

The Chairman of the Board, Mr Richard Goyder is an independent, non-executive director and a resident Australian citizen. The Chairman of the Board is responsible for leadership and effective performance of the Board. The Chairman's responsibilities are set out in more detail in the Board Charter.

Mr Goyder is also chairman of Qantas Airways Limited. The Board considers that neither his chairmanship of Qantas Airways Limited, nor any of his other commitments listed on page 49, interfere with the discharge of his duties to the company. The Board has arrangements in place to ensure ongoing leadership if unforeseen circumstances mean Mr Goyder is not available. Mr Goyder's office is located in the company's headquarters in Perth, Western Australia. The Board is satisfied that Mr Goyder commits the time necessary to discharge his role effectively.

Our website contains copies of Board and committee charters and copies of many of the policies and documents mentioned in the Corporate Governance Statement. The website is updated regularly to ensure that it reflects Woodside's most current corporate governance information.

Refer to Woodside's Corporate Governance Statement for more information (www.woodside.com.au).



DIRECTORS' REPORT

The directors of Woodside Petroleum Ltd present their report (including the Remuneration Report) together with the Financial Statements of the consolidated entity, being Woodside Petroleum Ltd and its controlled entities, for the year ended 31 December 2019.

Directors

The directors of Woodside Petroleum Ltd in office at any time during or since the end of the 2019 financial year and information on the directors (including qualifications and experience and directorships of listed companies held by the directors at any time in the last three years) are set out on pages 48-51.

The number of directors' meetings held (including meetings of committees of the Board) and the number of meetings attended by each of the directors of Woodside Petroleum Ltd during the financial year are shown in Table 3 on page 15 of the Corporate Governance Statement. For all Board meetings held in 2019, all directors were present.

Details of director and senior executive remuneration are set out in the Remuneration Report.

The particulars of directors' interests in shares of the company as at the date of this report are set out on page 54.

Principal activities

The principal activities and operations of the Group during the financial year were hydrocarbon exploration, evaluation, development, production and marketing.

Other than as previously referred to in the Annual Report, there were no other significant changes in the nature of the activities of the consolidated entity during the year.

Consolidated results

The consolidated operating profit attributable to the company's shareholders after provision for income tax was $343 million ($1,364 million in 2018).

Review of operations

A review of the operations of the Woodside Group during the financial year and the results of those operations are set out on pages 1-47.

Significant changes in the state of affairs

The review of operations (pages 1-47) sets out a number of matters that have had a significant effect on the state of affairs of the consolidated entity.

Other than those matters, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Events subsequent to end of financial year

Since the reporting date, the directors have declared a fully franked dividend. More information is available in the 'Dividend' section below. No provision has been made for this dividend in the financial report as the dividend was not declared or determined by the directors on or before the end of the financial year.

Dividend

The directors have declared a final dividend out of profits of the company in respect of the year ended 31 December 2019 of 55 cents per ordinary share (fully franked) payable on 20 March 2020.

Type	2019 final	2019 interim	2018 final
Payment date	20 March 2020	20 September 2019	20 March 2019
Period ends	31 December 2019	30 June 2019	31 December 2018
Cents per share	55	36	91
Value $ millions	518	337	852
Fully franked	✓	✓	✓

The full-year 2019 dividend was 91 cents per share.

Likely developments and expected results

In general terms, the review of operations of the Group gives an indication of likely developments and the expected results of the operations. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the Group.

Environmental compliance

Woodside is subject to a range of environmental legislation in Australia and other countries in which it operates.

Details of Woodside's environmental performance are provided on page 38 of the Sustainable Development Report.

Through its Health, Safety, Environment and Quality Policy, Woodside plans and performs activities so that adverse effects on the environment are avoided or kept as low as reasonably practicable.

Company Secretaries

The following individuals have acted as Company Secretary during 2019:

Andrew Cox

BA (Hons), LLB, MA

Vice President Legal and General Counsel, and Joint Company Secretary

Mr Cox joined Woodside in 2004 and was appointed to the role of Vice President Legal in January 2015. He was appointed Vice President Legal and General Counsel and Joint Company Secretary on 1 June 2017.

Warren Baillie

LLB, BCom, Grad. Dip. CSP

Company Secretary

Mr Baillie joined Woodside in 2005 and was appointed Company Secretary effective 1 February 2012. Mr Baillie is a solicitor and chartered secretary. He is a member of the National Board and Past President of the Governance Institute of Australia.

Indemnification and insurance of directors and officers

The company's constitution requires the company to indemnify each director, secretary, executive officer or employee of the company or its wholly owned subsidiaries against liabilities (to the extent the company is not precluded by law from doing so) incurred in or arising out of the conduct of the business of the company or the discharge of the duties of any such person. The company has entered into deeds of indemnity with each of its directors, secretaries, certain senior executives, and employees serving as officers on wholly owned or partly owned companies of Woodside in terms of the indemnity provided under the company's constitution.

From time to time, Woodside engages its external auditor, Ernst & Young, to conduct non-statutory audit work and provide other services in accordance with Woodside's External Auditor Guidance Policy. The terms of engagement include an indemnity in favour of Ernst & Young:

+ against all losses, claims, costs, expenses, actions, demands, damages, liabilities or any proceedings (liabilities) incurred by Ernst & Young in respect of third-party claims arising from a breach by the Group under the engagement terms; and
+ for all liabilities Ernst & Young has to the Group or any third-party as a result of reliance on information provided by the Group that is false, misleading or incomplete.

The company has paid a premium under a contract insuring each director, officer, secretary and employee who is concerned with the management of the company or its subsidiaries against liability incurred in that capacity. Disclosure of the nature of the liability covered by and the amount of the premium payable for such insurance is subject to a confidentiality clause under the contract of insurance. The company has not provided any insurance for the external auditor of the company or a body corporate related to the external auditor.

Non-audit services and auditor independence declaration

Details of the amounts paid or payable to the external auditor of the company, Ernst & Young, for audit and non-audit services provided during the year are disclosed in note E.4 to the Financial Statements.

Based on advice provided by the Audit & Risk Committee, the directors are satisfied that the provision of non-audit services by the external auditor during the financial year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

+ all non-audit services were provided in accordance with Woodside's External Auditor Policy and External Auditor Guidance Policy; and
+ all non-audit services were subject to the corporate governance processes adopted by the company and have been reviewed by the Audit & Risk Committee to ensure that they do not affect the integrity or objectivity of the auditor.

Further information on Woodside's policy in relation to the provision of non- audit services by the auditor is set out in section 7 of the Corporate Governance Statement.

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.

Proceedings on behalf of the company

No proceedings have been brought on behalf of the company, nor has any application been made in respect of the company, under section 237 of the Corporations Act 2001.

Rounding of amounts

The amounts contained in this report have been rounded to the nearest million dollars under the option available to the company under Australian Securities and Investments Commission Corporations

(Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

Directors' relevant interests in Woodside shares as at the date of this report

Director	Relevant interest in Shares
L Archibald	4,403
P Coleman	441,119[1]
F Cooper	9,571
SC Goh	Nil[2]
R Goyder	23,634
C Haynes	10,811
I Macfarlane	3,835
A Pickard	6,060
S Ryan	8,532
G Tilbrook	7,949

1. Mr Coleman also has a relevant interest in 214,973 unvested Restricted Shares and holds Variable Pay Rights and Performance Rights under his CEO incentive arrangements, details of which are set out in the Remuneration Report in Table 13 on page 71 and Table 15 on page 74.
2. Ms Goh is participating in the Non-Executive Directors' Share Plan and will acquire shares going forward under this plan.

Signed in accordance with a resolution of the directors.

R J Goyder, AO
Chairman
Perth, Western Australia
13 February 2020

P J Coleman
Chief Executive Officer and Managing Director
Perth, Western Australia
13 February 2020

Auditor's independence declaration to the Directors of Woodside Petroleum Ltd

As lead auditor for the audit of the financial report of Woodside Petroleum Ltd for the financial year ended 31 December 2019, 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 audit; and

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

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

Ernst & Young

T S Hammond
Partner
Perth, Western Australia
13 February 2020

Liability limited by a scheme approved under Professional Standards Legislation

REMUNERATION REPORT

Woodside

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13 February 2020

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 31 December 2019.

Our goal in preparing this report is to ensure that our shareholders and stakeholders clearly understand our approach to remunerating Executives. We focus on the right balance to ensure we can attract and retain the executive talent required to deliver on Woodside's long-term strategy whilst aligning with shareholder interests. We have continued to expand upon the information around the factors and metrics that the Board has considered in determining remuneration outcomes for 2019.

This is the second year that the Executive Incentive Scheme (EIS) has been in operation, following its introduction in 2018. There have been no changes to the key principles of the EIS in 2019. The Scheme is built upon the Corporate Scorecard and individual Key Performance Indicators (KPIs) which contribute with equal weightings in determining award outcomes.

The Corporate Scorecard is based on four equally weighted measures that impact short- and long-term shareholder value. The Board sets challenging targets for each measure to drive maximum performance throughout the organisation. The Corporate Scorecard is set out in detail on page 61.

The CEO and Senior Executives are all measured against five objectives (outlined on page 62) to align performance with the achievement of Woodside's corporate strategy whilst driving collaboration between Executives.

The Board understands our shareholders' expectation that it robustly and independently assesses executive and corporate performance in determining appropriate award outcomes. An important component of this assessment is reconciling fairly shareholder experience. This assessment is outlined on pages 62 and 64.

Notwithstanding promising progress against our growth plans and best-ever personal safety outcomes, the company did not achieve all that we set out to achieve. Our reported net profit after tax of $343 million was impacted by the impairment of our Kitimat LNG asset and a number of business plan priorities were delayed due to difficult conditions. We did not meet our production target due to extended plant turnarounds and Tropical Cyclone Veronica.

Given this, the Board reduced the NPAT score on the Corporate Scorecard to 0 which resulted in an overall Corporate Scorecard outcome of 4.75 (out of a maximum of 10). As a consequence, the Board has determined that the Executive KMP will receive a below target award under the EIS to reflect these challenges. Furthermore the CEO has agreed to receive no cash award in 2019, instead receiving this value in Restricted Shares subject to a three-year deferral period. Overall, the CEO's award has reduced by approximately 17% as a result of these decisions.

During 2019, the 2013 and 2014 awards under the prior incentive plan, the Executive Incentive Plan (EIP), were tested against their respective RTSR hurdles. This was the re-test for the 2013 award which resulted in 0.1% vesting and the remaining 34.9% lapsing; while for the first test of the 2014 award, 53.7% vested. The detailed outcomes are in Table 13 on pages 71-72.

We look forward to our ongoing engagement with you and sharing in Woodside's future success.

Yours sincerely

Gene Tilbrook

Chair of Human Resources & Compensation Committee

Remuneration Report (audited)

KMP and summary of Woodside's five-year performance

Woodside's key management personnel (KMP)

This report outlines the remuneration arrangements in place and outcomes achieved for Woodside's KMP during 2019.

Woodside's KMP are those people who have the authority to shape and influence the Group's strategic direction and performance through their actions, either collectively (in the case of the Board) or as individuals acting under delegated authorities (in the case of the CEO and Senior Executives).

The names and positions of the individuals who were KMP during 2019 are set out in Tables 1a and 1b.

Table 1a - Executive KMP

Executive Director
Peter Coleman (Managing Director and Chief Executive Officer (CEO))
Senior Executives
Michael Abbott (Senior Vice President Corporate and Legal)
Sherry Duhe (Executive Vice President and Chief Financial Officer)
Robert Edwardes (Executive Vice President Development)[1]
Shaun Gregory (Executive Vice President Sustainability)[2]
Reinhardt Matisons (Executive Vice President Marketing, Trading and Shipping)
Meg O'Neill (Executive Vice President Development)[3]

1. Mr Robert Edwardes ceased being an Executive KMP on 29 September 2019.
2. Mr Shaun Gregory's title changed from Executive Vice President Exploration and Chief Technology Officer to Executive Vice President Sustainability on 19 August 2019.
3. Ms Meg O'Neill held the position of Chief Operations Officer until 29 September 2019.

Table 1b - Non-executive directors KMP

Richard Goyder (Chairman)
Larry Archibald
Melinda Cilento[1]
Frank Cooper
Swee Chen Goh[2]
Christopher Haynes
Ian Macfarlane
Ann Pickard
Sarah Ryan
Gene Tilbrook

1. Ms Melinda Cilento ceased being a director of Woodside on 2 May 2019.
2. Ms Swee Chen Goh was appointed as a non-executive director on 1 January 2020. Details of her remuneration will be disclosed in the Remuneration Report for the year ending 31 December 2020.

Table 2 – Five-year performance

The table below outlines Woodside's performance over the last five years against key metrics.

		2019	2018	2017[2]	2016	2015
Net profit after tax (NPAT)[1]	(US$ million)	343	1,364	1,069	868	26
Earnings per share[3]	(US cents)	37	148	123	104	3
Dividends per share	(US cents)	91	144	98	83	109
Share closing price (last trading day of the year)	(A$)	34.38	31.32	33.08	31.16	28.72[4]
Production	(MMboe)	89.6	91.4	84.4	94.9	92.2

1. NPAT figure is NPAT attributable to equity holders of the parent. NPAT detail is contained in the Financial Statements on pages 76-119.
2. 2017 NPAT has been restated for the retrospective application of AASB 15, and earnings per share has been restated for the retrospective application of AASB 15 and the Retail Entitlement Offer. For more information refer to the Financial Statements on pages 76-119.
3. Basic and diluted earnings per share from total operations.
4. Share closing price (last trading day) for 2014 was $38.01.

Remuneration Policy

Woodside aims to be a leading global performer in upstream oil and gas. To do so the company must be able to attract and retain executive capability in a globally competitive market. The Board structures remuneration so that it rewards those who perform, is valued by executives, and is strongly aligned with the company's Compass, strategic direction and the creation of value for all stakeholders.

Fixed Annual Reward (FAR) is determined by the scope of the executive's role and their level of knowledge, skills and experience.

Variable Annual Reward (VAR) at target is structured to reward the executives for achieving challenging yet realistic targets set by the Board which deliver long-term growth for the company. VAR aligns shareholder and executive remuneration outcomes by ensuring a significant portion of executive remuneration is at risk, while rewarding performance.

Executive remuneration is reviewed annually having regard to the accountabilities, experience and performance of the individual. FAR and VAR are compared against domestic and international competitors at target, to maintain Woodside's competitive advantage in attracting and retaining talent and ensure appropriate motivation is provided to executives to deliver on the strategic objectives of the company.

Executive Incentive Scheme (EIS)

The EIS was introduced in 2018. The scheme remunerates executives for delivering results, whilst avoiding inappropriate remuneration outcomes for under-performance. The EIS has been designed to deliver three key objectives:

EXECUTIVE ENGAGEMENT

Enable Woodside to attract and retain executive capability in a globally competitive environment by providing executives with a simple remuneration structure and clear line of sight to how performance is reflected in remuneration outcomes.

+

ALIGNMENT WITH THE SHAREHOLDER EXPERIENCE

87.5% of the award is delivered as equity in a combination of Restricted Shares or Performance Rights. The Performance Rights are Relative Total Shareholder Return (RTSR) tested against comparator groups, after five years.

+

STRATEGIC FIT

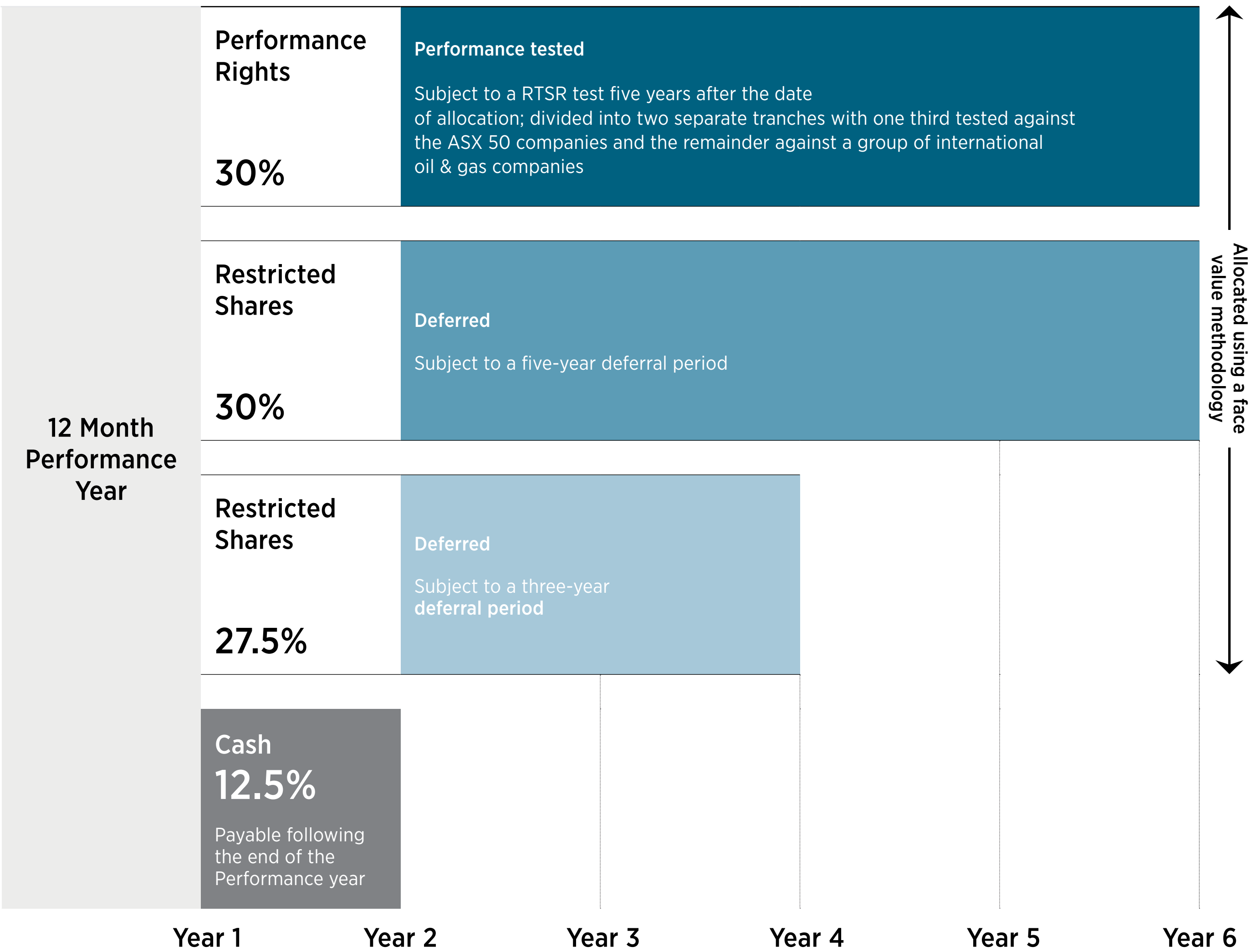
60% of the award has a five-year deferral period, which reflects Woodside's strategic time horizons to drive executives to deliver our strategic objectives with discipline and collaboration; in turn creating shareholder value.

The scheme delivers an award to executives which is linked to annual individual and corporate performance, designed to be simple and transparent. Awards under the EIS are based on performance against the Corporate Scorecard and individual KPIs set for the 2019 performance year.

The Board has strong oversight and governance to ensure that appropriate and challenging targets are set to create a clear link between performance and reward. The Board has an overriding discretion which it can and does exercise to adjust outcomes in line with shareholder experience and company or management performance.

Variable Annual Reward (VAR)

The entire EIS award (cash, Restricted Shares and Performance Rights) is subject to performance in the initial 12 month performance period.



Executive KMP remuneration structure

Woodside's remuneration structure for the CEO and Senior Executives is comprised of two components; fixed and variable annual reward.

FIXED ANNUAL REWARD (FAR)

+ Based upon the scope of the executive's role and their individual level of knowledge, skill and experience.
+ Benchmarked for competitiveness against domestic and international peers to enable the company to attract and retain superior executive capability.

VARIABLE ANNUAL REWARD

+ Executives are eligible to receive a single variable reward linked to challenging individual and company annual targets set by the Board.
+ 12.5% of the variable reward is paid in cash.
+ 27.5% is allocated in Restricted Shares, subject to a three-year deferral period.
+ 30% is allocated in Restricted Shares, subject to a five-year deferral period.
+ 30% is allocated in Performance Rights which are subject to a RTSR test five years after the date of grant; divided into two separate tranches with one-third tested against a comparator group that comprises the ASX 50 and the remaining two-thirds against a group of international oil and gas companies determined by the Board.

MINIMUM SHAREHOLDING REQUIREMENTS (MSR) POLICY

The MSR policy reflects the long-term focus of management and aims to further strengthen alignment with shareholders. The policy requires Senior Executives to have acquired and maintained Woodside shares for a minimum total purchase price of at least 100% of their fixed remuneration after a period of five years and in the case of the CEO a minimum of 200% of fixed remuneration.

Table 3 – Key VAR features

Allocation methodology	Restricted Shares and Performance Rights are allocated using a face value allocation methodology. The number of Restricted Shares and Performance Rights is calculated by dividing the value by the volume weighted average price (VWAP) in December each year.
Dividends	Executives are entitled to receive dividends on Restricted Shares. No dividends are paid on Performance Rights prior to vesting. For Performance Rights that do vest, a dividend equivalent payment will be paid by Woodside for the period between allocation and vesting.
Clawback provisions	The Board has the discretion to reduce unvested entitlements including where an executive has acted fraudulently or dishonestly or is found to be in material breach of their obligations; there is a material misstatement or omission in the financial statements; or the Board determines that circumstances have occurred that have resulted in an unfair benefit to the executive.
Control event	The Board has the discretion to determine the treatment of any EIS award on a change of control event. If a change of control occurs during the 12-month performance period, an executive will receive at least a pro-rata cash payment in respect of the unallocated cash and Restricted Share components of the EIS award for that year, assessed at target. If a change of control occurs during the vesting period for equity awards, Restricted Shares will vest in full whilst Performance Rights may, at the discretion of the Board, vest on an at least pro-rata basis.
Cessation of employment	During a Performance Period, should an executive provide notice of resignation or be terminated for cause, no EIS award will be provided. In any other case, Woodside will have regard to performance against target and the portion of the performance period elapsed in determining the form of any EIS award. During a Vesting Period, should an executive provide notice of resignation or be terminated for cause, any EIS award will be forfeited or lapse. In any other case, any Restricted Shares will vest in full from a date determined by the Board while any Performance Rights will remain on foot and vest in the ordinary course subject to the satisfaction of applicable conditions. The Board will have discretion to accelerate the vesting of unvested equity awards, subject to termination benefits laws.
No retesting	There will be no retest applied to EIS awards. Performance Rights will lapse if the required RTSR performance is not achieved at the conclusion of the five-year period.

Calculation of award

An executive's award will be based upon two equally weighted components: individual performance against challenging KPIs and the company's performance against the Corporate Scorecard. This results in an individual performance factor (IPF) which ranges from 0 to 1.6 for executive KMP. The Corporate Scorecard targets and individual KPIs are designed to promote short- and long-term shareholder value. Performance against individual KPIs is assessed by the Board in the case of the CEO, and by the CEO and the Human Resources & Compensation Committee in the case of Senior Executives. Exceeding targets may result in an increase to award, whereas under-performance will result in a reduction in award. The minimum award that an executive can receive is zero if the performance conditions are not achieved. The decision to pay or allocate an EIS award is subject to the overriding discretion of the Board, which may adjust outcomes in order to better reflect shareholder outcomes, and company or management performance.

INDIVIDUAL KPIs + CORPORATE SCORECARD = IPF

← **Equally weighted** →

See page 62 for details of the CEO's individual KPIs and page 64 for Senior Executives.

Target variable opportunity for 2019

Each executive is given a target VAR opportunity and a maximum VAR opportunity which is a percentage of the executive's FAR. The opportunities for 2019 are outlined below.

Position	Minimum opportunity	Target opportunity	Maximum opportunity (% of FAR)
CEO	Zero	200	300
Senior Executives		160	256

Cash

The cash component represents 12.5% of the VAR and is payable following the end of the Performance Year.

Restricted Shares

The Restricted Shares are divided into two tranches. The first tranche is 27.5% of the award and subject to a three-year deferral period. The second tranche is 30% of the award and subject to a five-year deferral period. There are no further performance conditions attached to these awards. This element creates a strong retention proposition for executives as vesting is subject to employment not being terminated with cause or by resignation during the deferral period. The deferral ensures that awards remain subject to fluctuations in share price across the three and five-year periods, which is intended to reflect the sustainability of performance over the medium- and long-term and support increased alignment between executives and shareholders.

Performance Rights

The Performance Rights are divided into two portions with each portion subject to a separate RTSR performance hurdle tested over a five-year period. Performance is tested after five years as Woodside operates in a capital intensive industry with long investment timelines. It is imperative that executives take decisions in the long-term interest of shareholders, focused on value creation across the commodity price cycles of the oil and gas industry. Our view is that RTSR is the best measure of long-term value creation across the commodity price cycle of our industry.

One-third of the Performance Rights will be tested against a comparator group that comprises the entities within the ASX 50 index at 1 December 2019. The remaining two-thirds will be tested against an international group of oil and gas companies, set out in Table 12 on page 70.

RTSR outcomes are calculated by an external adviser on or after the fifth anniversary of the allocation of the Performance Rights. The outcome of the test is measured against the schedule below. For EIS awards, any Performance Rights that do not vest will lapse and are not retested.

Woodside RTSR percentile position within peer group	Vesting of Performance Rights
Less than 50th percentile	No vesting
Equal to 50th percentile	50% vest
Vesting between the 50th and 75th percentile	Vesting on a pro-rata basis
Equal to or greater than 75th percentile	100% vest

CEO target remuneration

FIXED REWARD	VARIABLE REWARD
33%	67%

Senior Executive target remuneration

FIXED REWARD	VARIABLE REWARD
38%	62%

Corporate Scorecard measures and outcomes

The Board assesses executive performance annually against a balanced scorecard of corporate measures in conjunction with individual key performance indicators (KPIs) that aim to drive business performance and the creation of shareholder value.

The 2019 Corporate Scorecard for Executive KMP is based on four equally weighted measures that have been chosen because they impact short- and long-term shareholder value, with a score of 5 for an outcome at target and a maximum score of 10 on each measure.

The Board has reduced the NPAT score to 0 which has resulted in the overall Corporate Scorecard outcome being adjusted to 4.75 (out of 10).

NPAT (25%)

0 TARGET 5 MAX 10 OUTCOME 0

Net profit after tax performance is closely aligned with short-term shareholder value creation. NPAT is underpinned by efficient operational performance, and outcomes are exposed to the upside and downside of oil price and foreign exchange fluctuations, as are returns to shareholders. This measure focuses management on driving exceptional operational performance, with the Board ensuring that short-term results are not achieved at the expense of longer-term performance.

2019 PERFORMANCE:

NPAT result was $343 million. The lower than target result was primarily due to the impairment of Kitimat LNG asset and additional impacts from extended plant turnarounds and Tropical Cyclone Veronica.

Production (25%)

0 TARGET 5 MAX 10 OUTCOME 4

Revenue is maximised and value generated from the Company's assets when they are fully utilised in production. Production must be carefully managed throughout the year to optimise value from the assets. The production target is set relative to the company's annual budget and market guidance and is not revised through the year.

2019 PERFORMANCE:

Full year production was 89.6 MMboe, which was within the market guidance of 88 to 94 MMboe but below internal target of 91 MMboe. This was largely due to extended plant turnarounds and Tropical Cyclone Veronica.

Material Sustainability Issues (25%)

0 TARGET 5 MAX 10 OUTCOME 9

The Board considers performance across material sustainability issues including personal and process safety, environment, emissions reductions, and our social licence to operate. Strong performance in this area creates and protects value in four ways; it reduces the likelihood of major accident events and catastrophic losses; it maintains Woodside's licence to operate which enables the development and sanction of its growth portfolio; it reflects efficient, optimised and controlled business processes that generate value; and it supports the company's position as a partner of choice.

2019 PERFORMANCE:

Best-ever personal safety performance with a significantly better than target 12 month TRIR of 0.9 (target 1.29) and a full year without a Tier 1 or Tier 2 loss of primary containment process safety event. A total of 167kt CO_2-e in sustainable emissions reductions improvements was delivered. Completed over 500 community engagements to support development of social and environmental impact assessments for key growth projects. Social impact management plans are in place for all communities where Woodside has active development and production activities.

Delivery against Business Priorities (25%)

0 5 10 OUTCOME 6

In 2019, we focused on three key business priorities supporting delivery of long-term shareholder value – safe and reliable base business, advancing our Burrup Hub developments and commercialising our international assets.

2019 PERFORMANCE:

Base Business

- Continued delivery of high reliability and strong unit production performance from our operating assets.
- Greater Enfield Project delivered on schedule without a recordable safety incident and on budget.
- Final investment decisions taken for Pyxis Hub and Julimar-Brunello Phase 2.
- Completed major turnarounds at Pluto, KGP, Goodwyn and North Rankin. Turnarounds were completed without a safety incident, but failure of a major equipment component delayed start-up at Pluto by over 30 days.

Burrup Hub

- Executed Scarborough and Pluto Train 2 FEED. 52% increase in Scarborough gas resource identified through integrated subsurface analysis.
- Commercial agreements for processing Scarborough gas at Pluto to be finalised. Heads of Agreement signed with BHP agreeing tolling price.
- Completed Basis of Design for Browse and issued the preliminary field development plan. Browse ready to commence FEED, subject to completion of commercial agreements for tolling gas through the NWS facilities at Karratha.
- Disciplined capital management to support the growth plan including re-activation of dividend reinvestment plan and a Rule 144A/Regulation S senior unsecured bond issued for US$1.5 billion.

International Assets

- Fiscal terms finalised for A-6 Development in Myanmar and joint venture moved to pre-FEED stage.
- Exploitation plan for the Sangomar Phase 1 development approved by the Senagalese Government in December 2019. Unconditional final investment decision taken in January 2020.

OVERALL CORPORATE SCORECARD OUTCOME 4.75 / 10

Executive KMP KPIs and outcomes for 2019

CEO KPIs and outcomes

FAR

In February 2019, Woodside conducted a review of the CEO's remuneration and concluded that no increase would be made to the CEO's FAR.

VAR

For 2019, the individual performance of the CEO was reviewed by the Board against five equally weighted measures. These metrics, outlined in Table 4a, were chosen because successful performance in each area is a key driver of superior shareholder returns. The same metrics were cascaded to the Senior Executives to measure individual performance.

For 2019, the CEO's individual performance was 1.2. The Board has exercised its discretion to reduce the CEO's VAR for 2019 to below target to reflect the overall performance of the organisation. Furthermore, the CEO has agreed to receive no cash award in 2019, instead receiving this value in Restricted Shares subject to a three-year deferral period. Overall, the CEO's award has reduced by approximately 17% as a result of these decisions. The 2019 award for the CEO is detailed in Table 6 on page 65. Information on the individual performance of the CEO is shown in Tables 4a and 4b below.

Table 4a – CEO performance measures

Growth agenda

Objective	2019 outcomes
Assesses the alignment of growth opportunities to shareholder return; portfolio balance; the achievement of challenging business objectives.	Substantial progress achieved against growth objectives including execution of FEED for Scarborough and Pluto Train 2; agreement on tolling price to bring Scarborough gas through Pluto facility; Basis of Design completed for the Browse development which is FEED ready; FID taken for Pyxis Hub and Julimar-Brunello Phase 2; Sangomar Phase 1 development exploitation plan approved in 2019 and FID taken in January 2020; entry into pre-FEED stage for A-6 Development in Myanmar; and $1.7 billion in additional debt funding secured from the United States and Asian markets providing certainly for growth. Challenges to the growth agenda were the complexity of commercial negotiations and environmental and regulatory approvals; and several non-commercial exploration finds.

Effective execution

Objective	2019 outcomes
Assesses the maintenance, operation and profitability of existing assets; project delivery to achieve budget, schedule and stated performance; cost reduction; achievement of health, safety and community expectations.	Strong production performance from all assets despite impact of Tropical Cyclone Veronica and significant plant turnarounds, though failure of a major equipment component delayed start-up at Pluto by over 30 days. Recorded best ever personal safety outcome and delivered 167kt CO_2-e sustainable emissions reduction improvements, though extended plant turnarounds impacted progress against target of 5% energy efficiency improvements. Greater Enfield Project and PLA07 infill well was delivered on schedule and on budget.

Enterprise capability

Objective	2019 outcomes
Assesses leadership development; workforce planning; executive succession; Indigenous participation and diversity; effective risk identification and management.	Continued to build executive capability with internal appointments for EVP Development role and acting EVP Operations. Female participation increased to 31.8%, well above industry average of 23.9%. Indigenous participation increased from 130 to 140 employees (3.7% of workforce). Significant advances were made toward remote operations assets, future artificial intelligence and machine learning capability, with technology enabling a 52% increase in Scarborough estimated resource volume. Risk management included implantation of a company-wide assurance framework and development of strategic partnerships designed to enhance long term resilience to a lower emissions future (e.g. partnership with Greening Australia and exploring opportunities associated with producing and exporting hydrogen.)

Culture and reputation

Objective	2019 outcomes
Assesses performance culture and emphasis on values; engagement and enablement; improved employee climate; Woodside's brand as a partner of choice.	Progressed Reconciliation Action Plan commitments with a 3% increase in the value of contracts awarded to Indigenous businesses and improved conversion of Indigenous trainees to employees to over 50%. Supported the Uluru Statement from the Heart alongside other 'Elevate' RAP partners. Achieved Silver Employer Status in the Pride in Diversity Australian Workplace Equality Index, which typically represents employers ranked in the top 10-20%. Continued strong performance on a number of recognised external environmental, social and governance global indices. Positive contribution to host communities through A$17.7 million social investment. Commenced transition to a predominantly residential operational workforce in Karratha enabling employees to live where they work and build strong team and community connections.

Shareholder focus

Objective	2019 outcomes
Assesses whether decisions are made with a long-term shareholder return focus; efficient and timely communication to shareholders, market analysts and fund managers; the focus on shareholder return throughout the organisation.	The CEO drove a disciplined approach to managing capital efficiency allowing the optimisation of growth projects while maintaining base business operating cash flows and balancing corporate gearing.

CEO actual remuneration

Table 4b – CEO 2019 EIS Outcomes

Name	IPF[1]	Total EIS earned $[1]	EIS earned as % of maximum %
P Coleman	0.975	$3,684,986	65%

1. The EIS earned reflects the Board's adjustment to award below target VAR.

2019 Vesting[1]

P Coleman	Shares
2016 deferred short-term award vested on 27 February 2019	48,225
2015 deferred short-term award vested on 19 February 2019	47,905
2014 long-term award had a partial vesting of 53.7% on 20 February 2019 including an adjustment due to the Retail Entitlement Offer	90,764
2013 long-term award had a partial vesting of 0.1% on 6 March 2019	55

1. Describes vesting related to prior scheme as outlined on pages 71-72.

Senior Executive KPIs and outcomes

FAR

In January 2019, Woodside conducted a review of Senior Executive remuneration based on benchmarking data against a defined peer group alongside consideration of executive performance and role accountabilities. This review supported the Board's decision to award an average increase of 5.59% in April 2019.

VAR

For 2019, the individual performance of each Senior Executive was evaluated against the same performance measures as the CEO, as described in Table 4a on page 62, with individual KPIs set relevant to each Senior Executive's area of responsibility. These metrics aim at aligning individual performance with the achievement of Woodside's corporate strategy while fostering collaboration between executives.

The Board approved EIS awards to Senior Executives based on the scorecard result and their individual performance assessment, resulting in an IPF between 0 and 1.6. The Board exercised its discretion to reduce Senior Executives' VAR for 2019 to below target. Information on the individual performance of each Senior Executive is shown in Tables 5a and 5b below. Details of the EIS award for each Senior Executive are set out in Table 6 on page 65.

Table 5a – Senior Executive Individual Performance for 2019 EIS

Senior Executives	Key performance indicators	2019 performance
Michael Abbott Senior Vice President Corporate and Legal	Stakeholder engagement; continuous disclosure compliance; Code of Conduct and anti-bribery and corruption training; implementation of company-wide assurance framework	Successful legal, corporate affairs, governance, risk and compliance support for core business and growth activities; delivery against stakeholder engagement plans exceeded targets; no anti-bribery or continuous disclosure breaches; assurance framework implementation on target.
Sherry Duhe Executive Vice President and Chief Financial Officer	Funding and financial risk management; commercial and contracting support for growth projects; performance excellence projects	Increased liquidity at competitive pricing in preparation for growth projects; agreed tolling price with BHP for processing Scarborough gas through Pluto; progressed negotiations to process Browse gas at KGP; strong commercial and treasury support in respect of Sangomar; performance excellence projects progressed to schedule.
Robert Edwardes Executive Vice President Development (to 29 September 2019)	Portfolio development; cost and schedule; portfolio cost competitiveness; Development HSE	Greater Enfield Project delivered on schedule and on budget; progressed FEED for Scarborough, Pluto Train 2 and Sangomar on schedule; completed Browse Basis of Design; Scarborough, Browse and Sangomar cost of supply in line with targets; Development Division TRIR better than target.
Shaun Gregory Executive Vice President Sustainability	Technology delivery; carbon abatement strategy; hydrogen export opportunity; exploration value delivery	Increase in Scarborough gas resource enabled through technology; significant advances toward remote operations assets, future artificial intelligence and machine learning capability; developed strategic partnerships to further technology, innovation and hydrogen opportunities; carbon business established and delivering on offset strategy; handover of Myanmar A-6 project into development phase; restructured exploration on the back of several non-commercial finds.
Reinhardt Matisons Executive Vice President Marketing, Trading and Shipping	LNG marketing for growth projects; oil and domestic gas sales; trading performance; fleet utilisation; LNG transport fuel	SPA executed with Uniper and HOA executed with ENN for long-term LNG supply underpinning Scarborough development; domestic gas sales, trading performance and fleet utilisation exceeded targets; LNG trucking business operational ready; progressed LNG bunkering opportunities.
Meg O'Neill Executive Vice President Development (Chief Operations Officer to 29 September 2019)	(to 29 Sept) Production, operating expense; unit production costs; Operations HSE performance. (from 30 Sept) Portfolio development; cost and schedule; portfolio cost competitiveness; Development HSE	Production within market guidance though impacted by extended plant turnarounds; operating expenditure below budget; oil unit production costs better than target; gas unit production costs close to target; Operations Division TRIR better than target; emissions reductions improvements delivered; FID taken for Pyxis Hub, Julimar-Brunello Phase 2 and pipeline component of Pluto-NWS interconnector. Executed FEED for Scarborough and Pluto Train 2; progressed Sangomar to FID readiness (FID taken in January 2020); progressed Myanmar A-6 to concept definition; Development TRIR better than target.

Senior Executive actual remuneration[1]

FIXED REWARD **41%**

VARIABLE REWARD **59%**

1. This represents an average of all Senior Executives' actual and variable remuneration for 2019.

Table 5b – Senior Executive 2019 EIS Outcomes

Name	Total EIS earned $[1]	EIS earned as % of maximum %
M Abbott	649,409	60.9
S Duhe	1,036,871	60.9
R Edwardes[2]	708,140	60.9
S Gregory	886,252	60.9
R Matisons	731,267	60.9
M O'Neill	1,318,464	60.9

1. The EIS earned reflects the Board's adjustment to award below target VAR.
2. Mr Edwardes ceased being executive KMP on 29 September 2019. In line with this, EIS outcome has been pro-rated.

2019 vestings[1]

	Senior Executives	Shares
2015 deferred short-term award vested on 19 February 2019	M Abbott	4,788
	R Edwardes	10,507
	S Gregory	6,218
	R Matisons	5,541
2014 long-term award had a partial vesting of 53.7% on 20 February 2019 including an adjustment due to the Retail Entitlement Offer	M Abbott	3,903
	R Edwardes	11,432
	S Gregory	6,116
	R Matisons	6,263
2013 long-term award had a partial vesting of 0.1% on 6 March 2019	M Abbott	2
	R Edwardes	6
	S Gregory	3
	R Matisons	3

1. Describes vesting related to prior scheme as outlined on pages 71-72.

Table 6 – Valuation summary of CEO and Senior Executive EIS for 2019 and 2018

Name	Year	Cash[1]	Restricted Shares *3 year vesting period* $	Restricted Shares *5 year vesting period* $	Performance Rights *5 year vesting period* $	Total EIS $
P Coleman	2019[2]	-	1,469,046	1,101,779	762,770	3,333,595
	2018[3]	612,113	1,360,220	1,483,006	851,081	4,306,420
M Abbott	2019[2]	81,176	177,970	194,156	134,415	587,717
	2018[3]	100,721	223,799	244,160	140,121	708,801
S Duhe	2019[2]	129,609	284,175	310,005	214,619	938,408
	2018[3]	144,976	322,164	351,438	201,686	1,020,264
R Edwardes[4]	2019[2]	91,540	200,697	218,951	151,582	662,770
	2018[3]	170,422	378,704	413,118	237,084	1,199,328
S Gregory	2019[2]	110,782	242,881	264,983	183,450	802,096
	2018[3]	123,403	274,206	299,134	171,670	868,413
R Matisons	2019[2]	91,408	200,409	218,639	151,365	661,821
	2018[3]	108,688	241,513	263,463	151,198	764,862
M O'Neill[5]	2019[2]	164,808	361,351	394,204	272,910	1,193,273
	2018[3]	139,948	310,980	339,261	194,698	984,887

1. Represents the cash incentive earned in the respective year, which is actually paid in the following year. Amounts were translated to US dollars using the closing spot rate on 31 December 2019.
2. The number of Restricted Shares and Performance Rights allocated for 2019 was calculated post year end by dividing the amount of the executive's entitlement allocated to restricted shares by the face value of Woodside shares. The USD fair value of Restricted Shares and Performance Rights at their date of grant has been estimated by reference to the closing share price at 31 December 2019 and preliminary modelling respectively. Grant date has been determined to be the date of the Board of Directors approval, being 12 February 2020 and any differences between the estimated fair value at 31 December 2019 to the final fair value at grant date will be trued-up in the following 2020 financial year. The fair value is not related to or indicative of the benefit (if any) that an individual executive may ultimately realise should these equity instruments vest.
3. The number of Restricted Shares and Performance Rights allocated for 2018 was calculated by dividing the amount of the executive's entitlement allocated to performance rights by the face value of Woodside shares. The USD fair value shown above was estimated at 31 December 2018 with reference to the closing share price and preliminary modelling. Grant date was determined to be the date of the Board of Directors' approval, being 13 February 2019 and the final fair value was calculated at this date and was trued-up during the 2019 financial year. The amount listed above is not related to or indicative of the benefit (if any) that an individual executive may ultimately receive should these equity instruments vest.
4. Mr Edwardes ceased being Executive KMP on 29 September 2019. In line with this, EIS outcome has been pro-rated.
5. Ms O'Neill commenced employment with Woodside on 1 May 2018.

Other equity plans

Woodside has a history of providing employees with the opportunity to participate in ownership of shares in the company and using equity to support a competitive base remuneration position, including the legacy Executive Incentive Plan.

Details of prior year allocations are provided in Table 13 on pages 71-72. The terms applying to prior year grants are described in past Woodside Annual Reports.

Executive Incentive Plan (EIP)

The EIP operated as Woodside's executive incentive framework until the end of 2017, after which the Board introduced the EIS. The EIP was used to deliver short-term award (STA) and long-term award (LTA) to Senior Executives.

Eligible executives could only receive an STA award if their individual annual performance was assessed as acceptable. Participants were then divided into "Pool Groups", with the size of the pool determined by each participant's target STA, and then adjusted based on the Corporate Scorecard result.

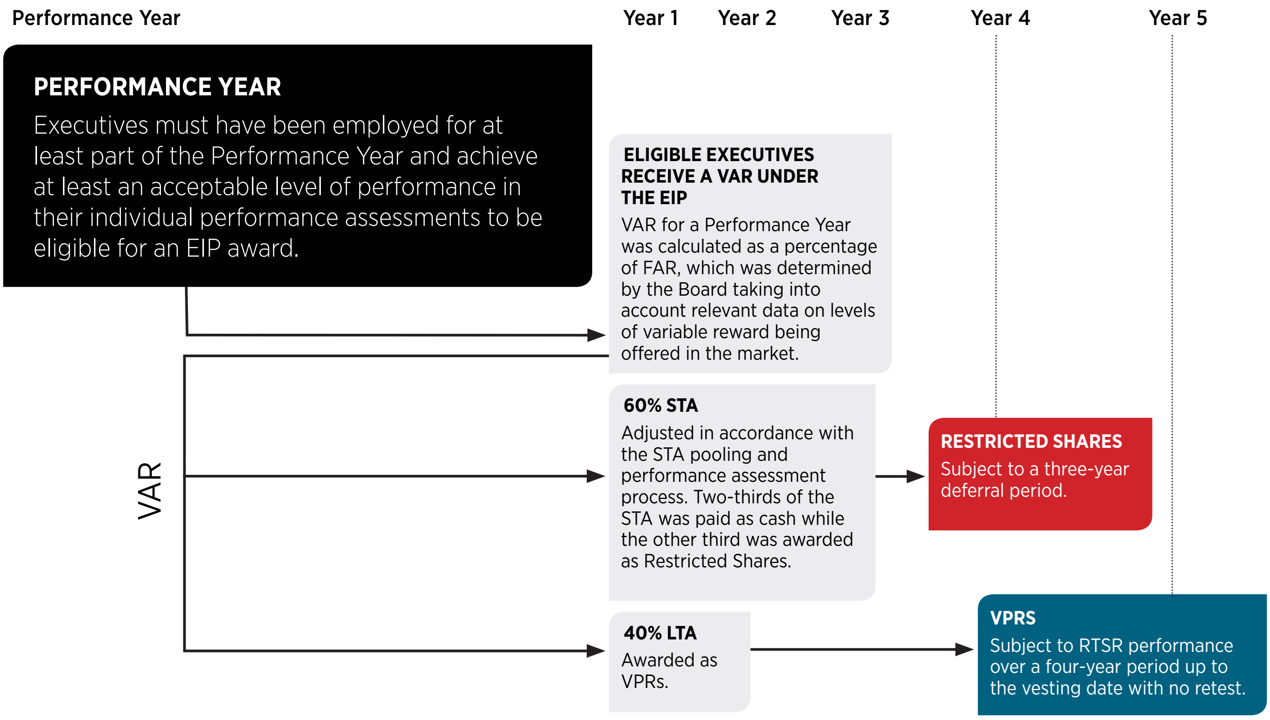
STA made up 30-33% of total target remuneration for Senior Executives with no individual maximum STA opportunity because the size of the STA pool varied from year to year depending on performance and other factors. LTA was granted in the form of Variable Pay Rights (VPRs) making up 20-22% of total target remuneration for Senior Executives.

The award was divided into two portions with each portion subject to a separate RTSR performance hurdle tested over a four-year period. One-third of the LTA is tested against a comparator group that comprises the entities within the ASX 50 index. The remaining two-thirds is tested against an international group of oil and gas companies.

RTSR outcomes are calculated by an external adviser on the fourth anniversary of the allocation. For 2017 awards, any VPRs that do not vest, will lapse and are not retested. Prior awards of VPRs allowed for a retest at the end of a five-year period.

Table 7 illustrates how EIP awards for Senior Executives were allocated, as well as their lifecycle in future years.

Table 7 – Overview of EIP



Details of prior year allocations are provided in Table 13 on pages 71-72.

CEO STA & LTA

The CEO's incentive arrangements are governed by his contract of employment. Prior to 2018, the CEO's STA award was determined by multiplying the CEO's FAR by the Corporate Scorecard result and the CEO's individual performance factor as determined by the Board. Two-thirds of the award was paid in cash with the remaining third delivered as a deferred equity award of Restricted Shares, subject to an overall cap of two times FAR.

For 2017, the LTA opportunity was set at 133% of his FAR. The entitlement was allocated at face value and in the form of VPRs and divided into two portions with each subject to a separate RTSR performance hurdle tested over a four year period with no retest. One-third of the LTA will be tested against a comparator group that comprises the entities within the ASX 50 index. The remaining two-thirds will be tested against an international group of oil and gas companies.

Details of prior year allocations are provided in Table 13 on pages 71-72.

Woodside Equity Plan (WEP)

The WEP is available to all permanent employees except EIS participants. The purpose of the WEP is to enable eligible employees to build up a holding of equity in the company as they progress through their career at Woodside.

The number of Equity Rights (ERs) offered to each eligible employee is determined by the Board, and based on individual performance as assessed under the performance review process. There are no further ongoing performance conditions. The linking of performance to an allocation allows Woodside to recognise and reward eligible employees for high performance.

Each ER entitles the participant to receive a Woodside share on the vesting date three years after the effective grant date.

For offers prior to 2019, each ER entitled the participant to receive a Woodside share on the vesting date three years after the effective grant date. For the 2019 award, the Board amended the terms of the Plan to allow for 75% vesting of the ERs three years after the effective grant date and the remaining 25% of ERs five years after the effective grant date.

Supplementary Woodside Equity Plan (SWEP)

In October 2011, the Board approved a remuneration strategy which includes the use of equity to support a competitive base remuneration position. To this end, the Board approved the establishment of the SWEP to enable the offering of targeted retention awards of ERs for key capability. The SWEP was designed to be offered to a small number of employees identified as being retention critical. The SWEP awards have service conditions and no performance conditions. Each ER entitles the participant to receive a Woodside share on the vesting date three years after the effective grant date.

There were no allocations under the SWEP in 2019. Table 13 on pages 71-72 includes a summary of Senior Executives interests in ERs.

ERs under both the WEP and the SWEP may vest prior to the vesting date on a change of control or on a pro-rata basis, at the discretion of the CEO, limited to the following circumstances; redundancy, retirement (after six months' participation), death, termination due to illness or incapacity or total and permanent disablement of a participating employee. An employee whose employment is terminated by resignation or for cause prior to the vesting date will forfeit all of their ERs.

Other equity awards

In February 2018, the Board approved the Equity Award rules which apply to EIS and discretionary executive allocations. This allows the Board and CEO to award discretionary allocations of Restricted Shares or Performance Rights.

An award of 133,366 Restricted Shares was made to Ms Meg O'Neill upon commencement of employment with Woodside on 1 May 2018 to recognise certain rights that were forfeited with her prior employer. The first tranche of 59,270 Restricted Shares (representing 44.44% of the award) vested in full 1 May 2019. The remaining Restricted Shares will vest in two equal tranches on each of 1 May 2021 and 1 May 2023, subject to Ms O'Neill not resigning or being terminated for cause prior to the vesting date. No further vesting conditions were attached. Further details are set out in Table 13 on pages 71-72.

Contracts for Executive KMP

All executive KMP have a contract of employment. Table 8 below contains a summary of the key contractual provisions of the contracts of employment for the executive KMP.

Table 8 – Summary of contractual provisions for executive KMP

	Employing company	Contract Duration	Termination notice period company[1, 2]	Termination notice period executive
P Coleman	Woodside Petroleum Ltd	Unlimited	12 months	6 months
M Abbott	Woodside Energy Ltd	Unlimited	6 months	3 months
S Duhe	Woodside Energy Ltd	Unlimited	6 months	6 months
S Gregory	Woodside Energy Ltd	Unlimited	6 months	3 months
R Matisons	Woodside Energy Ltd	Unlimited	12 months	6 months
M O'Neill	Woodside Energy Ltd	Unlimited	6 months	3 months

1. Termination provisions – Woodside may choose to terminate the contract immediately by making a payment in lieu of notice equal to the fixed remuneration the executive would have received during the 'Company Notice Period'. In the event of termination for serious misconduct or other nominated circumstances, executives are not entitled to this termination payment. Any payments made in the event of a termination of an executive contract will be consistent with the Corporations Act 2001 (Cth).
2. On termination of employment, executives will be entitled to the payment of any fixed remuneration calculated up to the termination date, any leave entitlement accrued at the termination date and any payment or award permitted under the EIP and Equity Award Rules. Executives are restrained from certain activities for specified periods after termination of their employment in order to protect Woodside's interests.

Non-executive directors (NEDs)

Remuneration Policy

Woodside's Remuneration Policy for NEDs aims to attract, retain, motivate and to remunerate fairly and responsibly having regard to:

+ the level of fees paid to NEDs relative to other major Australian companies
+ the size and complexity of Woodside's operations
+ the responsibilities and work requirements of Board members.

Fees paid to NEDs are recommended by the Human Resources & Compensation Committee based on benchmarking from external remuneration consultants, and determined by the Board, subject to an aggregate limit of A$4.25 million per financial year, which was approved by shareholders at the 2019 AGM. The base Board fees and Audit & Risk Chair and Committee fees were increased with effect from 1 July 2019.

The minimum shareholding requirements for NEDs was reviewed in 2018. NEDs are required to have acquired shares for a total purchase price of at least 100% of their pre-tax annual fee after five years on the Board. The NEDs may utilise the Non-Executive Directors' Share Plan (NEDSP) to acquire the shares on market at market value. As the shares are acquired with net fees the shares in the NEDSP are not subject to any forfeiture conditions.

NEDs remuneration structure

NEDs remuneration consists of base Board fees and committee fees, plus statutory superannuation contributions or payments in lieu (currently 9.5%). Other payments may be made for additional services outside the scope of Board and committee duties. NEDs do not earn retirement benefits other than superannuation and are not entitled to any form of performance-linked remuneration in order to preserve their independence.

Table 9 below shows the annual base Board and committee fees for NEDs.

In addition to these fees, NEDs are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred attending meetings of the Board, committees or shareholders, or while engaged on Woodside business. NEDs are not entitled to compensation on termination of their directorships.

Effective 1 January 2019 an allowance is paid to any NED required to travel internationally to attend Board commitments, compensating for factors related to long-haul travel. Where travel is between six and ten hours, an allowance of $5,000 gross per trip is paid. Where travel exceeds 10 hours, an allowance of $10,000 gross per trip is paid.

Board fees are not paid to the CEO, as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of the normal employment conditions.

The total remuneration paid to, or in respect of, each NED in 2019 is set out in Table 14 on page 73.

Table 9 – Annual base Board and committee fees for NEDs

Position	Board[1]	Audit & Risk Committee	Human Resources & Compensation Committee	Sustainability Committee	Nominations Committee
	A$	A$	A$	A$	A$
Chairman of the Board[2]	723,300[4]				
Non-executive directors[3]	219,178[4]				
Committee chair		59,360[4]	52,000[5]	47,400	Nil
Committee member		31,964[4]	26,500[5]	23,700	Nil

1. NEDs receive Board and committee fees plus statutory superannuation (or payments in lieu for overseas based NEDs).
2. Inclusive of committee work.
3. Board fees paid to NEDs other than the Chairman.
4. Annual fee from 1 July 2019.
5. Annual fee from 1 July 2018.

Human Resources & Compensation Committee

The Committee assists the Board to determine appropriate remuneration policies and structures for NEDs and executives. Further information on the role of the Committee is described in section 3.4 of the Corporate Governance Statement, available on Woodside's website.

Use of remuneration consultants

The Committee directly engages independent external advisers to provide input to the process of reviewing the remuneration for NEDs and executive. The Committee may receive executive remuneration advice directly from external independent remuneration consultants. Table 10 below shows the fees payable to independent external remuneration consultants during 2019.

Under communications and engagement protocols adopted by the company, the market data reports were provided directly to the Committee Chair, and the consultants provided a statement to the Committee that the reports had been prepared free of undue influence from executive KMP. The Committee had full oversight of the review process and therefore it, and the Board, were satisfied that the work undertaken by PricewaterhouseCoopers was free from undue influence by executive KMP.

Table 10 – Fees paid to remuneration consultants

Remuneration consultant	Services provided	Fees
PricewaterhouseCoopers	Remuneration benchmarking for the 2019 NED fee review	A$15,000 (ex GST)
	Remuneration benchmarking for the 2019 CEO remuneration review	A$25,500 (ex GST)

PricewaterhouseCoopers provided other services to Woodside including provision of taxation advice and general financial and business consulting which resulted in a total of A$2,209,825 fees paid by Woodside.

Reporting notes

Reporting in United States dollars

In this report, the remuneration and benefits reported have been presented in US dollars, unless otherwise stated. This is consistent with the functional and presentation currency of the company.

Compensation for Australian-based employees and all KMP is paid in Australian dollars and, for reporting purposes, converted to US dollars based on the applicable exchange rate at the date of payment. Valuation of equity awards is converted at the spot rate applying when the equity award is granted.

Statutory tables

Table 11 - Compensation of CEO and Senior Executives for the year ended 31 December 2019 and 2018

		Fixed Annual Reward			Variable Annual Reward						
		Short-term		Post	Cash	Share based payments					
		Salaries, fees and allowances	Benefits and allowances (including non-monetary)[1]	Company contributions to superannuation	Cash[2]	Share plans[3]	Long service leave	Termination benefits	Total remuneration[4]		Performance related[5]
		$	$	$	$	$	$	$	$	A$	%
P Coleman Chief Executive Officer	2019	1,863,173	35,805	14,436	-	3,158,361	102,493	-	5,174,268	7,443,346	61
	2018	1,964,585	44,260	15,149	612,113	3,755,729	147,126	-	6,538,962	8,807,377	67
M Abbott Senior Vice President Corporate and Legal	2019	399,737	21,666	16,684	81,176	365,771	25,425	-	910,459	1,308,973	49
	2018	430,015	17,060	14,569	100,721	322,263	25,153	-	909,781	1,226,641	46
S Duhe Executive Vice President and Chief Financial Officer[6]	2019	682,815	59,566	-	129,609	462,033	30,716	-	1,364,739	1,962,023	43
	2018	628,922	35,984	7,544	144,976	279,663	15,482	-	1,112,571	1,501,811	38
R Edwardes, Executive Vice President Development[7]	2019	560,055	20,565	10,793	91,540	1,061,792	42,384	-	1,787,129	2,555,625	65
	2018	790,884	27,563	15,149	170,422	951,554	41,206	-	1,996,778	2,688,150	56
S Gregory Executive Vice President Sustainability	2019	545,069	19,892	14,436	110,782	451,928	70,370	-	1,212,477	1,743,162	46
	2018	532,588	19,062	15,149	123,403	393,253	121,145	-	1,204,600	1,623,340	43
R Matisons Executive Vice President Marketing, Trading and Shipping	2019	453,994	38,313	14,788	91,408	393,203	(20,270)	-	971,436	1,396,598	50
	2018	469,000	19,746	12,977	108,688	357,139	17,299	-	984,849	1,327,826	47
M O'Neill Executive Vice President Development[6,8]	2019	985,101	61,356	-	164,808	1,360,584	30,764	-	2,602,613	3,742,420	59
	2018	846,751	129,600	11,531	139,948	1,407,427	15,666	-	2,550,923	3,497,641	61

1. Reflects the value of allowances and non-monetary benefits (including relocation, travel, health insurance, car parking and any associated fringe benefit tax).
2. The amount represents the cash earned in the respective year, which is actually paid in the following year. Amounts were translated to USD using the closing spot rate on 31 December 2019.
3. 'Share plans' incorporate all equity based plans. In accordance with the requirements of AASB 2 Share-based Payments, the fair value of rights as at their date of grant has been determined by applying the Black-Scholes option pricing technique or applying the binomial valuation method combined with a Monte Carlo simulation. The fair value of rights is amortised over the vesting period from the commencement of the service period, such that 'total remuneration' includes a portion of the fair value of unvested equity compensation during the year. The portion of the expense relating to the 2019 EIS has been measured using estimated fair values as disclosed in footnote 2 in Table 6. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual executives may ultimately realise should these equity instruments vest.
4. The total remuneration in AUD is converted from USD using exchange rates on the date of each transaction. This non-IFRS information is included for the purposes of showing the total annual cost of benefits to the company in Australian dollars for the service period.
5. Performance related outcome percentage is calculated as total Variable Annual Reward divided by the total USD remuneration figure.
6. As non-residents for Australian tax purposes Ms Duhe and Ms O'Neill have elected to receive a cash payment in lieu of all superannuation contributions, in accordance with the Superannuation Guarantee (Administration) Act 1992. The cash payment is subject to (PAYG) income tax and paid as part of their normal monthly salary. The amount is included in salaries, fees and allowances.
7. Mr Edwardes ceased being Executive KMP on 29 September 2019. Mr Edwardes' 2016, 2017, 2018 and 2019 share based payment amortisation expenses have been accelerated based on his contract end date of 31 March 2020.
8. Ms O'Neill commenced with Woodside on 1 May 2018.

Table 12 - Peer group of international oil and gas companies

Apache Corporation
ConocoPhillips
Hess Corporation
Inpex Corporation
Kosmos Energy
Marathon Oil Company
Murphy Oil Corporation
Oil Search Limited
Origin Energy Limited
Santos Ltd
Tullow Oil PLC

Table 13 – Summary of CEO and Senior Executives' allocated, vested or lapsed equity

Name	Type of equity[1]	Grant date	Allocation date	Vesting date[2,3]	Awarded but not vested	Vested in 2019	% of total vested	Lapsed in 2019	Fair value of equity[4,5,7]
P Coleman	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	-	47,905	100	-	31.15
	Restricted Shares	16 December 2016	27 February 2017	27 February 2019	-	48,225	-	-	22.73
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	48,225	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	37,822	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	61,660	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	67,266	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	61,083	-	-	-	24.05
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	45,812	-	-	-	24.05
	RTSR Tested VPRs	1 January 2013	21 February 2014	6 March 2019	-	55	0.1	55,434	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	169,022[6]	90,764	53.7	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	155,402[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	106,067[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	104,797	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	67,266	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	45,812	-	-	-	16.65
M Abbott	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	-	4,788	100	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	5,339	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	4,721	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	10,145	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	11,068	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	7,400	-	-	-	24.05
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	8,073	-	-	-	24.05
	RTSR Tested VPRs	1 January 2013	21 February 2014	6 March 2019	-	2	0.1	2,385	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	7,269[6]	3,903	53.7	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	9,521[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,017[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	6,987	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	11,068	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	8,073	-	-	-	16.65
	WEP Equity Rights	1 October 2017	-	1 October 2020	1,161[6]	-	-	-	20.33
S Duhe	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	439	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	14,604	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	15,931	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	11,816	-	-	-	24.05
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	12,890	-	-	-	24.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	868	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	15,931	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	12,890	-	-	-	16.65
	SWEP Equity Rights	1 December 2017	-	1 December 2020	15,153[6]	-	-	-	21.26
R Edwardes[8]	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	-	10,507	100	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	9,658	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	6,727	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	17,167	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	18,727	-	-	-	24.71
	RTSR Tested VPRs	1 January 2013	21 February 2014	6 March 2019	-	6	0.1	6,987	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	21,292[6]	11,432	53.7	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	19,576[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	13,361[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	13,276	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	18,727	-	-	-	16.87

Name	Type of equity[1]	Grant date	Allocation date	Vesting date[2,3]	Awarded but not vested	Vested in 2019	% of total vested	Lapsed in 2019	Fair value of equity[4,5,7]
S Gregory	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	-	6,218	100	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	7,038	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	4,831	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	12,430	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	13,560	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	10,099	-	-	-	24.05
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	11,018	-	-	-	24.05
	RTSR Tested VPRs	1 January 2013	21 February 2014	6 March 2019	-	3	0.1	3,532	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	11,391[6]	6,116	53.7	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	10,472[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,148[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	7,150	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	13,560	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	11,018	-	-	-	16.65
	WEP Equity Rights	1 October 2017	-	1 October 2020	1,747[6]	-	-	-	20.33
R Matisons	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	-	5,541	100	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	5,583	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	3,712	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	10,948	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	11,943	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	8,333	-	-	-	24.05
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	9,091	-	-	-	24.05
	RTSR Tested VPRs	1 January 2013	21 February 2014	6 March 2019	-	3	0.1	3,663	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	11,666	6,263	53.7	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	10,797[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,368[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	7,327	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	11,943	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	9,091	-	-	-	16.65
	WEP Equity Rights	1 October 2017	-	1 October 2020	1,161[6]	-	-	-	20.33
M O'Neill	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	14,097	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	15,379	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	15,025	-	-	-	24.05
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	16,391	-	-	-	24.05
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	15,379	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	16,391	-	-	-	16.65
	Restricted Shares	1 May 2018	1 May 2018	1 May 2019	-	59,270	100	-	24.45
	Restricted Shares	1 May 2018	1 May 2018	1 May 2021	37,048	-	-	-	24.45
	Restricted Shares	1 May 2018	1 May 2018	1 May 2023	37,048	-	-	-	24.45

1. For valuation purposes all VPRs and equity rights are treated as if they will be equity settled.
2. Vesting date and exercise date are the same. Vesting is subject to satisfaction of vesting conditions. Full details of the vesting conditions for all prior year equity grants to KMP are included in the remuneration report for the relevant year. The minimum total value of the grants for future financial years is nil if relevant vesting conditions are not satisfied. An estimate of the maximum possible total value in future financial years is the fair value at grant date multiplied by the number of equity instruments awarded.
3. Any RTSR-tested VPRs allocated prior to 2017 that do not vest as a result of the first test will be re-tested over a five year performance period. RTSR-tested VPRs allocated in 2017 and performance rights will not be re-tested. The second test date for earlier VPR allocations is one year after the vesting date listed in the table.
4 In accordance with the requirements of AASB 2 Share-based Payment, the fair value of variable pay rights as at their date of grant has been determined by applying the Black-Scholes option pricing technique or binomial valuation method combined with a Monte Carlo simulation. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual executives may ultimately realise should these equity instruments vest.
5. The fair value of Rights and Restricted Shares as at their date of grant has been determined by reference to the share price at acquisition. The fair value is not related to or indicative of the benefit (if any) that individual executives may ultimately realise should these equity instruments vest.
6. The RTSR-tested VPRs allocated for the 2013, 2014, 2015 & 2016 performance years and the 2017 WEP allocations have been updated to include any adjustments made as part of the Retail Entitlement Offer.
7. Fair values for the 2018 EIS with a grant date of 13 February 2019 have been updated based on grant date fair value as disclosed in footnote 3 of Table 6. Fair values for the 2019 EIS with a grant date of 12 February 2020 have been estimated as disclosed in footnote 2 of Table 6.
8. Mr Edwardes ceased being an Executive KMP on 29 September 2019.

Table 14 - Total remuneration paid to NEDs in 2019 and 2018

The following table provides a detailed breakdown of the components of remuneration for each of the company's NEDs.

		Short-term	Post employment	
		Cash salary and fees	Pension / Superannuation	
Non Executive Director		Salaries, fees	Company contributions to Superannuation $	Total $
R Goyder[1]	2019	543,915	14,269	558,184
	2018	449,968	14,969	464,937
L Archibald	2019	243,256	-	243,256
	2018	216,076	-	216,076
M A Cilento[2]	2019	69,586	6,611	76,197
	2018	213,606	20,293	233,899
F C Cooper	2019	216,241	19,820	236,061
	2018	219,354	20,839	240,193
C Haynes	2019	250,868	-	250,868
	2018	216,076	-	216,076
I Macfarlane	2019	195,759	14,436	210,195
	2018	198,637	15,149	213,786
A D Pickard	2019	258,683	-	258,683
	2018	233,162	-	233,162
S Ryan	2019	195,005	17,802	212,807
	2018	197,329	18,747	216,076
G Tilbrook	2019	208,721	18,829	227,550
	2018	198,375	18,846	217,221

1. Mr Goyder was appointed Chairman on 20 April 2018.
2. Ms Cilento ceased being a director on 2 May 2019.

Table 15 - KMP share and equity holdings

Details of shares held by KMP including their personally related entities[1] for the 2019 financial year are as follows:

Name	Type of equity	Opening holding at 1 January 2019[2]	NEDSP[3]	Rights allocated in 2019	Rights vested in 2019	Restricted Shares granted	Net changes - other	Closing holding at 31 December 2019[4]
Non-executives Directors								
R Goyder	Shares	15,634	-	-	-	-	8,000	23,634
L Archibald	Shares	2,314	2,089	-	-	-	-	4,403
M Cilento	Shares	4,899	522	-	-	-	(5,421)	-
F Cooper	Shares	8,240	1,331	-	-	-	-	9,571
C Haynes	Shares	9,512	1,299	-	-	-	-	10,811
I Macfarlane	Shares	1,956	1,879	-	-	-	-	3,835
A Pickard	Shares	3,818	2,242	-	-	-	-	6,060
S Ryan	Shares	7,373	1,159	-	-	-	-	8,532
G Tilbrook	Shares	7,949	-	-	-	-	-	7,949
Executives								
P Coleman	Equity Rights	590,777	-	67,266	(90,819)	-	(55,434)	511,790
	Shares	466,347	-	-	90,819	128,926	(30,000)	656,092
M Abbott	Equity Rights	34,342	-	11,068	(3,905)	-	(2,385)	39,120
	Shares	23,084	-	-	3,905	21,213	(10,000)	38,202
S Duhe	Equity Rights	16,021	-	15,931	-	-	-	31,952
	Shares	439	-	-	-	30,535	-	30,974
R Edwardes[5]	Equity Rights	74,498	-	18,727	(11,438)	-	(81,787)	-
	Shares	63,074	-	-	11,438	35,894	(110,406)	-
S Gregory	Equity Rights	41,443	-	13,560	(6,119)	-	(3,532)	45,352
	Shares	27,780	-	-	6,119	25,990	(14,012)	45,877
R Matisons	Equity Rights	41,985	-	11,943	(6,266)	-	(3,663)	43,999
	Shares	35,700	-	-	6,266	22,891	(9,024)	55,833
M O'Neill	Equity Rights	-	-	15,379	-	-	-	15,379
	Shares	133,366	-	-	-	29,476	-	162,842

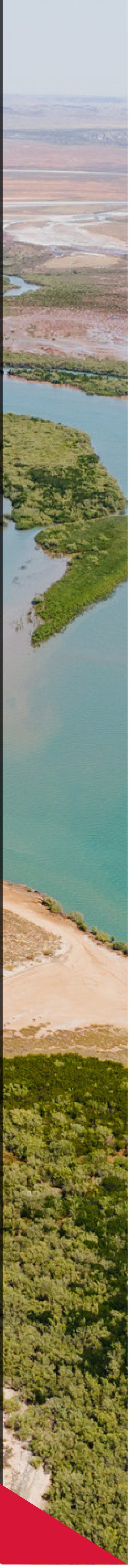
1. Personally related entities include a KMP's spouse, dependants or entities over which they have direct control or significant influence.
2. Opening holding represents amounts carried forward in respect of KMP.
3. Related to participation in the Non-executive Directors' Share Plan (NEDSP).
4. Closing equity rights holdings represents unvested options and rights held at the end of the reporting period. There are no options and rights vested but unexercised as at 31 December 2019.
5. Mr Edwardes ceased being Executive KMP 29 September 2019.

Glossary

Key terms used in the Remuneration Report

Term	Meaning
Committee	The Human Resources & Compensation Committee
Corporate Scorecard	A corporate scorecard of key measures that aligns with Woodside's overall business performance
EIP	The Executive Incentive Plan
EIS	The Executive Incentive Scheme
ER	Equity right. ERs are awarded under the WEP and SWEP and each one entitles participants to receive a fully paid share in Woodside on the vesting date (or a cash equivalent in the case of international assignees). No amount is payable by the Executive on the grant or vesting of an ER
Executive	A senior employee whom the Board has determined to be eligible to participate in the EIS
Executive Director	Peter Coleman
Executive KMP	The Executive Director and Senior Executives listed in Table 1a on page 57
KMP	Key management personnel
KPI	Key performance indicator
LTA	Long-term award
MSR	Minimum shareholding requirements
NED	Non-executive director
NEDSP	The Non-executive Director Share Plan
Performance Rights	Each Performance Right is a right to receive a fully paid ordinary share in Woodside (or, at the Board's discretion, as cash equivalent). No amount is payable by the Executive on the grant or vesting of a Performance Right
Restricted Shares	Woodside ordinary shares that are awarded to Executives as the deferred component of their STA or as a part of their VAR under the EIS. No amount is payable by the Executive on the grant or vesting of a Restricted Share
RTSR	Relative total shareholder return
Senior Executive	A Senior Executive listed as KMP in table 1a on page 57, excluding the Executive Director
STA	Short-term award
SWEP	The Supplementary Woodside Equity Plan
VAR	Variable Annual Reward
VPR	Variable Pay Right. Each VPR is a right to receive a fully paid ordinary share in Woodside (or, at the Board's discretion, as cash equivalent). No amount is payable by the Executive on the grant or vesting of a VPR
WEP	The Woodside Equity Plan

FINANCIAL STATEMENTS



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Significant changes in the current reporting period

The financial performance and position of the Group were particularly affected by the following events and transactions during the reporting period:

- On 25 August 2019, the Greater Enfield Project commenced production through the Ngujima-Yin FPSO. The assets' results for the period are included within the Australia Oil segment of Note A.1.
- The Group raised new debt including a $1,500 million Rule 144A/Regulation S senior unsecured bond and a $200 million medium term note, and increased the existing unsecured syndicated loan facility to $1,200 million. For more details, refer to Note C.2.
- The Group reactivated the Dividend Reinvestment Plan (DRP) for the 2019 interim dividend and issued 6,135,351 ordinary shares at a price of A$31.34 per share. For more details refer to Note C.3.
- The Group adopted AASB 16 *Leases* (AASB 16) on 1 January 2019. For more details, refer to Note D.7.
- The Group recognised impairment losses of $737 million relating to non-current assets held for sale and exploration and evaluation, refer to Notes A.1 and B.4.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2019

	Notes	2019 US$m	2018 US$m
Operating revenue	A.1	**4,873**	5,240
Cost of sales	A.1	**(2,727)**	(2,604)
Gross profit		**2,146**	2,636
Other income	A.1	**130**	43
Other expenses	A.1	**(1,185)**	(401)
Profit before tax and net finance costs		**1,091**	2,278
Finance income		**91**	33
Finance costs	A.2	**(320)**	(216)
Profit before tax		**862**	2,095
Petroleum resource rent tax (PRRT) benefit	A.5	**31**	52
Income tax expense	A.5	**(511)**	(680)
Profit after tax		**382**	1,467
Profit attributable to:			
Equity holders of the parent		**343**	1,364
Non-controlling interest	E.8	**39**	103
Profit for the period		**382**	1,467
Basic and diluted earnings per share attributable to equity holders of the parent (US cents)	A.4	**36.7**	148.1

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	2019 US$m	2018 US$m
Profit for the period	**382**	1,467
Other comprehensive income		
Items that may be reclassified to the income statement in subsequent periods:		
Gain on hedges	**2**	-
Tax effect on employee share plans	**-**	(4)
Items that will not be reclassified to the income statement in subsequent periods:		
Remeasurement gains on defined benefit plan	**2**	1
Other comprehensive income/(loss) for the period, net of tax	**4**	(3)
Total comprehensive income for the period	**386**	1,464
Total comprehensive income attributable to:		
Equity holders of the parent	**347**	1,361
Non-controlling interest	**39**	103
Total comprehensive income for the period	**386**	1,464

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	2019 US$m	2018 US$m
Current assets			
Cash and cash equivalents	C.1	**4,058**	1,674
Receivables	D.2	**343**	487
Inventories	D.3	**176**	155
Other financial assets	D.6	**28**	54
Other assets		**42**	31
Non-current assets held for sale		**-**	10
Total current assets		**4,647**	2,411
Non-current assets			
Receivables	D.2	**245**	208
Other financial assets	D.6	**35**	30
Other assets		**21**	17
Exploration and evaluation assets	B.2	**3,809**	4,180
Oil and gas properties	B.3	**18,298**	18,881
Other plant and equipment		**177**	182
Deferred tax assets	A.5	**1,173**	1,179
Lease assets	D.7	**948**	-
Total non-current assets		**24,706**	24,677
Total assets		**29,353**	27,088
Current liabilities			
Payables	D.4	**581**	586
Interest-bearing liabilities	C.2	**77**	79
Other financial liabilities	D.6	**12**	48
Other liabilities		**34**	43
Provisions	D.5	**272**	215
Tax payable	A.5	**86**	74
Lease liabilities	D.7	**69**	-
Total current liabilities		**1,131**	1,045
Non-current liabilities			
Interest-bearing liabilities	C.2	**5,602**	3,992
Deferred tax liabilities	A.5	**2,193**	2,062
Other financial liabilities	D.6	**15**	20
Other liabilities		**46**	64
Provisions	D.5	**1,856**	1,583
Lease liabilities	D.7	**1,101**	-
Total non-current liabilities		**10,813**	7,721
Total liabilities		**11,944**	8,766
Net assets		**17,409**	18,322
Equity			
Issued and fully paid shares	C.3	**9,010**	8,880
Shares reserved for employee share plans	C.3	**(39)**	(31)
Other reserves	C.4	**992**	985
Retained earnings		**6,654**	7,655
Equity attributable to equity holders of the parent		**16,617**	17,489
Non-controlling interest	E.8	**792**	833
Total equity		**17,409**	18,322

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	2019 US$m	2018 US$m
Cash flows from operating activities			
Profit after tax for the period		**382**	1,467
Adjustments for:			
Non-cash items			
Depreciation and amortisation		**1,617**	1,497
Depreciation of lease assets		**86**	-
Change in fair value of derivative financial instruments		**(1)**	(2)
Net finance costs		**229**	183
Tax expense		**480**	628
Exploration and evaluation written off		**46**	94
Impairment loss		**737**	39
Restoration movement		**77**	(16)
Other		**39**	25
Changes in assets and liabilities			
Decrease/(increase) in trade and other receivables		**118**	(96)
(Increase)/decrease in inventories		**(21)**	22
Increase/(decrease) in provisions		**33**	(14)
(Increase)/decrease in other assets and liabilities		**(48)**	45
Decrease in trade and other payables		**(11)**	(5)
Cash generated from operations		**3,763**	3,867
Purchases of shares and payments relating to employee share plans		**(66)**	(56)
Interest received		**85**	29
Dividends received		**5**	8
Borrowing costs relating to operating activities		**(157)**	(131)
Income tax paid		**(313)**	(414)
PRRT received		**-**	2
Payments for restoration		**(12)**	(9)
Net cash from operating activities		**3,305**	3,296
Cash flows used in investing activities			
Payments for capital and exploration expenditure		**(1,213)**	(1,334)
Proceeds from disposal of other plant and equipment		**-**	71
Proceeds from disposal of non-current assets held for sale		**12**	-
Borrowing costs relating to investing activities		**(37)**	(65)
Payments for acquisition of joint arrangements net of cash acquired	B.5	**-**	(444)
Net cash used in investing activities		**(1,238)**	(1,772)
Cash flows from/(used in) financing activities			
Proceeds from borrowings	C.2	**1,700**	-
Repayment of borrowings	C.2	**(84)**	(1,003)
Borrowing costs relating to financing activities		**(30)**	(47)
Repayment of lease liabilities		**(41)**	-
Borrowing costs relating to lease liabilities		**(89)**	-
Contributions to non-controlling interests		**(77)**	(149)
Dividends paid (outside of DRP)		**(852)**	(909)
Dividends paid (net of DRP)		**(210)**	-
Net proceeds from equity raising		**-**	1,949
Net cash from/(used in) financing activities		**317**	(159)
Net increase in cash held		**2,384**	1,365
Cash and cash equivalents at the beginning of the period		**1,674**	318
Effects of exchange rate changes		**-**	(9)
Cash and cash equivalents at the end of the period	C.1	**4,058**	1,674

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Notes	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.3	C.3	C.4	C.4	C.4			E.8	
		US$m	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**
At 31 December 2018 (as previously reported)		**8,880**	**(31)**	**206**	**793**	**(14)**	**7,655**	**17,489**	**833**	**18,322**
Adoption of AASB 16 (net of tax)	E.9	**-**	**-**	**-**	**-**	**-**	**(155)**	**(155)**	**-**	**(155)**
At 1 January 2019 (restated)		**8,880**	**(31)**	**206**	**793**	**(14)**	**7,500**	**17,334**	**833**	**18,167**
Profit for the period		**-**	**-**	**-**	**-**	**-**	**343**	**343**	**39**	**382**
Other comprehensive income		**-**	**-**	**2**	**-**	**2**	**-**	**4**	**-**	**4**
Total comprehensive income for the period		**-**	**-**	**2**	**-**	**2**	**343**	**347**	**39**	**386**
Dividend Reinvestment Plan		**130**	**-**	**-**	**-**	**-**	**-**	**130**	**-**	**130**
Employee share plan purchases		**-**	**(66)**	**-**	**-**	**-**	**-**	**(66)**	**-**	**(66)**
Employee share plan redemptions		**-**	**58**	**(58)**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments (net of tax)		**-**	**-**	**61**	**-**	**-**	**-**	**61**	**-**	**61**
Dividends paid		**-**	**-**	**-**	**-**	**-**	**(1,189)**	**(1,189)**	**(80)**	**(1,269)**
At 31 December 2019		**9,010**	**(39)**	**211**	**793**	**(12)**	**6,654**	**16,617**	**792**	**17,409**
At 1 January 2018		6,919	(35)	218	793	(14)	7,200	15,081	830	15,911
Profit for the period		-	-	-	-	-	1,364	1,364	103	1,467
Other comprehensive loss		-	-	(3)	-	-	-	(3)	-	(3)
Total comprehensive income/(loss) for the period		-	-	(3)	-	-	1,364	1,361	103	1,464
Shares issued		1,989	-	-	-	-	-	1,989	-	1,989
Share issue costs (net of tax)		(28)	-	-	-	-	-	(28)	-	(28)
Employee share plan purchases		-	(56)	-	-	-	-	(56)	-	(56)
Employee share plan redemptions		-	60	(60)	-	-	-	-	-	-
Share-based payments (net of tax)		-	-	51	-	-	-	51	-	51
Dividends paid		-	-	-	-	-	(909)	(909)	(100)	(1,009)
At 31 December 2018		8,880	(31)	206	793	(14)	7,655	17,489	833	18,322

The accompanying notes form part of the Financial Statements.

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 the principal activities of the Group are described in the Directors' Report and in the segment information in Note A.1.

The financial statements were authorised for issue in accordance with a resolution of the directors on 13 February 2020.

Statement of compliance

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AASBs) and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The accounting policies are consistent with those disclosed in the 2018 Financial Statements, except for the impact of all new or amended standards and interpretations. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies, with the exception of AASB 16 *Leases* (AASB 16) (refer to Note E.9(c)).

The Group early adopted AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform* (AASB 2019-3) which provides mandatory temporary relief allowing hedge accounting to continue under existing interest rate assumptions during the reform period (refer to Note E.9(d)).

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 these 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 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 financial statements comprise the financial results of the Group as at 31 December each year (refer to Note E.8).

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 financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits and losses arising from intra-group transactions, have been eliminated in full.

The consolidated financial statements provide comparative information in respect of the previous period. Where required, a reclassification of items in the financial statements of the previous period has been made in accordance with the classification of items in the financial statements of the current period.

Non-controlling interests are allocated their share of the net profit after tax in the consolidated income statement and 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.

Financial and capital risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework, including review and approval of the Group's risk management strategy, policy and key risk parameters. The Board of Directors and the Audit & Risk Committee have oversight of the Group's internal control system and risk management process, including oversight of the internal audit function.

The Group's management of financial and capital risks is aimed at ensuring that available capital, funding and cash flows are sufficient to:

- meet the Group's financial commitments as and when they fall due;
- maintain the capacity to fund its committed project developments;
- pay a reasonable dividend; and
- maintain a long-term credit rating of not less than 'investment grade'.

The Group monitors and tests its forecast financial position against these criteria and, in general, will undertake hedging activity only when necessary to ensure that these objectives are achieved.

Other circumstances that may lead to hedging activities include the management of exposures relating to trading activities, the purchase of reserves and the underpinning of the economics of a new project. It is, and has been throughout the period, the Group Treasury policy that no speculative trading in financial instruments shall be undertaken. Refer to the Risk section of Corporate on pages 38-41 for more information on the Group's objectives, policies and processes for managing financial risk.

The below risks arise in the normal course of the Group's business. Risk information can be found in the following sections:

Section A	Commodity price risk	Page 84
Section A	Foreign exchange risk	Page 84
Section C	Capital risk	Page 96
Section C	Liquidity risk	Page 96
Section C	Interest rate risk	Page 96
Section D	Credit risk	Page 100

Key estimates and judgements

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances known to management, and actual results may differ. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are found in the following notes:

In this section

This section addresses financial performance of the Group for the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made. The section also includes the tax position of the Group for and at the end of the reporting period.

Key financial and capital risks in this section

Commodity price risk management

The Group's revenue is exposed to commodity price fluctuations. Commodity price risks are measured by monitoring and stress testing the Group's forecast financial position to sustained periods of low oil and gas prices. This analysis is regularly performed on the Group's portfolio and as required, for discrete projects and acquisitions.

As at the reporting date, the Group had no financial instruments with material exposure to commodity price risk.

Foreign exchange risk management

Foreign exchange risk arises from future commitments, financial assets and financial liabilities that are not denominated in US dollars. The majority of the Group's revenue is denominated in US dollars. The Group is exposed to foreign currency risk arising from operating and capital expenditure incurred in currencies other than US dollars, particularly Australian dollars.

Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

A reasonably possible change in the exchange rate of the US dollar to the Australian dollar (+12%/-12% (2018: +12%/-12%)), with all other variables held constant, would not have a material impact on the Group's equity or the profit or loss in the current period. Refer to Notes C.1, C.2, D.2, D.4 and D.7 for detail of the denominations of cash and cash equivalents, interest-bearing liabilities, receivables, payables and lease liabilities held at 31 December 2019.

In order to hedge the foreign exchange risk and interest rate risk (refer to Section C) of a Swiss Franc (CHF) denominated medium term note, Woodside holds a number of cross-currency interest rate swaps (refer to Note C.2). The aim of this hedge is to convert the fixed interest CHF bond into variable interest US dollar debt.

A.1 Segment revenue and expenses

Operating segment information

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.

Management monitors the performance of the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. The performance of operating segments is evaluated based on profit before tax and net finance costs and is measured in accordance with the Group's accounting policies.

Financing requirements, including cash and debt balances, finance income, finance costs and taxes are managed at a Group level.

Operating segments outlined below are identified by management based on the nature and geographical location of the business or venture.

Producing

North West Shelf Project – Exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas, condensate and liquefied petroleum gas in assigned permit areas.

Pluto LNG – Exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas and condensate in assigned permit areas.

Australia Oil – Exploration, evaluation, development, production and sale of crude oil in assigned permit areas (North West Shelf, Greater Enfield and Vincent).

Wheatstone – Exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas and condensate in assigned permit areas.

Development

Development segments – This segment comprises exploration, evaluation and development of liquefied natural gas, crude oil and condensate in the Browse, Scarborough, Kitimat, Sunrise and Sangomar projects.

Other

Other segments – This segment comprises trading and shipping activities and activities undertaken in other international locations.

Unallocated items – Unallocated items comprise primarily corporate non-segmental items of revenue and expenses and associated assets and liabilities not allocated to operating segments as they are not considered part of the core operations of any segment.

Major customer information

The Group has three major customers which account for 16%, 15% and 11% of the Group's external revenue. The sales are generated by the Pluto, North West Shelf and Wheatstone operating segments (2018: two customers; 19% and 14% generated by Pluto and North West Shelf).

	Revenue from external customers[1]		Non-current assets[2]	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m
Oceania	**202**	286	**21,934**	21,324
Asia	**4,435**	4,739	**199**	192
Canada	**2**	5	**777**	1,408
Africa	**-**	-	**621**	558
Other	**234**	210	**2**	16
Consolidated	**4,873**	5,240	**23,533**	23,498

1. Revenue is attributable to geographic location based on the location of the customers.
2. Non-current assets exclude deferred tax of $1,173 million (2018: $1,179 million).

Recognition and measurement

Revenue from contracts with customers

Revenue is recognised when or as the Group transfers control of products or provides services to a customer at the amount to which the Group expects to be entitled. If the consideration includes a variable component, the expected consideration is adjusted for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

- Revenue from sale of produced hydrocarbons

  Revenue from the sale of produced hydrocarbons is recognised at a point in time when control of the product is transferred to the customer, which is typically on delivery.

  Revenue from take or pay contracts is recognised in earnings when the product has been drawn by the customer (transfer of control) and recorded as unearned revenue until drawn by the customer.

- Other operating revenue

  Revenue earned from LNG processing and other services is recognised over time as the services are rendered.

  Trading and other hydrocarbon revenue earned from sales of third party products is recognised at a point in time when control of the product is transferred to the customer, which is typically on delivery.

Expenses

- Royalties and excise duty
  Royalties and excise duty under existing regimes are considered to be production-based taxes and are therefore accrued on the basis of the Group's entitlement to physical production.
- Depreciation and amortisation
  Refer to Note B.3 for details on depreciation and amortisation.
- Impairment
  Refer to Note B.4 for details on impairment.
- Leases
  Refer to Note D.7 for details on leases.
- Employee benefits
  Refer to Note E.2 for details on employee benefits.

Key estimates and judgements

Revenue from contracts with customers

Judgement is required to determine the point at which the customer obtains control of hydrocarbons. Factors including transfer of legal title, transfer of significant risks and rewards of ownership and the existence of a present right to payment for the hydrocarbons typically result in control transferring on delivery of hydrocarbons at port of loading or port of discharge.

The transaction price at the date control passes for sales made subject to provisional pricing periods in oil and condensate contracts is determined with reference to quoted commodity prices. Judgement is used to determine if it is probable that a significant reversal will occur in relation to revenue recognised during provisional pricing periods in LNG contracts.

Progress of performance obligations for LNG processing services revenue recognised over time is measured using the output method which most accurately measures the progress towards satisfaction of the performance obligation of the services provided.

A.1 Segment revenue and expenses (cont.)

	Producing								Development		Other					
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other segments		Unallocated items		Consolidated	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m	**2019 US$m**	2018 US$m	**2019 US$m**	2018 US$m	**2019 US$m**	2018 US$m	**2019 US$m**	2018 US$m	**2019 US$m**	2018 US$m	**2019 US$m**	2018 US$m
Liquefied natural gas	**995**	1,061	**1,796**	2,280	**-**	-	**480**	420	**-**	-	**-**	-	**-**	-	**3,271**	3,761
Domestic gas	**69**	84	**4**	-	**-**	-	**10**	-	**2**	5	**-**	-	**-**	-	**85**	89
Condensate	**271**	327	**188**	230	**-**	-	**127**	94	**-**	-	**-**	-	**-**	-	**586**	651
Oil	**-**	-	**-**	-	**360**	301	**-**	-	**-**	-	**-**	-	**-**	-	**360**	301
Liquefied petroleum gas	**44**	25	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**44**	25
Revenue from sale of produced hydrocarbons	**1,379**	1,497	**1,988**	2,510	**360**	301	**617**	514	**2**	5	**-**	-	**-**	-	**4,346**	4,827
Processing and services revenue	**-**	-	**119**	202	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**119**	202
Trading revenue	**-**	-	**42**	71	**-**	-	**-**	-	**-**	-	**225**	139	**-**	-	**267**	210
Other hydrocarbon revenue	**-**	-	**81**	-	**-**	-	**60**	1	**-**	-	**-**	-	**-**	-	**141**	1
Other revenue	**-**	-	**242**	273	**-**	-	**60**	1	**-**	-	**225**	139	**-**	-	**527**	413
Operating revenue from contracts with customers	**1,379**	1,497	**2,230**	2,783	**360**	301	**677**	515	**2**	5	**225**	139	**-**	-	**4,873**	5,240
Production costs	**(132)**	(124)	**(225)**	(157)	**(87)**	(117)	**(62)**	(62)	**(2)**	(5)	**-**	-	**3**	-	**(505)**	(465)
Royalties and excise	**(187)**	(211)	**-**	-	**(6)**	(7)	**-**	-	**-**	-	**-**	-	**-**	-	**(193)**	(218)
Insurance	**(6)**	(7)	**(13)**	(14)	**(2)**	(3)	**(1)**	(1)	**-**	-	**-**	-	**5**	(11)	**(17)**	(36)
Inventory movement	**(1)**	-	**6**	(9)	**23**	(12)	**1**	(3)	**-**	-	**-**	-	**-**	-	**29**	(24)
Costs of production	**(326)**	(342)	**(232)**	(180)	**(72)**	(139)	**(62)**	(66)	**(2)**	(5)	**-**	-	**8**	(11)	**(686)**	(743)
Land and buildings	**(4)**	(5)	**(24)**	(24)	**-**	-	**(29)**	(28)	**-**	-	**-**	-	**-**	-	**(57)**	(57)
Transferred exploration and evaluation	**(17)**	(13)	**(36)**	(44)	**(22)**	(1)	**(26)**	(16)	**-**	-	**-**	-	**-**	-	**(101)**	(74)
Plant and equipment	**(243)**	(247)	**(755)**	(803)	**(148)**	(53)	**(266)**	(190)	**-**	-	**-**	-	**-**	-	**(1,412)**	(1,293)
Marine vessels and carriers	**(4)**	(7)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(4)**	(7)
Oil and gas properties depreciation and amortisation	**(268)**	(272)	**(815)**	(871)	**(170)**	(54)	**(321)**	(234)	**-**	-	**-**	-	**-**	-	**(1,574)**	(1,431)
Shipping and direct sales costs	**(56)**	(42)	**(44)**	(110)	**-**	-	**(36)**	(33)	**-**	-	**26**	(22)	**-**	-	**(110)**	(207)
Trading costs[1]	**(27)**	(15)	**(98)**	(76)	**-**	-	**(4)**	(1)	**-**	-	**(120)**	(130)	**-**	-	**(249)**	(222)
Other hydrocarbon costs	**-**	-	**(48)**	-	**-**	-	**(60)**	(1)	**-**	-	**-**	-	**-**	-	**(108)**	(1)
Other cost of sales	**(83)**	(57)	**(190)**	(186)	**-**	-	**(100)**	(35)	**-**	-	**(94)**	(152)	**-**	-	**(467)**	(430)
Cost of sales	**(677)**	(671)	**(1,237)**	(1,237)	**(242)**	(193)	**(483)**	(335)	**(2)**	(5)	**(94)**	(152)	**8**	(11)	**(2,727)**	(2,604)
Gross profit	**702**	826	**993**	1,546	**118**	108	**194**	180	**-**	-	**131**	(13)	**8**	(11)	**2,146**	2,636
Other income[2]	**14**	18	**(2)**	10	**7**	(4)	**105**	14	**2**	-	**-**	2	**4**	3	**130**	43
Exploration and evaluation expenditure	**(4)**	(3)	**(2)**	(6)	**(3)**	(2)	**(1)**	(1)	**(4)**	-	**(89)**	(121)	**-**	-	**(103)**	(133)
Amortisation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(15)**	(46)	**-**	-	**(15)**	(46)
Write-offs	**(4)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(42)**	(94)	**-**	-	**(46)**	(94)
Exploration and evaluation	**(8)**	(3)	**(2)**	(6)	**(3)**	(2)	**(1)**	(1)	**(4)**	-	**(146)**	(261)	**-**	-	**(164)**	(273)
General, administrative and other costs	**7**	(4)	**-**	(16)	**(8)**	(1)	**-**	-	**(1)**	-	**3**	(4)	**(81)**	(78)	**(80)**	(103)
Depreciation of other plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(1)	**(28)**	(19)	**(28)**	(20)
Depreciation of lease assets	**-**	-	**(26)**	-	**-**	-	**-**	-	**-**	-	**(31)**	-	**(29)**	-	**(86)**	-
Restoration movement	**3**	1	**-**	-	**(80)**	15	**-**	-	**-**	-	**-**	-	**-**	-	**(77)**	16
Impairment losses[3]	**(17)**	(39)	**-**	-	**-**	-	**-**	-	**(720)**	-	**-**	-	**-**	-	**(737)**	(39)
Other[4]	**(2)**	1	**-**	(2)	**1**	1	**-**	(1)	**(5)**	4	**-**	2	**(7)**	13	**(13)**	18
Other costs	**(9)**	(41)	**(26)**	(18)	**(87)**	15	**-**	(1)	**(726)**	4	**(28)**	(3)	**(145)**	(84)	**(1,021)**	(128)
Other expenses	**(17)**	(44)	**(28)**	(24)	**(90)**	13	**(1)**	(2)	**(730)**	4	**(174)**	(264)	**(145)**	(84)	**(1,185)**	(401)
Profit/(loss) before tax and net finance costs	**699**	800	**963**	1,532	**35**	117	**298**	192	**(728)**	4	**(43)**	(275)	**(133)**	(92)	**1,091**	2,278

1. Trading costs includes trading intersegment adjustments which eliminate to nil in the Group's consolidated results.
2. Other income includes an $81 million periodic adjustment reflecting the arrangements governing Wheatstone LNG sales (2018: nil). Refer to Note D.6 for further details.
3. Impairment losses represents charges on non-current assets held for sale of $17 million and exploration and evaluation of $720 million. Refer to Note B.4 for further details.
4. Other comprises foreign exchange gains and losses and other expenses not associated with the ongoing operations of the business.

A.2 Finance costs

	2019 US$m	2018 US$m
Interest on interest-bearing liabilities	**215**	207
Interest on lease liabilities	**89**	-
Accretion charge	**40**	42
Other finance costs	**17**	27
Less: Finance costs capitalised against qualifying assets	**(41)**	(60)
	320	216

A.3 Dividends paid and proposed

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

	2019 US$m	2018 US$m
(a) Dividends paid during the financial year		
Prior year fully franked final dividend US$0.91, paid on 20 March 2019 (2018: US$0.49, paid on 22 March 2018)	**852**	413
Current year fully franked interim dividend US$0.36, paid on 20 September 2019 (2018: US$0.53, paid on 20 September 2018)	**337**	496
	1,189	909
(b) Dividend declared subsequent to the reporting period (not recorded as a liability)		
Final dividend US$0.55 (2018: US$0.91)	**518**	852
(c) Other information		
Franking credits available for subsequent periods	**1,565**	1,634
Current year dividends per share (US cents)	**91**	144

The dividend reinvestment plan (DRP) was approved by the shareholders at the Annual General Meeting in 2003 for activation as required to fund future growth. The DRP was reactivated for the 2019 interim and final dividend.

A.4 Earnings per share

	2019	2018
Profit attributable to equity holders of the parent (US$m)	**343**	1,364
Weighted average number of shares on issue	**935,833,092**	921,165,018
Basic and diluted earnings per share (US cents)	**36.7**	148.1

Earnings per share is calculated by dividing net profit for the year 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.

Performance rights of 10,501,088 (2018: 9,702,925) are considered to be contingently issuable and have not been allowed for in the diluted earnings per share calculation.

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

A.5 Taxes

	2019 US$m	2018 US$m
(a) Tax expense comprises		
PRRT		
Current tax benefit	**-**	(3)
Deferred tax benefit	**(31)**	(49)
PRRT benefit	**(31)**	(52)
Income tax		
Current year		
Current tax expense	**325**	426
Deferred tax expense	**184**	259
Adjustment to prior years		
Deferred tax expense/(benefit)	**2**	(5)
Income tax expense	**511**	680
Tax expense	**480**	628
(b) Reconciliation of income tax expense		
Profit before tax	**862**	2,095
PRRT benefit	**31**	52
Profit before income tax	**893**	2,147
Income tax expense calculated at 30%	**268**	644
Non-deductible items	**-**	(1)
Foreign expenditure not brought to account	**242**	51
Adjustment to prior years	**2**	(5)
Foreign exchange impact on tax expense	**(1)**	(9)
Income tax expense	**511**	680
(c) Reconciliation of PRRT benefit		
Profit before tax	**862**	2,095
Non-PRRT assessable profits	**(528)**	(1,785)
PRRT projects profit before tax	**334**	310
PRRT benefit calculated at 40%	**134**	124
Augmentation	**(168)**	(190)
Other	**3**	14
PRRT benefit	**(31)**	(52)
(d) Deferred tax income statement reconciliation		
PRRT		
Production and growth assets	**190**	189
Augmentation for current year	**(168)**	(190)
Provisions	**(52)**	(23)
Other	**(1)**	(25)
PRRT benefit	**(31)**	(49)
Income tax		
Oil and gas properties	**94**	97
Exploration and evaluation assets	**92**	65
Provisions	**(97)**	(8)
PRRT liabilities	**6**	15
Lease assets and liabilities	**(23)**	-
Unused tax losses and tax credits	**73**	96
Other	**23**	(19)
Income tax deferred tax expense	**168**	246
Deferred tax expense	**137**	197
(e) Deferred tax balance sheet reconciliation		
Deferred tax assets		
PRRT		
Production and growth assets	**989**	987
Augmentation for current year	**145**	174
Provisions	**37**	21
Other	**2**	(3)
	1,173	1,179

A.5 Taxes (cont.)

	2019 US$m	2018 US$m
(e) Deferred tax balance sheet reconciliation (cont.)		
Deferred tax liabilities		
PRRT		
Production and growth assets	**525**	523
Augmentation for current year	**(23)**	(16)
Provisions	**(191)**	(155)
Other	**(3)**	(7)
Income tax		
Oil and gas properties	**1,827**	1,733
Exploration and evaluation assets	**465**	373
Lease assets and liabilities	**(23)**	-
Provisions	**(590)**	(493)
PRRT liabilities	**257**	251
Unused tax losses and tax credits	**-**	(73)
Other[1]	**(51)**	(74)
	2,193	2,062
(f) Tax payable reconciliation		
Income tax payable	**86**	74
	86	74
(g) Effective income tax rate: Australian and global operations		
Effective income tax rate[2]		
Australia	**29.3%**	29.4%
Global	**57.2%**	31.7%
(h) Current year income tax expense reconciliation		
Profit before income tax	**893**	2,147
Income tax at the statutory tax rate of 30%	**268**	644
Non-temporary differences[3,4]	**242**	49
Temporary differences: deferred tax[4]	**(184)**	(258)
Current year income tax expense	**326**	435

1. No movement recognised in other comprehensive income (2018: $4 million).
2. The global operations effective income tax rate (ETR) is calculated as the Group's income tax expense divided by profit before income tax. The Australian operations ETR is calculated with reference to all Australian companies and excludes foreign exchange impact on tax expense.
3. Primarily expenditure in respect of foreign operations. Excludes foreign exchange impact on tax expense.
4. Excludes adjustment to prior years.

Tax transparency code

Woodside participates in the Australian Board of Taxation's voluntary Tax Transparency Code (TTC). To increase public confidence in the contributions and compliance of corporate taxpayers, the TTC recommends public disclosure of tax information. Woodside has addressed the recommended disclosures in two parts. The Part A disclosures are addressed within this Taxes note; the Part B disclosures are addressed in our Sustainable Development Report.

Recognition and measurement

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised. The tax rates and laws used to determine the amount are based on those that have been enacted or substantially enacted by the end of the reporting period. Income taxes relating to items recognised directly in equity are recognised in equity.

Current taxes

Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred taxes

Deferred tax expense is the movements in the temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

With the exception of those noted below, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, unused tax losses and tax credits only if it is probable that sufficient future taxable income will be available to utilise those temporary differences and losses.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither accounting profit nor the taxable profit.

In relation to PRRT, the impact of future augmentation on expenditure is included in the determination of future taxable profits when assessing the extent to which a deferred tax asset can be recognised in the statement of financial position.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that the Group intends to settle its current tax assets and liabilities on a net basis. Refer to Notes E.8 and E.9 for detail on the tax consolidated group.

Key estimates and judgements

(a) Income tax classification

Judgement is required when determining whether a particular tax is an income tax or another type of tax. Accounting for deferred tax is applied to income taxes as described above, but is not applied to other types of taxes, e.g. North West Shelf royalties and excise. Such taxes are recognised in the income statement on an appropriate basis. PRRT is considered, for accounting purposes, to be an income tax.

(b) Deferred tax asset recognition

Australian tax losses: A deferred tax asset of nil (2018: $73 million) has been recognised from carry forward unused tax losses and credits. The Group has determined that it is probable that sufficient future taxable income will be available to utilise those losses and credits.

Foreign tax losses: Deferred tax assets of $471 million (2018: $399 million) relating to unused foreign tax losses have not been recognised on the basis that it is not probable that the assets will be utilised based on current planned activities in those regions.

PRRT: Certain deferred tax assets on deductible temporary differences have not been recognised on the basis that deductions from future augmentation of the deductible temporary difference will be sufficient to offset future taxable profit. $3,831 million (2018: $3,792 million) relates to the North West Shelf Project, $654 million (2018: $589 million) relates to the quarantined exploration spend of Pluto LNG and $856 million (2018: $767 million) relates to Wheatstone. Future taxable profits were determined using a long-term bond rate of 1.3% (2018: 2.8%) for the purposes of augmentation.

Had an alternative approach been used to assess recovery of the deferred tax assets, whereby future augmentation was not included in the assessment, the additional deferred tax assets would be recognised, with a corresponding benefit to income tax expense. It was determined that the approach adopted provides the most meaningful information on the implications of the PRRT regime, whilst ensuring compliance with AASB 112 *Income Taxes*.

In this section

This section addresses the strategic growth (exploration and evaluation) and core producing (oil and gas properties) assets position of the Group at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made. The section also includes the impairment position of the Group at the end of the reporting period.

B.1 Segment production and growth assets

	Producing								Development		Other			
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other		Consolidated	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Balance as at 31 December														
Oceania	**19**	16	**429**	464	**21**	21	**2**	18	**1,624**	1,324	**148**	159	**2,243**	2,002
Asia	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**199**	192	**199**	192
Canada	**-**	-	**-**	-	**-**	-	**-**	-	**742**	1,408	**-**	-	**742**	1,408
Africa	**-**	-	**-**	-	**-**	-	**-**	-	**607**	563	**16**	-	**623**	563
Other	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2**	15	**2**	15
Total exploration and evaluation	**19**	16	**429**	464	**21**	21	**2**	18	**2,973**	3,295	**365**	366	**3,809**	4,180
Balance as at 31 December														
Land and buildings	**15**	19	**388**	412	**-**	-	**664**	668	**-**	-	**1**	1	**1,068**	1,100
Transferred exploration and evaluation	**89**	106	**258**	289	**189**	11	**193**	219	**-**	-	**-**	-	**729**	625
Plant and equipment	**2,123**	2,262	**8,891**	9,428	**1,509**	339	**3,287**	3,428	**-**	-	**3**	3	**15,813**	15,460
Marine vessels and carriers	**36**	59	**-**	-	**-**	-	**-**	7	**-**	-	**-**	-	**36**	66
Projects in development	**113**	73	**321**	166	**7**	1,172	**210**	219	**-**	-	**1**	-	**652**	1,630
Total oil and gas properties	**2,376**	2,519	**9,858**	10,295	**1,705**	1,522	**4,354**	4,541	**-**	-	**5**	4	**18,298**	18,881
Balance as at 31 December														
Land and buildings	**-**	-	**20**	-	**-**	-	**-**	-	**34**	-	**342**	-	**396**	-
Marine vessels and carriers	**-**	-	**177**	-	**-**	-	**-**	-	**-**	-	**375**	-	**552**	-
Total lease assets	**-**	-	**197**	-	**-**	-	**-**	-	**34**	-	**717**	-	**948**	-
Additions to exploration and evaluation:														
Exploration	**4**	-	**3**	58	**-**	-	**2**	-	**-**	-	**49**	99	**58**	157
Evaluation	**3**	-	**9**	9	**-**	-	**14**	11	**383**	580	**7**	40	**416**	640
Restoration	**-**	-	**3**	(1)	**-**	-	**-**	-	**2**	(2)	**-**	-	**5**	(3)
	7	-	**15**	66	**-**	-	**16**	11	**385**	578	**56**	139	**479**	794
Additions to oil and gas properties:														
Oil and gas properties additions	**81**	129	**297**	110	**257**	483	**90**	144	**-**	-	**1**	-	**726**	866
Capitalised borrowing costs additions[1]	**-**	7	**5**	-	**34**	28	**2**	21	**-**	-	**-**	-	**41**	56
Restoration	**65**	(35)	**42**	(1)	**62**	76	**17**	(3)	**-**	-	**-**	-	**186**	37
	146	101	**344**	109	**353**	587	**109**	162	**-**	-	**1**	-	**953**	959
Additions to lease assets:														
Land and buildings	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1**	-	**1**	-
Marine vessels and carriers	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**12**	-	**12**	-
	-	-	**-**	-	**-**	-	**-**	-	**-**	-	**13**	-	**13**	-

1. Borrowing costs capitalised were at a weighted average interest rate of 4.2% (2018: 4.4%).

Refer to Note A.1 for descriptions of the Group's segments and geographical regions.

B.2 Exploration and evaluation

	Oceania US$m	Asia US$m	Canada US$m	Africa US$m	Other US$m	Total US$m
Year ended 31 December 2019						
Carrying amount at 1 January 2019	**2,002**	**192**	**1,408**	**563**	**15**	**4,180**
Additions	**325**	**11**	**54**	**60**	**29**	**479**
Amortisation of licence acquisition costs	**(11)**	**(4)**	**-**	**-**	**-**	**(15)**
Expensed[1]	**(4)**	**-**	**-**	**-**	**(42)**	**(46)**
Impairment loss	**-**	**-**	**(720)**	**-**	**-**	**(720)**
Transferred exploration and evaluation	**(69)**	**-**	**-**	**-**	**-**	**(69)**
Carrying amount at 31 December 2019	**2,243**	**199**	**742**	**623**	**2**	**3,809**
Year ended 31 December 2018						
Carrying amount at 1 January 2018	1,447	133	1,348	598	4	3,530
Additions	570	76	60	74	14	794
Amortisation of licence acquisition costs	(11)	(4)	-	(28)	(3)	(46)
Expensed[1]	-	(13)	-	(81)	-	(94)
Transferred exploration and evaluation	(4)	-	-	-	-	(4)
Carrying amount at 31 December 2018	2,002	192	1,408	563	15	4,180
Exploration commitments						
Year ended 31 December 2019	**13**	**32**	**-**	**44**	**15**	**104**
Year ended 31 December 2018	33	35	-	3	36	107

1. $46 million of exploration and evaluation expensed relates to unsuccessful wells written off during the period (2018: $94 million).

Recognition and measurement

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. The Group's application of the accounting policy for the cost of exploring and evaluating discoveries is closely aligned to the US GAAP-based successful efforts method.

Areas of interest are based on a geographical area for which the rights of tenure are current. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and new venture activity costs, is expensed as incurred except for the following:

- where the expenditure relates to an exploration discovery where an assessment of the existence or otherwise of economically recoverable hydrocarbons is not yet complete; or
- where the expenditure is expected to be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of acquiring interests in new exploration and evaluation licences are capitalised. The costs of drilling exploration wells are initially capitalised pending the results of the well.

Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons and the recognition of an area of interest.

Subsequent to the recognition of an area of interest, all further evaluation costs relating to that area of interest are capitalised.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil and gas properties.

In the statement of cash flows, those cash flows associated with capitalised exploration and evaluation expenditure, including unsuccessful wells, are classified as cash flows used in investing activities.

Exploration commitments

The Group has exploration expenditure obligations which are contracted for, but not provided for in the financial statements. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of the Group's operations.

Impairment

Refer to Note B.4 for details on impairment, including any write-offs.

Key estimates and judgements

Area of interest

An area of interest (AOI) is defined by the Group as an individual geographical area whereby the presence of hydrocarbons is considered favourable or proved to exist. The Group has established criteria to recognise and maintain an AOI. There is separate guidance for conventional and unconventional AOIs.

B.3 Oil and gas properties

	Land and buildings US$m	Transferred exploration and evaluation US$m	Plant and equipment US$m	Marine vessels and carriers US$m	Projects in development US$m	Total US$m
Year ended 31 December 2019						
Carrying amount at 1 January 2019	**1,100**	**625**	**15,460**	**66**	**1,630**	**18,881**
Additions	**-**	**-**	**122**	**-**	**831**	**953**
Disposals at written down value	**-**	**-**	**(3)**	**(13)**	**(2)**	**(18)**
Depreciation and amortisation	**(57)**	**(101)**	**(1,412)**	**(4)**	**-**	**(1,574)**
Impairment loss	**-**	**-**	**-**	**(17)**	**-**	**(17)**
Completions and transfers	**25**	**205**	**1,646**	**4**	**(1,807)**	**73**
Carrying amount at 31 December 2019	**1,068**	**729**	**15,813**	**36**	**652**	**18,298**
At 31 December 2019						
Historical cost	**1,722**	**1,348**	**30,928**	**184**	**710**	**34,892**
Accumulated depreciation and impairment	**(654)**	**(619)**	**(15,115)**	**(148)**	**(58)**	**(16,594)**
Net carrying amount	**1,068**	**729**	**15,813**	**36**	**652**	**18,298**
Year ended 31 December 2018						
Carrying amount at 1 January 2018	1,122	649	16,087	122	1,418	19,398
Additions	-	-	(56)	-	1,015	959
Depreciation and amortisation	(57)	(74)	(1,293)	(7)	-	(1,431)
Impairment loss	-	-	-	(39)	-	(39)
Completions and transfers	35	50	722	(10)	(803)	(6)
Carrying amount at 31 December 2018	1,100	625	15,460	66	1,630	18,881
At 31 December 2018						
Historical cost	1,694	1,143	29,167	306	1,701	34,011
Accumulated depreciation and impairment	(594)	(518)	(13,707)	(240)	(71)	(15,130)
Net carrying amount	1,100	625	15,460	66	1,630	18,881

Recognition and measurement

Oil and gas properties are stated at cost less accumulated depreciation and impairment charges. Oil and gas properties include the costs to acquire, construct, install or complete production and infrastructure facilities such as pipelines and platforms, capitalised borrowing costs, transferred exploration and evaluation assets, development wells and the estimated cost of dismantling and restoration.

Subsequent capital costs, including major maintenance, are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured.

Depreciation and amortisation

Oil and gas properties and other plant and equipment are depreciated to their estimated residual values at rates based on their expected useful lives.

Transferred exploration and evaluation and offshore plant and equipment are depreciated using the unit of production basis over proved plus probable reserves or proved reserves for late life assets. Onshore plant and equipment is depreciated using a straight-line basis over the lesser of useful life and the life of proved plus probable reserves. On a straight-line basis the assets have an estimated useful life of 5-50 years.

All other items of oil and gas properties are depreciated using the straight-line method over their useful life. They are depreciated as follows:

- Buildings – 24-40 years;
- Marine vessels and carriers – 10-40 years;
- Other plant and equipment – 5-15 years; and
- Land is not depreciated.

Impairment

Refer to Note B.4 for details on impairment.

Capital commitments

The Group has capital expenditure commitments contracted for, but not provided for in the financial statements, of $865 million (2018: $331 million).

Key estimates and judgements

(a) Reserves

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries.

Estimates of oil and natural gas reserves are used to calculate depreciation and amortisation charges for the Group's oil and gas properties. Judgement is used in determining the reserve base applied to each asset. Typically, late life oil assets use proved reserves.

Estimates are reviewed at least annually or when there are changes in the economic circumstances impacting specific assets or asset groups. These changes may impact depreciation, asset carrying values, restoration provisions and deferred tax balances. If proved reserves estimates are revised downwards, earnings could be affected by higher depreciation expense or an immediate write-down of the asset's carrying value.

For more information regarding reserve assumptions, refer to the reserves and resources statement on pages 44-47 of the Annual Report.

(b) Depreciation and amortisation

Judgement is required in determining the commencement of depreciation and amortisation for an asset which is applied at the point that the project is ready for start up.

B.4 Impairment of exploration and evaluation and oil and gas properties

Exploration and evaluation recognition and measurement

Impairment testing

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective AOI.

Each AOI is reviewed half-yearly to determine whether economic quantities of hydrocarbons have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. Where a potential impairment is indicated for an AOI, an assessment is performed using a fair value less costs to dispose (FVLCD) method to determine its recoverable amount.

Impairment calculations

The recoverable amount of exploration and evaluation assets are determined using FVLCD. Costs to dispose are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

If the carrying amount of an AOI exceeds its recoverable amount, the AOI is written down to its recoverable amount and an impairment loss is recognised in the income statement.

For assets previously impaired, if the recoverable amount exceeds the carrying amount, the impairment loss is reversed, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Recognised impairment

The Group assessed each AOI to determine whether an indicator of impairment existed. Impairment losses are recognised in other expenses. Refer to Note A.1.

On 10 December 2019, the operator of the Kitimat LNG project announced its decision to exit the project. On 31 January 2020, the operator of the Kitimat LNG project announced an impairment of their interest in the asset. This was considered to be an indicator of impairment and the recoverable amount of the Kitimat AOI was calculated.

The results are as follows:

	Impairment loss US$m		Recoverable Amount US$m	
	2019	2018	**2019**	2018
Kitimat LNG	**720**	-	**742**	-

The impairment loss of $720 million has been recognised in the development segment of Note A.1.

Sensitivity analysis

It is estimated that changes in the key assumptions would result in a higher or lower carrying value as follows:

	Kitimat US$m
Discount rate: increase 1%	**(742)**
Discount rate: decrease 1%	**720**
Long-term oil price[1]: increase of 5% (real)	**701**
Long-term oil price[1]: decrease of 5% (real)	**(701)**

1. Long-term oil price based on US$72.50/bbl (2020 real terms) from 2025 and prices are escalated at 2.0% onwards.

Key estimates and judgements

Exploration and evaluation write-offs key assumptions

This assessment requires management to make certain estimates and apply judgement in determining assumptions as to future events and circumstances; in particular the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Exploration and evaluation impairment key assumptions

The FVLCD for the Kitimat LNG AOI was determined as the present value of the estimated future cash flows (expressed in real terms) expected to arise from the development and use of the asset using assumptions that an independent market participant would take into account. These cash flows were discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Kitimat LNG AOI.

The FVLCD is classified as Level 3 on the fair value hierarchy and has been determined based on the following key assumptions:

- Resource estimates - 50% of contingent resources (2C) included as disclosed in the reserves and resources statement on page 44 - 47.
- Inflation rate – an inflation rate of 2.0% has been applied.
- Discount rate – a post-tax discount rate of 10.5% has been applied. The discount rate reflects an assessment of the risks specific to the asset.
- An estimated cost of supply on produced and third-party gas.
- An evaluation of climate risk impacts.
- Oil price – derived from long-term views of global supply and demand, building upon past experience of the industry and consistent with external sources. Prices are adjusted for premiums and discounts based on the nature and quality of the product. The nominal Brent oil prices (US$/bbl) used were:

	2020	2021	2022	2023	2024	2025
2019	63	63	68	72	76	80[1]

1. Based on US$72.50/bbl (2020 real terms) from 2025 and prices are escalated at 2.0% onwards.

B.4 Impairment of exploration and evaluation and oil and gas properties (cont.)

Oil and gas properties recognition and measurement

Impairment testing

The carrying amounts of oil and gas properties are assessed half-yearly to determine whether there is an indication of impairment or impairment reversal for those assets which have previously been impaired. Indicators of impairment and impairment reversals include changes in future selling prices, future costs and reserves.

Oil and gas properties are assessed for impairment indicators and impairments on a cash-generating unit (CGU) basis. CGUs are determined as an FPSO and associated oil fields for an oil asset, and an LNG plant, offshore infrastructure and associated gas fields for a gas asset.

If there is an indicator of impairment or impairment reversal for a CGU then the recoverable amount is calculated.

Impairment calculations

The recoverable amount of an asset or CGU is determined as the higher of its value in use and fair value less costs of disposal. Value in use is determined by estimating future cash flows after taking into account the risks specific to the asset and discounting it to its present value using an appropriate discount rate.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is written down and an impairment loss is recognised in the income statement.

For assets previously impaired, if the recoverable amount exceeds the carrying amount, the impairment loss is reversed. The carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Recognised impairment and impairment reversal

The Group assessed each CGU to determine whether an indicator of impairment or impairment reversal existed. All impairment losses and reversals are recognised in other expenses. Refer to Note A.1.

In 2019, the sale of two LNG vessels in the North West Shelf operating segment resulted in an impairment loss of $17 million as the assets' carrying value exceeded the fair value less costs of disposal (2018: $39 million). The fair value less costs of disposal was determined using sale agreements, classified as Level 3 on the fair value hierarchy.

Key estimates and judgements

Impairment and impairment reversal indicator modelling key assumptions

In determining whether there is an indicator of impairment or impairment reversal, in the absence of quoted market prices, estimates are made regarding the present value of future cash flows for each CGU. These estimates require significant management judgement and are subject to risk and uncertainty, and hence changes in economic conditions can also affect the assumptions used and the rates used to discount future cash flow estimates. The present value of future cash flows for each CGU was estimated using the assumptions set out below:

- Inflation rate – an inflation rate of 2.0% has been applied (2018: 2.0%).
- Foreign exchange rate – a rate of $0.75 US$:AU$ (2018: $0.78) is based on management's view of long-term exchange rates.
- Discount rate – a range of post-tax discount rates have been applied between 7.5% and 9.0% (2018: 7.5% and 9.0%).
- An evaluation of climate risk impacts.
- LNG price – the majority of LNG sales contracts are linked to an oil price marker, accordingly the LNG prices used are consistent with oil price assumptions.
- Oil price – derived from long-term views of global supply and demand, building upon past experience of the industry and consistent with external sources. Prices are adjusted for premiums and discounts based on the nature and quality of the product. The nominal Brent oil prices (US$/bbl) used were:

	2020	2021	2022	2023	2024	2025
2019	63	63	68	72	76	80[1]
2018	68	71	75	78	82	83

1. Based on US$72.50/bbl (2020 real terms) from 2025 and prices are escalated at 2.0% onwards.

As the Wheatstone CGU was previously the subject of an impairment in 2015, its carrying value is sensitive to changes in future oil price assumptions. The effects of changes to the long-term oil price on Wheatstone's carrying value are estimated as follows:

Change in assumption	US$m
Long-term oil price[1]: increase of 5% (real)	204
Long-term oil price[1]: decrease of 5% (real)	(204)

1. Long-term oil price based on US$72.50/bbl (2020 real terms) from 2025 and prices are escalated at 2.0% onwards.

B.5 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 Scarborough gas field, for an aggregate purchase price of $444 million. The transaction was accounted for as an asset acquisition. An additional $300 million payment to ExxonMobil is contingent on a positive final investment decision to develop the Scarborough field. In conjunction with the transaction, Woodside granted BHP an option to purchase an additional 10% interest in the Scarborough gas field on equivalent consideration terms to the transaction with ExxonMobil. The option was not exercised by BHP and expired on 31 December 2019.

In addition to the contingent payment above, a $150 million payment to BHP is 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:

	Scarborough 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 $0.5 million.

In this section

This section addresses cash, debt and the capital position of the Group at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made.

Key financial and capital risks in this section

Capital risk management

Capital management is undertaken to ensure that a secure, cost-effective and flexible supply of funds is available to meet the Group's operating and capital expenditure requirements. A stable capital base is maintained from which the Group can pursue its growth aspirations, whilst maintaining a flexible capital structure that allows access to a range of debt and equity markets to both draw upon and repay capital.

The Dividend Reinvestment Plan (DRP) was approved by shareholders at the Annual General Meeting in 2003 for activation as required to fund future growth. The DRP was reactivated for the 2019 interim dividend.

A range of financial metrics are monitored, including gearing and cash flow leverage, and Treasury policy breaches and exceptions.

Liquidity risk management

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay financial liabilities as and when they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet its financial commitments in a timely and cost-effective manner.

The Group's liquidity position is continually reviewed, including cash flow forecasts, to determine the forecast liquidity position and maintain appropriate liquidity levels. At 31 December 2019, the Group has a total of $6,952 million (2018: $3,918 million) of available undrawn facilities and cash at its disposal. The maturity profile of interest-bearing liabilities is disclosed in Note C.2, trade and other payables are disclosed in Note D.4 and lease liabilities are disclosed in Note D.7. Financing facilities available to the Group are disclosed in Note C.2.

Interest rate risk management

Interest rate risk is the risk that the Group's financial position will fluctuate due to changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to financial instruments with floating interest rates including long-term debt obligations, cash and short-term deposits. The Group manages its interest rate risk by maintaining an appropriate mix of fixed and floating rate debt. To manage the ratio of fixed rate debt to floating rate debt, the Group may enter into interest rate swaps. The Group holds cross-currency interest rate swaps to hedge the foreign exchange risk (refer to Section A) and interest rate risk of the CHF denominated medium term note. The Group has early adopted AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform*. Refer to Note E.9(d) for further details.

At the reporting date, the Group was exposed to various benchmark interest rates that were not designated in cash flow hedges, $3,981 million (2018: $1,536 million) on cash and cash equivalents, $533 million (2018: $617 million) on interest-bearing liabilities (excluding transaction costs) and $7 million (2018: $12 million) on cross-currency interest rate swaps.

A reasonably possible change in the USD London Interbank Offered Rate (LIBOR) (+1.0%/-1.0% (2018: +1.0%/-1.0%)), with all variables held constant, would not have a material impact on the Group's equity or the income statement in the current period.

C.1 Cash and cash equivalents

	2019 US$m	2018 US$m
Cash and cash equivalents		
Cash at bank	175	214
Term deposits	3,883	1,460
Total cash and cash equivalents	4,058	1,674

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are stated at face value in the statement of financial position.

Foreign exchange risk

The Group held $47 million of cash and cash equivalents at 31 December 2019 (2018: $64 million) in currencies other than US dollars.

C.2 Interest-bearing liabilities and financing facilities

	Bilateral facilities US$m	Syndicated facilities US$m	JBIC facility US$m	US bonds US$m	Medium term notes US$m	Total US$m
Year ended 31 December 2019						
At 1 January 2019	(2)	(1)	417	3,284	373	4,071
Repayments	-	-	(84)	-	-	(84)
Drawdowns	-	-	-	1,500	200	1,700
Fair value adjustment and foreign exchange movement	-	-	-	-	4	4
Transaction costs capitalised and amortised	(1)	(3)	-	(9)	1	(12)
Carrying amount at 31 December 2019	(3)	(4)	333	4,775	578	5,679
Current	(1)	(1)	83	(4)	-	77
Non-current	(2)	(3)	250	4,779	578	5,602
Carrying amount at 31 December 2019	(3)	(4)	333	4,775	578	5,679
Undrawn balance at 31 December 2019	1,694	1,200	-	-	-	2,894
Year ended 31 December 2018						
At 1 January 2018	316	(3)	500	3,880	372	5,065
Repayments	(320)	-	(83)	(600)	-	(1,003)
Fair value adjustment and foreign exchange movement	-	-	-	-	1	1
Transaction costs capitalised and amortised	2	2	-	4	-	8
Carrying amount at 31 December 2018	(2)	(1)	417	3,284	373	4,071
Current	(1)	(1)	83	(2)	-	79
Non-current	(1)	-	334	3,286	373	3,992
Carrying amount at 31 December 2018	(2)	(1)	417	3,284	373	4,071
Undrawn balance at 31 December 2018	1,444	800	-	-	-	2,244

Recognition and measurement

All borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds received and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings designated as a hedged item are measured at amortised cost adjusted to record changes in the fair value of risks that are being hedged in fair value hedges. The changes in the fair value risks of the hedged item resulted in a loss of $4 million being recorded (2018: loss of $1 million), and a gain of $5 million recorded on the hedging instrument (2018: loss of $1 million).

All bonds, notes and facilities are subject to various covenants and a negative pledge restricting future secured borrowings, subject to a number of permitted lien exceptions. Neither the covenants nor the negative pledges have been breached at any time during the reporting period.

Fair value

The carrying amount of interest-bearing liabilities approximates their fair value, with the exception of the Group's unsecured bonds and the medium term notes. The unsecured bonds have a carrying amount of $4,775 million (2018: $3,284 million) and a fair value of $5,060 million (2018: $3,167 million).
The medium term notes have a carrying amount of $578 million (2018: $373 million) and a fair value of $594 million (2018: $388 million). The fair value of the bonds and notes was determined using quoted prices in an active market, classified as Level 1 on the fair value hierarchy. The Group's repayment obligations remain unchanged.

Foreign exchange risk

All interest-bearing liabilities are denominated in US dollars, excluding the CHF175 million medium term note.

C.2 Interest-bearing liabilities and financing facilities (cont.)

Maturity profile of interest-bearing liabilities

The table below presents the contractual undiscounted cash flows associated with the Group's interest-bearing liabilities, representing principal and interest. The figures will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position.

	2019 US$m	2018 US$m
Due for payment in:		
1 year or less	**297**	235
1-2 years	**980**	233
2-3 years	**462**	914
3-4 years	**439**	388
4-5 years	**171**	359
More than 5 years	**4,800**	2,876
	7,149	5,005

Amounts exclude transaction costs.

Bilateral facilities

The Group has 13 bilateral loan facilities totalling $1,694 million (2018: 14 bilateral loan facilities totalling $1,444 million). Details of bilateral loan facilities at the reporting date are as follows:

Number of facilities	Term (years)	Currency	Extension option
6	5	US$	Evergreen
2	4	US$	Evergreen
5	3	US$	Evergreen

Interest rates are based on USD LIBOR and margins are fixed at the commencement of the drawdown period. Interest is paid at the end of the drawdown period. Evergreen facilities may be extended continually by a year subject to the bank's agreement.

Syndicated facility

On 3 July 2015, the Group executed an unsecured $1,000 million syndicated loan facility, which was increased to $1,200 million on 22 March 2016 and amended to $800 million on 15 November 2017. On 14 October 2019, Woodside increased the existing facility to $1,200 million, with $400 million expiring on 11 October 2022 and $800 million expiring on 11 October 2024. Interest rates are based on USD LIBOR plus 0.85% and USD LIBOR plus 1.0% respectively. Interest is paid at the end of each drawdown period.

Japan Bank for International Cooperation (JBIC) facility

On 24 June 2008, the Group entered into a two tranche committed loan facility of $1,000 million and $500 million respectively. The $500 million tranche was repaid in 2013. There is a prepayment option for the remaining balance. Interest rates are based on LIBOR. Interest is payable semi-annually in arrears and the principal amortises on a straight-line basis, with equal instalments of principal due on each interest payment date (every six months).

Under this facility, 90% of the receivables from designated Pluto LNG sale and purchase agreements are secured in favour of the lenders through a trust structure, with a required reserve amount of $30 million.

To the extent that this reserve amount remains fully funded and no default notice or acceleration notice has been given, the revenue from Pluto LNG continues to flow directly to the Group from the trust account.

Medium term notes

On 28 August 2015, the Group established a $3,000 million Global Medium Term Notes Programme listed on the Singapore Stock Exchange. Three notes have been issued under this program as set out below:

Maturity date	Currency	Carrying amount (million)	Nominal interest rate
15 July 2022	US$	200	Floating three month US$ LIBOR
11 December 2023	CHF	175	1%
29 January 2027	US$	200	3.07%

The unutilised program is not considered to be an unused facility.

US bonds

The Group has five unsecured bonds issued in the United States of America as defined in Rule 144A of the *US Securities Act of 1933* as set out below:

Maturity date	Carrying amount US$m	Nominal interest rate
10 May 2021	700	4.60%
5 March 2025	1,000	3.65%
15 September 2026	800	3.70%
15 March 2028	800	3.70%
4 March 2029	1,500	4.50%

Interest on the bonds is payable semi-annually in arrears.

C.3 Contributed equity

Recognition and measurement

Issued capital

Ordinary shares are classified as equity and recorded at the value of consideration received. The cost of issuing shares is shown in share capital as a deduction, net of tax, from the proceeds.

Reserved shares

The Group's own equity instruments, which are reacquired for later use in employee share-based payment arrangements (reserved shares), are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(a) Issued and fully paid shares

	Number of shares	US$m
Year ended 31 December 2019		
Opening balance	**936,151,549**	**8,880**
DRP - ordinary shares issued at A$31.34 (2019 interim dividend)	**6,135,351**	**130**
Amounts as at 31 December 2019	**942,286,900**	**9,010**
Year ended 31 December 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 31 December 2018	936,151,549	8,880

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 relation to its issued shares.

(b) Shares reserved for employee share plans

	Number of shares	US$m
Year ended 31 December 2019		
Opening balance	**1,130,104**	**(31)**
Purchases during the year	**3,052,348**	**(66)**
Vested during the year	**(2,197,146)**	**58**
Amounts at 31 December 2019	**1,985,306**	**(39)**
Year ended 31 December 2018		
Opening balance	1,248,510	(35)
Purchases during the year	2,143,577	(56)
Vested during the year	(2,261,983)	60
Amounts at 31 December 2018	1,130,104	(31)

C.4 Other reserves

	2019 US$m	2018 US$m
Other reserves		
Employee benefits reserve	**211**	206
Foreign currency translation reserve	**793**	793
Hedging reserves	**(12)**	(14)
	992	985

Nature and purpose

Employee benefits reserve

Used to record share-based payments associated with the employee share plans and remeasurement adjustments relating to the defined benefit plan.

Foreign currency translation reserve

Used to record foreign exchange differences arising from the translation of the financial statements of foreign entities from their functional currency to the Group's presentation currency.

Hedging reserve

Used to record gains and losses on hedges designated as cash flow hedges, and foreign currency basis spread arising from the designation of a financial instrument as a hedging instrument. Gains and losses accumulated in the cash flow hedge reserve are taken to the income statement in the same period during which the hedged expected cash flows affect the income statement.

In this section

This section addresses the other assets and liabilities position at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made.

Key financial and capital risks in this section

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss to the Group. Credit risk arises from the financial assets of the Group, which comprise trade and other receivables and deposits with banks and financial institutions.

The Group manages its credit risk on trade receivables and financial instruments by predominantly dealing with counterparties with an investment grade credit rating. Customers who wish to trade on unsecured credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis. As a result, the Group's exposure to bad debts is not significant. The Group's maximum credit risk is limited to the carrying amount of its financial assets.

Customer credit risk is managed by the Treasury function subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 December 2019, the Group had 7 customers (2018: 7 customers) that owed the Group more than $10 million each and accounted for approximately 85% (2018: 90%) of all trade receivables. Payment terms are typically 14 to 30 days providing only a short credit exposure.

At 31 December 2019, the Group had a provision for credit losses of $1 million (2018: nil). Subsequent to 31 December 2019, 100% (2018: 100%) of the trade receivables balance of $208 million (2018: $266 million) has been received.

Credit risk from balances with banks is managed by the Treasury function in accordance with the Group's policy. The Group's main funds are placed as short-term deposits with reputable financial institutions with strong investment grade credit ratings.

D.1 Segment assets and liabilities

	2019 US$m	2018 US$m
(a) Segment assets		
NWS	2,541	2,672
Pluto	10,917	11,292
Australia Oil	1,803	1,581
Wheatstone	4,423	4,706
Development	3,028	3,310
Other segments	752	414
Unallocated items	5,889	3,113
	29,353	27,088

	2019 US$m	2018 US$m
(b) Segment liabilities		
NWS	643	572
Pluto	823	497
Australia Oil	755	683
Wheatstone	212	222
Development	189	110
Other segments	510	65
Unallocated items	8,812	6,617
	11,944	8,766

Refer to Note A.1 for descriptions of the Group's segments. Unallocated assets mainly comprise cash and cash equivalents, deferred tax assets and lease assets. Unallocated liabilities mainly comprise interest-bearing liabilities, deferred tax liabilities and lease liabilities.

D.2 Receivables

	2019 US$m	2018 US$m
(a) Receivables (current)		
Trade receivables[1]	208	266
Other receivables[1]	72	131
Loans receivables[2]	52	84
Interest receivable	10	4
Dividend receivable	1	2
	343	487
(b) Receivables (non-current)		
Loans receivables[2]	222	193
Lease receivables	5	-
Defined benefit plan asset	18	15
	245	208

1. Interest-free and settlement terms are usually between 14 and 30 days.
2. Loans receivables are due from non-controlling interests.

Recognition and measurement

Trade receivables are initially recognised at the transaction price determined under AASB 15 *Revenue from Contracts with Customers.* Other receivables are initially recognised at fair value and subsequently measured at amortised cost less an allowance for uncollectable amounts. Uncollectable amounts are determined using the expected loss impairment model. Collectability and impairment are assessed on a regular basis. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement. Certain receivables that do not satisfy the contractual cash flow and business model tests are subsequently measured at fair value (refer to Note D.6).

The Group's customers are required to pay in accordance with agreed payment terms. Depending on the product, settlement terms are 14 to 30 days from the date of invoice or bill of lading and customers regularly pay on time. There are no significant overdue trade receivables as at the end of the reporting period (2018: nil).

Fair value

The carrying amount of trade and other receivables approximates their fair value.

Foreign exchange risk

The Group held $73 million of receivables at 31 December 2019 (2018: $74 million) in currencies other than US dollars (predominantly Australian dollars).

D.3 Inventories

	2019 US$m	2018 US$m
Inventories		
Petroleum products		
Goods in transit	39	17
Finished stocks	47	38
Warehouse stores and materials	90	100
	176	155

Recognition and measurement

Inventories include hydrocarbon stocks, consumable supplies and maintenance spares. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed and variable production overheads where applicable. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

D.4 Payables

The following table shows the Group's payables balances and maturity analysis.

	< 30 days US$m	30-60 days US$m	> 60 days US$m	Total US$m
Year ended 31 December 2019				
Trade payables[1]	**136**	**-**	**88**	**224**
Other payables[1]	**294**	**-**	**-**	**294**
Interest payable[2]	**4**	**-**	**59**	**63**
Total payables	**434**	**-**	**147**	**581**
Year ended 31 December 2018				
Trade payables[1]	122	-	90	212
Other payables[1]	332	-	-	332
Interest payable[2]	6	-	36	42
Total payables	460	-	126	586

1. Interest-free and normally settled on 30 day terms.
2. Details regarding interest-bearing liabilities are contained in Note C.2.

Recognition and measurement

Trade and other payables are carried at amortised cost and are recognised when goods and services are received, whether or not billed to the Group, prior to the end of the reporting period.

Fair value

The carrying amount of payables approximates their fair value.

Foreign exchange risk

The Group held $369 million of payables at 31 December 2019 (2018: $360 million) in currencies other than US dollars (predominantly Australian dollars).

D.5 Provisions

	Restoration of operating locations[1] US$m	Employee benefits US$m	Other US$m	Total US$m
Year ended 31 December 2019				
At 1 January 2019	**1,572**	**171**	**55**	**1,798**
Change in provision	**259**	**18**	**15**	**292**
Unwinding of present value discount	**38**	**-**	**-**	**38**
Carrying amount at 31 December 2019	**1,869**	**189**	**70**	**2,128**
Current	**35**	**167**	**70**	**272**
Non-current	**1,834**	**22**	**-**	**1,856**
Net carrying amount	**1,869**	**189**	**70**	**2,128**
Year ended 31 December 2018				
At 1 January 2018	1,524	177	66	1,767
Change in provision	8	(6)	(11)	(9)
Unwinding of present value discount	40	-	-	40
Carrying amount at 31 December 2018	1,572	171	55	1,798
Current	13	147	55	215
Non-current	1,559	24	-	1,583
Net carrying amount	1,572	171	55	1,798

1. 2019 change in provision is due to a revision of discount rates of $192 million, new provisions and change in estimates of $76 million offset by provisions used of $9 million.

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Restoration of operating locations

Provision is made for the obligation to restore operating locations. The provision is first recognised in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

Restoration provisions are updated annually, with the corresponding movement recognised against the related exploration and evaluation assets or oil and gas properties.

Over time, the liability is increased for the change in the present value based on a pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset (refer to Note B.3).

Costs incurred that relate to an existing condition caused by past operations, and which do not have a future economic benefit, are expensed.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages, salaries, annual leave and long service leave.

Liabilities in respect of employees' services rendered that are not expected to be wholly settled within one year after the end of the period in which the employees render the related services are recognised as long-term employee benefits.

These liabilities are measured at the present value of the estimated future cash outflow to the employees using the projected unit credit method. Liabilities expected to be wholly settled within one year after the end of the period in which the employees render the related services are classified as short-term benefits and are measured at the amount due to be paid.

Key estimates and judgements

(a) Restoration obligations

The Group estimates the future removal costs of offshore oil and gas platforms, production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of restoration activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and liability specific discount rates to determine the present value of these cash flows. The proportion of the non-current balance not expected to be settled within 15 years is 54% (2018: 58%).

(b) Long service leave

Long service leave is measured at the present value of benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management uses judgement to determine key assumptions used in the calculation including future increases in salaries and wages, future on-cost rates and future settlement dates of employees' departures.

(c) Legal case outcomes

Provisions for legal cases are measured at the present value of the amount expected to settle the claim. Management is required to use judgement when assessing the likely outcome of legal cases, estimating the risked amount and whether a provision or contingent liability should be recognised.

D.6 Other financial assets and liabilities

	2019 US$m	2018 US$m
Other financial assets		
Other financial assets at fair value through profit and loss		
Other financial assets	63	84
Total other financial assets	63	84
Current	28	54
Non-current	35	30
Net carrying amount	63	84
Other financial liabilities		
Financial instruments at fair value through profit and loss		
Derivative financial instruments designated as hedges	7	12
Other financial liabilities at fair value through profit and loss		
Other financial liabilities	20	56
Total other financial liabilities	27	68
Current	12	48
Non-current	15	20
Net carrying amount	27	68

Recognition and measurement

Other financial assets and liabilities

Other financial assets and liabilities, including sales contracts containing provisional pricing features, are initially recognised at fair value on the date the contract is entered into and subsequent fair value movements are recognised in the income statement.

Derivative financial instruments

Derivative financial instruments that are designated within qualifying hedge relationships are initially recognised at fair value on the date the contract is entered into. For relationships designated as fair value hedges, subsequent fair value movements of the derivative are recognised in the income statement. For relationships designated as cash flow hedges, subsequent fair value movements of the derivative for the effective portion of the hedge are recognised in other comprehensive income and accumulated in reserves in equity; fair value movements for the ineffective portion are recognised immediately in the income statement. Costs of hedging have been separated from the hedging arrangements and deferred to other comprehensive income and accumulated in reserves in equity. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss.

Foreign exchange

The Group had no material other financial assets and liabilities denominated in currencies other than US dollars.

Key estimates and judgements

Fair value of other financial assets and liabilities

Estimates have been applied in the measurement of other financial assets and liabilities, and, where required, judgement is applied in the settlement of any financial assets or liabilities. In the current period, this included an $81 million periodic adjustment which decreased other financial liabilities, reflecting the arrangements governing Wheatstone LNG sales (2018: nil). Refer to Note A.1 for further details.

D.7 Leases

	Land and buildings US$m	Marine vessels and carriers US$m	Total US$m
Lease assets			
At 1 January 2019	429	600	1,029
Additions	1	12	13
Lease remeasurements	(8)	-	(8)
Depreciation	(26)	(60)	(86)
Carrying amount at 31 December 2019	396	552	948
At 31 December 2019			
Historical cost	430	612	1,042
Accumulated depreciation and impairment	(34)	(60)	(94)
Net carrying amount	396	552	948
Lease liabilities			
At 1 January 2019	444	758	1,202
Additions	6	12	18
Repayments	(32)	(98)	(130)
Accretion of interest	23	66	89
Lease remeasurements	(10)	1	(9)
Carrying amount at 31 December 2019	431	739	1,170
At 31 December 2019			
Current	9	60	69
Non-current	422	679	1,101
Carrying amount at 31 December 2019	431	739	1,170

The Group adopted AASB 16 on 1 January 2019. Refer to Note E.9(c) for lease transition disclosures.

Recognition and measurement

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use. The leases recognised by the Group predominantly relate to LNG vessels and property.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Leases as a lessee

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Refer to Note B.3 for the useful life of assets. Periodic adjustments are made for any re-measurements of the lease assets and for impairment losses, assessed in accordance with the Group's impairment policies.

D.7 Leases (cont.)

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments or index-based variable payments incorporating the Group's expectations of extension options and do not include non-lease components of a contract. A portfolio approach was taken when determining the implicit discount rate for five LNG vessels with similar terms and conditions on transition.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated income statement.

There are no restrictions placed upon the lessee by entering into these leases.

Short-term leases and leases of low value

Short-term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated income statement. Low value assets comprise plant and equipment.

Foreign exchange risk

The Group held $461 million of lease liabilities at 31 December 2019 in currencies other than US dollars (predominantly Australian dollars).

Maturity profile of lease liabilities

The table below presents the contractual undiscounted cash flows associated with the Group's lease liabilities, representing principal and interest. The figures will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position.

	2019 US$m
Due for payment in:	
1 year or less	154
1-2 years	154
2-3 years	150
3-4 years	149
4-5 years	148
More than 5 years	1,045
	1,800

Lease commitments

The table below presents the contractual undiscounted cash flows associated with the Group's future lease commitments after 31 December 2019 for non-cancellable leases not yet commenced, representing principal and interest.

	2019 US$m
Due for payment:	
Within one year	24
After one year but not more than five years	130
Later than five years	73
	227

Payments of $64 million for short-term leases (lease term of 12 months or less) and payments of $14 million for leases of low value assets were expensed in the consolidated income statement for the year ended 31 December 2019.

The Group has short-term and low value lease commitments for marine vessels and carriers, property, drill rigs and plant and equipment contracted for, but not provided for in the financial statements of $74 million.

Key estimates and judgements

(a) Control

Judgement is required to assess whether a contract is or contains a lease at inception by assessing whether the Group has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.

(b) Lease term

Judgement is required when assessing the term of the lease and whether to include optional extension and termination periods. Option periods are only included in determining the lease term at inception when they are reasonably certain to be exercised. Lease terms are reassessed when a significant change in circumstances occurs. On this basis, possible additional lease payments amounting to $1,768 million were not included in the measurement of lease liabilities.

(c) Interest in joint arrangements

Judgement is required to determine the Group's rights and obligations for lease contracts within joint operations, to assess whether lease liabilities are recognised gross (100%) or in proportion to the Group's participating interest in the joint operation. This includes an evaluation of whether the lease arrangement contains a sublease with the joint operation.

(d) Discount rates

Judgement is required to determine the discount rate, where the discount rate is the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to the Group's borrowing portfolio at the inception of the arrangement or the time of the modification.

In this section

This section addresses information on items which require disclosure to comply with Australian Accounting Standards and the Australian *Corporations Act 2001,* however are not considered critical in understanding the financial performance or position of the Group.
This section includes Group structure information and other disclosures.

E.1 Contingent liabilities and assets

	2019 US$m	2018 US$m
Contingent liabilities at reporting date		
Not otherwise provided for or disclosed in the financial statements:		
Contingent liabilities	55	73
Guarantees	9	7
	64	80

Contingent liabilities relate predominantly to actual or potential claims on 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 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.

E.2 Employee benefits

(a) Employee benefits

Employee benefits for the reporting period are as follows:

	2019 US$m	2018 US$m
Employee benefits	246	282
Share-based payments	21	21
Defined contribution plan costs	28	33
Defined benefit plan expense	1	2
	296	338

Recognition and measurement

The Group's accounting policy for employee benefits other than superannuation is set out in Note D.5. The policy relating to share-based payments is set out in Note E.2(c).

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The majority of employees are party to a defined contribution scheme and receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. The Group also operates a defined benefit superannuation scheme, the membership of which is now closed. The net defined benefit plan asset at 31 December 2019 was $18 million (2018: $15 million).

(b) Compensation of key management personnel

Key management personnel (KMP) compensation for the financial year was as follows:

	2019 US$	2018 US$
Short-term employee benefits	6,416,430	8,674,034
Post-employment benefits	71,137	92,068
Share-based payments	7,253,672	8,645,740
Long-term employee benefits	281,882	178,745
Termination benefits	-	174,047
	14,023,121	17,764,634

(c) Share plans

The Group provides benefits to its employees (including KMP) in the form of share-based payments whereby employees render services for shares (equity-settled transactions).

Woodside equity plan (WEP) and supplementary Woodside equity plan (SWEP)

The WEP is available to all permanent employees, but since 1 January 2018 has excluded EIS participants. The number of Equity Rights (ERs) offered to each eligible employee will be calculated with reference to salary and performance. The linking of performance to an allocation allows the Group to recognise and reward eligible employees for high performance. The ERs have no further ongoing performance conditions after allocation, and do not require participants to make any payment in respect of the ERs at grant or at vesting. SWEP is available to a number of employees identified as being retention critical. Participants do not make any payment in respect of the ERs at grant or at vesting. Each ER relating to the WEP for 2018 and prior years, entitles the participant to receive a Woodside share on a vesting date three years after the grant date. For the 2019 WEP, 75% of the ERs offered to each participant will vest three years after the grant date, with the remaining 25% vesting five years after the grant date.

Executive incentive plans (EIP)

Short-term awards (STA)

The STA are delivered in the form of restricted shares to executives, including all executive KMP. Restricted shares entitle their holders to receive dividends. There are no further performance conditions for vesting of deferred STA. Participants are not required to make any payments in respect of STA awards at grant or at vesting.

Long-term awards (LTA)

LTA are granted in the form of Variable Pay Rights (VPRs) to executives, including all executive KMP. Vesting of LTA is subject to achievement of relative total shareholder return (RTSR) targets, with 33% measured against the ASX 50 and the remaining 67% tested against an international group of oil and gas companies.

Participants are not required to make any payments in respect of LTA awards at grant or at vesting.

Executive incentive scheme (EIS)

The EIS was introduced for the 2018 performance year for all executives including executive KMP. The EIS is delivered in the form of a cash incentive, restricted shares and performance rights. The grant date of the restricted shares and performance rights has been determined to be subsequent to the performance year, being the date of the Board of Directors' approval. Accordingly, the 2019 restricted shares and performance rights have not been included in the table below as they have not been approved as at 31 December 2019. An expense related to the 2019 performance year has been estimated for restricted shares and performance rights, using fair value estimates based on inputs at 31 December 2019.

The restricted shares and performance rights relating to the 2018 performance year were granted on 13 February 2019 and have been included in the table below. The expense estimated as at 31 December 2018 in relation to the 2018 performance year was updated to the fair value on grant date during the period.

E.2 Employee benefits (cont.)

Recognition and measurement

All compensation under WEP, SWEP and executive share plans is accounted for as share-based payments to employees for services provided. The cost of equity-settled transactions with employees is measured by reference to the fair values of the equity instruments at the date at which they are granted. The fair value of share-based payments is recognised, together with the corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the shares. At each balance sheet date, the Group reassesses the number of awards that are expected to vest based on service conditions. The expense recognised each year takes into account the most recent estimate.

The fair value of the benefit provided for the WEP and SWEP is estimated using the Black-Scholes option pricing technique. The fair value of the restricted shares is estimated as the closing share price at grant date. The fair value of the benefit provided for the RTSR VPRs was estimated using the Binomial or Black-Scholes option pricing technique combined with a Monte Carlo simulation methodology, where relevant, using historical volatility to estimate the volatility of the share price in the future.

The number of performance rights and movements for all share plans are summarised as follows:

	Number of performance rights			
	Employee plans		Executive plans	
	WEP	SWEP	STA	LTA
Year ended 31 December 2019				
Opening balance	**6,325,364**	**17,678**	**813,968**	**2,545,915**
Granted during the year[1,2]	**2,537,991**	**-**	**417,166**	**731,799**
Vested during the year	**(1,645,915)**	**-**	**(338,537)**	**(212,694)**
Forfeited during the year	**(305,889)**	**-**	**(24,881)**	**(360,877)**
Performance rights at 31 December 2019	**6,911,551**	**17,678**	**867,716**	**2,704,143**
	US$m	**US$m**	**US$m**	**US$m**
Fair value of rights granted during the year	**47**	**-**	**10**	**15**

	Number of performance rights			
	Employee plans		Executive plans	
	WEP	SWEP	STA	LTA
Year ended 31 December 2018				
Opening balance	5,789,008	17,500	934,148	3,265,585
Granted during the year[1,2]	2,552,041	178	167,879	61,127
Vested during the year	(1,710,458)	-	(271,997)	(279,528)
Forfeited during the year	(305,227)	-	(16,062)	(501,269)
Performance rights at 31 December 2018	6,325,364	17,678	813,968	2,545,915
	US$m	**US$m**	**US$m**	**US$m**
Fair value of rights granted during the year	62	-	4	1

1. For the purpose of valuation, the share price on grant date for the 2019 WEP allocations was $21.72 (2018: $24.36). There were no SWEP allocations in 2019. The average share price on grant date for 2018 SWEP allocations was $24.09.
2. For the purpose of valuation, the share price on grant date for the 2019 STA was $24.67 (2018: $24.45) and LTA allocations was $24.71 (2018: $24.45).

For more detail on these share plans and performance rights issued to KMPs, refer to the Remuneration Report on pages 55-75.

E.3 Related party transactions

Transactions with directors

There were no transactions with directors during the year. Key management personnel compensation is disclosed in Note E.2(b).

E.4 Auditor remuneration

The auditor of Woodside Petroleum Ltd is Ernst & Young (EY).

	2019 US$'000	2018 US$'000
(a) Amounts received or due and receivable for an audit or review of the financial statements of the entity and any other entity in the Group by:		
EY Australia	**1,574**	1,643
Other EY firms	**193**	148
	1,767	1,791
(b) Amounts received or due and receivable for non-audit services in relation to the entity or any other entity in the Group by:		
EY Australia for other assurance services	**345**	333
EY Australia for other advisory services	**104**	237
EY Australia for taxation services	**125**	130
Other EY firms for other assurance services	**206**	163
	780	863

E.5 Events after the end of the reporting period

In January 2020, Woodside took an unconditional FID on Sangomar Field Development Phase 1 and execution phase activities commenced. This followed the Government of Senegal's grant of the Exploitation Authorisation. At FID, key contracts awarded for project execution with related lease and capital commitments of $310 million and $714 million, respectively.
On 9 January 2020, Woodside Energy Finance (UK) Ltd entered into a secured loan agreement to provide up to $450 million, with a maximum term of 12 years, to a Sangomar joint venture partner for the purposes of funding Sangomar project costs.

On 17 January 2020, the Group completed a $600 million syndicated facility with a term of 7 years at a fixed interest rate of 2.92%.

E.6 Joint arrangements

(a) Interest percentage in joint ventures

		Group Interest %	
Entity	**Principal activity**	**2019**	2018
North West Shelf Gas Pty Ltd	Marketing services for ventures in the sale of gas to the domestic market.	**16.67**	16.67
North West Shelf Liaison Company Pty Ltd	Liaison for ventures in the sale of LNG to the Japanese market.	**16.67**	16.67
China Administration Company Pty Ltd	Marketing services for ventures in the sale of LNG to international markets.	**16.67**	16.67
North West Shelf Shipping Service Company Pty Ltd	LNG vessel fleet advisor.	**16.67**	16.67
North West Shelf Lifting Coordinator Pty Ltd	Coordinator for venturers for all equity liftings.	**16.67**	16.67

(b) Interest percentage in joint operations

	Group Interest %	
	2019	2018
Producing and developing assets		
Oceania		
North West Shelf	**12.5 - 50.0**	12.5 - 50.0
Greater Enfield and Vincent	**60.0**	60.0
Stybarrow[1]	**50.0**	50.0
Balnaves	**65.0**	65.0
Pluto	**90.0**	90.0
Wheatstone	**13.0 - 65.0**	13.0 - 65.0
Exploration and evaluation assets		
Oceania		
Browse Basin	**30.6**	30.6
Carnarvon Basin[2,3]	**15.8 - 90.0**	15.8 - 90.0
Bonaparte Basin	**26.7 - 35.0**	26.7 - 35.0
Africa		
Gabon[4]	**-**	21.3 - 40.0
Senegal	**35.0**	35.0
The Americas		
Peru	**35.0**	35.0
Kitimat	**50.0**	50.0
Asia		
Republic of Korea[5]	**50.0**	-
Myanmar[6]	**40.0 - 50.0**	40.0 - 55.0
Europe		
Ireland[7]	**90.0**	60.0 - 90.0
Bulgaria	**30.0**	30.0

1. One permit (WA-255-P) was surrendered in 2019.
2. Scarborough is included in the Carnarvon Basin.
3. One permit (WA-536-P) was entered in 2019.
4. Two permits (Block F15 Doukou Dak and Diaba) expired in 2019.
5. Concession agreement entered into Blocks 8 and 6-1N in Korea in 2019.
6. Production Sharing Contracts for Myanmar Blocks AD-5, A-4 and AD-2 expired in 2019.
7. Equity and operatorship transferred to existing partner in FEL 3/14.

The principal activities of the joint operations above are exploration, development and production of hydrocarbons.

Key estimates and judgements

Accounting for interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, Woodside may obtain control, joint control or significant influence over the entity or arrangement. Judgement is applied when determining the relevant activities of a project and if joint control is held over them.

Relevant activities include, but are not limited to, work program and budget approval, investment decision approval, voting rights in joint operating committees, amendments to permits and changes to joint arrangement participant holdings. Transactions which give Woodside control of a business are business combinations. If Woodside obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If Woodside has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then accounted for as an associate.

E.6 Joint arrangements (cont.)

Recognition and measurement

Joint arrangements are arrangements in which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation, and as such the Group recognises its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method.

Joint arrangements acquired which are deemed to be carrying on a business are accounted for applying the principles of AASB 3 *Business Combinations*. Joint arrangements which are not deemed to be carrying on a business are treated as asset acquisitions.

E.7 Parent entity information

	2019 US$m	2018 US$m
Woodside Petroleum Ltd:		
Current assets	**404**	357
Non-current assets	**9,949**	9,839
Current liabilities	**(133)**	-
Non-current liabilities	**(484)**	(680)
Net assets	**9,736**	9,516
Issued and fully paid shares	**9,010**	8,880
Shares reserved for employee share plans	**(39)**	(31)
Employee benefits reserve	**120**	121
Foreign currency translation reserve	**296**	296
Retained earnings	**349**	250
Total shareholders' equity	**9,736**	9,516
Profit of parent entity	**1,288**	1,005
Total comprehensive income of parent entity	**1,288**	1,002

Guarantees

Woodside Petroleum Ltd and Woodside Energy Ltd (a subsidiary company) are parties to a Deed of Cross Guarantee as disclosed in Note E.8. The effect of the Deed is that Woodside Petroleum Ltd has guaranteed to pay any deficiency in the event of winding up of the subsidiary company under certain provisions of the *Corporations Act 2001*. The subsidiary company has also given a similar guarantee in the event that Woodside Petroleum Ltd is wound up.

Woodside Petroleum Ltd has guaranteed the discharge by a subsidiary company of its financial obligations under debt facilities disclosed in Note C.2. Woodside Petroleum Ltd has guaranteed certain obligations of subsidiaries to unrelated parties on behalf of their performance in contracts. No liabilities are expected to arise from these guarantees.

E.8 Subsidiaries

(a) Subsidiaries

Name of entity	Notes
Ultimate Parent Entity	
Woodside Petroleum Ltd	(1,2,3)
Subsidiaries	
Company name	
Woodside Energy Ltd	(2,3,4)
Woodside Browse Pty Ltd	(2,4)
Woodside Burrup Pty Ltd	(2,4)
Burrup Facilities Company Pty Ltd	(5)
Burrup Train 1 Pty Ltd	(5)
Pluto LNG Pty Ltd	(5)
Woodside Burrup Train 2A Pty Ltd	(2,4)
Woodside Burrup Train 2B Pty Ltd	(2,4)
Woodside Energy (LNG Fuels and Power) Pty Ltd	(2,4)
Woodside Energy (Domestic Gas) Pty Ltd	(2,4)
Woodside Energy (Algeria) Pty Ltd	(2,4)
Woodside Energy Australia Asia Holdings Pte Ltd ◢	(4)
Woodside Energy (Carbon Capture) Pty Ltd	(2,4,12)
Woodside Energy Holdings International Pty Ltd	(2,4)
Woodside Energy Mediterranean Pty Ltd	(2,4)
Woodside Energy International (Canada) Limited ◀	(4)
Woodside Energy (Canada LNG) Limited ◀	(4)
Woodside Energy (Canada PTP) Limited ◀	(4)
KM LNG Operating General Partnership ◀	(4,8)
KM LNG Operating Ltd ◀	(4)
Woodside Energy Holdings Pty Ltd	(2,4)
Woodside Energy Holdings (USA) Inc ▼	(4)
Woodside Energy (USA) Inc ▼	(4)
Gryphon Exploration Company ▼	(4)
Woodside Energy (Cameroon) SARL ■	(4)
Woodside Energy (Gabon) Pty Ltd	(2,4)
Woodside Energy (Indonesia) Pty Ltd	(2,4)
Woodside Energy (Indonesia II) Pty Ltd	(2,4)
Woodside Energy (Indonesia III) Pty Ltd	(2,4)
Woodside Energy (Ireland) Pty Ltd	(2,4)
Woodside Energy (Korea) Pte Ltd ◢	(4)
Woodside Energy (Korea II) Pte Ltd ◢	(4)
Woodside Energy (Myanmar) Pte Ltd ◢	(4)
Woodside Energy (Morocco) Pty Ltd	(2,4)
Woodside Energy (New Zealand) Limited ◤	(4)
Woodside Energy (New Zealand 55794) Limited ◤	(4)
Woodside Energy (Peru) Pty Ltd	(2,4)
Woodside Energy (Senegal) Pty Ltd	(2,4)
Woodside Energy (Tanzania) Limited ◘	(6)
Woodside Energy Holdings II Pty Ltd	(2,4,9)
Woodside Power Pty Ltd	(2,4,9)
Woodside Power (Generation) Pty Ltd	(2,4,9)
Woodside Energy Holdings (South America) Pty Ltd	(2,4)
Woodside Energia (Brasil) Apoio Administrativo Ltda ●	(7)
Woodside Energy Holdings (UK) Pty Ltd	(2,4)
Woodside Energy (UK) Limited ▲	(4)
Woodside Energy Finance (UK) Limited ▲	(4,11)
Woodside Energy (Congo) Limited ▲	(4,10)
Woodside Energy (Bulgaria) Limited ▲	(4)
Woodside Energy Holdings (Senegal) Limited ▲	(4)
Woodside Energy (Senegal) B.V. ⬢	(4)
Woodside Energy (France) SAS ⭘	(4)
Woodside Energy Iberia S.A. ◖	(4)
Woodside Energy (N.A.) Ltd ▲	(4)
Woodside Energy (Julimar) Pty Ltd	(2,4)
Woodside Energy (Kenya) Pty Ltd	(2,4,12)
Woodside Energy (M.E.) Pty Ltd	(2,4,12)
Woodside Energy Middle East and Africa Pty Ltd	(2,4,12)
Woodside Energy (Norway) Pty Ltd	(2,4)
Woodside Energy (SL) Pty Ltd	(2,4,12)
Woodside Energy Technologies Pty Ltd	(2,4,13)
Woodside Energy Trading Singapore Pte Ltd ◢	(4)
WelCap Insurance Pte Ltd ◢	(4)
Woodside Energy Shipping Singapore Pte Ltd ◢	(4)
Woodside Guangdong Shipping (One) Pty Ltd	(2,4,12)
Woodside Guangdong Shipping (Two) Pty Ltd	(2,4,12)
Woodside West Africa Pty Ltd	(2,4,12)
Metasource Pty Ltd	(2,4)
Mermaid Sound Port and Marine Services Pty Ltd	(2,4)
Woodside Finance Limited	(2,4)
Woodside Petroleum (Timor Sea 19) Pty Ltd	(2,4)
Woodside Petroleum (Timor Sea 20) Pty Ltd	(2,4)
Woodside Petroleum Holdings Pty Ltd	(2,4)

1. Woodside Petroleum Ltd is the ultimate holding company and the head entity within the tax consolidated group.
2. These companies were members of the tax consolidated group at 31 December 2019.
3. Pursuant to ASIC Instrument 2016/785, relief has been granted to the controlled entity, Woodside Energy Ltd, from the *Corporations Act 2001* requirements for the preparation, audit and publication of accounts. As a condition of the Instrument, Woodside Petroleum Ltd and Woodside Energy Ltd are parties to a Deed of Cross Guarantee.
4. All subsidiaries are wholly owned except those referred to in Notes 5, 6, 7 and 8.
5. Kansai Electric Power Australia Pty Ltd and Tokyo Gas Pluto Pty Ltd each hold a 5% interest in the shares of these subsidiaries. These subsidiaries are controlled.
6. As at 31 December 2019, Woodside Energy Holdings Pty Ltd held a 99.99% interest in the shares of Woodside Energy (Tanzania) Limited and Woodside Energy Ltd held the remaining 0.01% interest.
7. As at 31 December 2019, Woodside Energy Holdings (South America) Pty Ltd held a 99.99% interest in the shares of Woodside Energia (Brasil) Apoio Administrativo Ltda and Woodside Energy Ltd held the remaining 0.01% interest. On 5 November 2019, Woodside Energia (Brasil) Investimento em Exploracao de Petroleo Ltda changed its name to Woodside Energia (Brasil) Apoio Administrativo Ltda.
8. As at 31 December 2019, Woodside Energy International (Canada) Limited and Woodside Energy (Canada LNG) Limited were the general partners of the KM LNG Operating General Partnership holding a 99.99% and 0.01% partnership interest, respectively.
9. Woodside Energy Holdings II Pty Ltd, Woodside Power Pty Ltd and Woodside Power (Generation) Pty Ltd were incorporated on 23 January 2019.
10. Woodside Energy (Congo) Limited was incorporated on 27 August 2019.
11. Woodside Energy Finance (UK) Limited was incorporated on 20 December 2019.
12. These subsidiaries were deregistered on 1 August 2019.
13. Woodside Energy Technologies Pty Ltd acquired 35% in Blue Ocean Seismic Services Limited on 15 October 2019. This shareholding was diluted to 30% on 30 December 2019 and has been accounted for as an investment in associate at 31 December 2019.

All subsidiaries were incorporated in Australia unless identified with one of the following symbols:

● Brazil	⬢ The Netherlands	◘ Tanzania
■ Cameroon	◤ New Zealand	▲ England and Wales
◀ Canada	◢ Singapore	▼ USA
⭘ France	◖ Spain	

Classification

Subsidiaries are all the entities over which the Group has the power over the investee such that the Group is able to direct the relevant activities, has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns.

E.8 Subsidiaries (cont.)

(b) Subsidiaries with material non-controlling interests

The Group has two Australian subsidiaries with material non-controlling interests (NCI).

Name of entity	Principal place of business	% held by NCI
Burrup Facilities Company Pty Ltd	Australia	10%
Burrup Train 1 Pty Ltd	Australia	10%

The NCI in both subsidiaries is 10% held by the same parties (refer to Note E.8(a) footnote 5 for details).

The summarised financial information (including consolidation adjustments but before intercompany eliminations) of subsidiaries with material NCI is as follows:

	2019 US$m	2018 US$m
Burrup Facilities Company Pty Ltd		
Current assets	**423**	604
Non-current assets	**5,185**	5,277
Current liabilities	**(6)**	(84)
Non-current liabilities	**(577)**	(542)
Net assets	**5,025**	5,255
Accumulated balance of NCI	**503**	525
Revenue	**718**	1,190
Profit	**263**	602
Profit allocated to NCI	**26**	60
Dividends paid to NCI	**(48)**	(57)
Operating	**492**	876
Investing	**(34)**	(36)
Financing	**(458)**	(840)
Net increase/(decrease) in cash and cash equivalents	**-**	-
Burrup Train 1 Pty Ltd		
Current assets	**371**	563
Non-current assets	**2,989**	3,057
Current liabilities	**(71)**	(152)
Non-current liabilities	**(396)**	(383)
Net assets	**2,893**	3,085
Accumulated balance of NCI	**289**	308
Revenue	**1,189**	2,021
Profit	**132**	432
Profit allocated to NCI	**13**	43
Dividends paid to NCI	**(32)**	(43)
Operating	**275**	598
Investing	**(10)**	(2)
Financing	**(265)**	(596)
Net increase/(decrease) in cash and cash equivalents	**-**	-

(c) Deed of Cross Guarantee and Closed Group

Woodside Petroleum Ltd and Woodside Energy Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the other. By entering into the Deed, the entities have been granted relief from the *Corporations Act 2001* requirements for the preparation, audit and publication of accounts, pursuant to ASIC Instrument 2016/785. The two entities represent a Closed Group for the purposes of the Instrument.

The consolidated income statement and statement of financial position of the members of the Closed Group are set out below:

	2019 US$m	2018 US$m
Closed Group Consolidated Income Statement and Statement of Retained Earnings		
Profit before tax	**3,471**	191
Taxes	**33**	(54)
Profit after tax	**3,504**	137
Retained earnings at the beginning of the financial year	**1,261**	2,033
Adoption of AASB 16 (net of tax)	**3**	-
Dividends	**(1,189)**	(909)
Retained earnings at the end of the financial year	**3,579**	1,261
Closed Group Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	**93**	80
Receivables	**445**	258
Inventories	**62**	55
Other financial assets	**9**	36
Other assets	**18**	15
Non-current assets held for sale	**-**	10
Total current assets	**627**	454
Non-current assets		
Receivables	**23**	15
Other financial assets	**30,250**	29,781
Exploration and evaluation assets	**1,634**	1,501
Oil and gas properties	**4,101**	4,063
Other plant and equipment	**176**	181
Deferred tax assets	**38**	23
Lease assets	**360**	-
Total non-current assets	**36,582**	35,564
Total assets	**37,209**	36,018
Current liabilities		
Payables	**313**	349
Other financial liabilities	**22**	27
Other liabilities	**46**	53
Provisions	**238**	117
Tax payable	**133**	-
Lease liabilities	**17**	-
Total current liabilities	**769**	546
Non-current liabilities		
Payables	**20,974**	23,017
Deferred tax liabilities	**507**	485
Other financial liabilities	**15**	14
Other liabilities	**20**	36
Provisions	**1,143**	944
Lease liabilities	**360**	-
Total non-current liabilities	**23,019**	24,496
Total liabilities	**23,788**	25,042
Net assets	**13,421**	10,976
Equity		
Issued and fully paid shares	**9,010**	8,880
Shares held for employee share plan	**(39)**	(31)
Other reserves	**871**	866
Retained earnings	**3,579**	1,261
Total equity	**13,421**	10,976

E.9 Other accounting policies

(a) Summary of other significant accounting policies

Tax consolidation

The parent and its wholly owned Australian controlled entities have elected to enter a tax consolidation, with Woodside Petroleum Ltd as the head entity of the tax consolidated group. The members of the tax consolidated group are identified in Note E.8(a).

The tax expense/(benefit), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group, using the stand-alone approach.

Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the tax funding agreement, Woodside Petroleum Ltd and each of the entities in the tax consolidated group have agreed to pay or receive a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities, should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

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

A number of new standards, amendment of standards and interpretations have recently been issued but are not yet effective and have not been adopted by the Group as at the financial reporting date.

The Group has reviewed these standards and interpretations and has determined that none of the new or amended standards will significantly affect the Group's accounting policies, financial position or performance.

(c) New and amended accounting standards and interpretations adopted

The Group adopted AASB 16 as of 1 January 2019.

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 lease assets and interest on the lease liabilities are recognised in the consolidated income statement. The Group's new leases accounting policy is detailed in Note D.7.

Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at inception as either a finance lease or operating lease per AASB 117 *Leases.* For operating leases, the leased item was not capitalised and the lease payments were recognised in the consolidated income statement on a straight-line basis. Lease incentives received were recognised in the income statement as part of total lease expense.

Operating lease commitments (comparative period):

	2018 US$m
Rents payable on non-cancellable leases, due:	
Within one year	189
After one year but not more than five years	625
Later than five years	1,198
	2,012

Transition to AASB 16

The Group adopted the new standard using the modified retrospective approach and applied the practical expedient per AASB 16.C10(a) and (c). Lease liabilities are measured at the present value of future payments on the initial date of application, being 1 January 2019. The lease assets are measured as if AASB 16 had been applied from the commencement of the lease using the discount rate at the date of initial application with any difference between the lease assets and lease liabilities recognised as an adjustment to opening retained earnings on 1 January 2019. Opening adjustments were recognised as at 1 January 2019 as indicated in the table below.

Impact on equity (increase/(decrease)):

	Land and buildings US$m	Marine vessels and carriers US$m	Total US$m
Lease assets	429	600	**1,029**
Lease liabilities	(444)	(758)	**(1,202)**
Deferred tax asset	2	16	**18**
Retained earnings	**(13)**	**(142)**	**(155)**

Lease liabilities reconciliation on transition:	US$m
Operating lease commitments disclosed at 31 December 2018	**2,012**
Less:	
Present value discounting of lease liabilities[1]	**(706)**
Short-term leases	**(63)**
Low value leases	**(16)**
Contracts reassessed as service agreements	**(25)**
Lease liabilities recognised on transition	**1,202**

1. Lease liabilities were discounted using a weighted average discount rate of 7.6%.

(d) New and amended accounting standards and interpretations early adopted

The Group early adopted AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform* (AASB 2019-3) as of 1 January 2019.

AASB 2019-3 amendments were issued in response to Interbank Offered Rates reforms, and provide mandatory temporary relief allowing hedge accounting to continue under existing interest rate assumptions during the reform period. The Group applied this relief to its derivative financial instruments designated as hedges, and will continue to assess its accounting treatment in future reporting periods as the reforms progress.

DIRECTORS' DECLARATION

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

1. In the opinion of the directors:
   (a) the financial statements and notes thereto, and the disclosures included in the audited 2019 Remuneration Report, comply with Australian Accounting Standards and the *Corporations Act 2001*;
   (b) the financial statements and notes thereto give a true and fair view of the financial position of the Group as at 31 December 2019 and of the performance of the Group for the financial year ended 31 December 2019;
   (c) the financial statements and notes thereto also comply with International Financial Reporting Standards as disclosed in the 'About these statements' section within the notes to the 2019 Financial Statements;
   (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
   (e) there are reasonable grounds to believe that the members of the Closed Group identified in Note E.8 will be able to meet any obligations or liabilities which they are or may become subject to, by virtue of the Deed of Cross Guarantee.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 31 December 2019.

For and on behalf of the Board

R J Goyder, AO
Chairman
Perth, Western Australia
13 February 2020

P J Coleman
Chief Executive Officer and Managing Director
Perth, Western Australia
13 February 2020

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Independent auditor's report to the shareholders of Woodside Petroleum Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Woodside Petroleum Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year ended on that date.

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Impairment of oil and gas properties

Why significant	How our audit addressed the key audit matter
Australian Accounting Standards require the Group to assess whether there are any indicators that oil and gas properties may be impaired. If an indicator exists, the Group must estimate the recoverable amount of the asset. At year end, the Group concluded that there were no impairment charges or reversals of previous impairment charges required for any of its Cash Generating Units (CGUs), apart from a $17 million impairment charge in respect of LNG vessels disposed of during the year. In determining whether there was an indicator of impairment or impairment reversal, the Group considered whether there was a significant change in the external or internal factors as set out in the financial report in Note B.4. The key assumptions, judgements and estimates used in the Group's assessment of impairment and reversal of impairment are also disclosed in Note B.4. The assessment of indicators of impairment and reversal of impairment is complex and highly judgemental and includes assessing a range of external and internal factors and modelling a range of assumptions that could impact the recoverable amount of a CGU. Accordingly, this matter was considered to be a key audit matter.	We evaluated whether there had been significant changes in the external or internal factors considered by the Group in assessing whether indicators of impairment or reversal of impairment existed, in particular, those relating to forecast cash flows and the inputs used to formulate them. This included assessing, in conjunction with our valuation specialists, the discount rates, foreign exchange rates and commodity prices with reference to market prices (where available), market research, market practice, market indices, broker consensus and historical performance. We used the work of the Group's internal experts with respect to the hydrocarbon reserve estimates used in the Group's assessment of movements in reserves in its impairment indicator considerations. This included understanding the reserve estimation processes carried out, the Group's internal certification process for technical and commercial experts who are responsible for reserves, the design of the Group's Petroleum Resources Management procedures and its alignment with the guidelines prepared by the Society of Petroleum Engineers. We also examined the qualifications, competence and objectivity of the Group's experts and the scope and appropriateness of their work. We assessed whether key reserves economics assumptions were consistent with other operational information. We examined sales agreements utilised in determining the recoverable amount of the LNG vessels. We also considered the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's assessment of indicators of impairment and reversal of impairment of non-current assets. These have been disclosed in Note B.4.

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2. Impairment assessment of exploration and evaluation (E&E) assets

Why significant	How our audit addressed the key audit matter
The impairment testing process for E&E assets commences with an assessment against indicators of impairment under Australian Accounting Standard - AASB 6 *Exploration for and Evaluation of Mineral Resources*. If there is an indication that an E&E asset may be impaired, the Group is required to estimate the recoverable amount of the asset. For the year ended 31 December 2019, the Group identified impairment indicators in respect of the Kitimat E&E asset. Impairment testing was undertaken which resulted in an impairment charge of $720 million being recorded, as set out in Note B.4 of the financial report. The key assumptions, judgements and estimates used in the formulation of the Group's impairment assessment of E&E assets, and those used in the determination of the Kitimat E&E asset, are set out in Note B.4 of the financial report. The assessment of indicators of impairment and, where required, the determination of recoverable value is complex and highly judgemental. Accordingly, this matter was considered to be a key audit matter.	We assessed the impairment analysis prepared by the Group, evaluating the assumptions and methodologies used and the estimates made. Our audit procedures included the following: ‣ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and correspondence with relevant government agencies ‣ Considered the Group's intention to carry out substantive E&E activity in the relevant exploration area, or plans to move the asset into development. This included assessment of the Group's cash-flow forecast models approved by the Board for evidence of planned future activity, and enquiries with senior management as to the intentions and strategy of the Group ‣ Considered the Group's assessment of the commercial viability of results relating to E&E activities carried out in the relevant license area ‣ Assessed the Group's ability to finance both planned future E&E activity and asset development plans ‣ Assessed the capabilities of management's internal experts for the purposes of estimating the potential resources associated with E&E assets ‣ Tested, in conjunction with our valuation specialists, the mathematical accuracy and integrity of the impairment model developed in respect of the Kitimat E&E asset ‣ Assessed, in conjunction with our valuation specialists, the key assumptions used in the determination of the recoverable value of the Kitimat E&E asset, with reference to market information where available ‣ Considered the adequacy of the financial report disclosure of the assumptions, key estimates and judgements applied by management for the Group's assessment of impairment E&E assets. These have been disclosed in Notes B.2 and B.4.

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3. Accounting for petroleum resources rent tax (PRRT) assets

Why significant	How our audit addressed the key audit matter
The consolidated financial statements of the Group include deferred tax assets arising from PRRT. The determination of the quantum, likelihood and timing of the realisation of deferred tax assets arising from PRRT is highly judgemental and assessed on a basis consistent with the impairment trigger assessment set out above as well as other factors such as the long term bond rate applied to the augmentation of deductible expenditure. As such, this matter was considered to be a key audit matter. The Group's disclosures about PRRT are included in the summary of significant accounting policies in Note A.5 of the financial report.	We considered the application of the judgements and methodologies used by the Group to calculate the deferred tax assets arising from PRRT and estimate their utilisation in the future. In particular, we assessed those judgements and methodologies relating to the estimation of future PRRT assessable profits, the interpretation of PRRT legislation and the consistency in application of forecasted performance with other forecasts made, including modelling of impairment indicators. We also considered the adequacy of the financial report disclosures regarding PRRT included in Note A.5.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 57 to 75 of the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Woodside Petroleum Ltd for the year ended 31 December 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
13 February 2020

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SHAREHOLDER STATISTICS

As at 6 February 2020

Number of shareholdings

There were 220,418 shareholders. All issued shares carry voting rights on a one-for-one basis.

Distribution of shareholdings

Size of shareholding	Number of holders	Number of shares	% of issued capital
1–1,000	153,376	59,519,483	6.32
1,001–5,000	58,936	121,469,311	12.89
5,001–10,000	5,569	38,650,861	4.10
10,001–100,000	2,432	46,819,454	4.97
Greater than 100,000	105	675,827,791	71.72
Total	**220,418**	**942,286,900**	**100.00**

Unmarketable parcels

There were 2,473 members holding less than a marketable parcel of shares in the company.

Twenty largest shareholders

	Shares Held	% of issued capital
HSBC Custody Nominees (Australia) Limited	257,312,685	27.31
J P Morgan Nominees Australia Pty Limited	169,943,950	18.04
Citicorp Nominees Pty Limited	99,270,009	10.54
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	36,823,113	3.91
National Nominees Limited	28,444,474	3.02
BNP Paribas Noms Pty Ltd <DRP>	14,272,022	1.51
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	5,970,660	0.63
Pacific Custodians Pty Limited <WPL Plans Ctrl A/C>	5,397,000	0.57
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	4,643,999	0.49
Citicorp Nominees Pty Limited <Citibank NY ADR Dep A/C>	4,461,444	0.47
Australian Foundation Investment Company Limited	3,794,652	0.40
HSBC Custody Nominees (Australia) Limited-Gsco Eca	2,823,021	0.30
Netwealth Investments Limited <Wrap Services A/C>	2,617,223	0.28
AMP Life Limited	2,479,738	0.26
Pacific Custodians Pty Limited <WPL 2013 WEP Tst A/C>	1,982,823	0.21
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd DRP	1,850,347	0.20
National Nominees Limited <N A/C>	1,748,294	0.19
Argo Investments Limited	1,700,873	0.18
Navigator Australia Ltd <MLC Investment Sett A/C>	1,381,045	0.15
Milton Corporation Limited	1,288,838	0.14
Total	**648,206,210**	**68.79**

Substantial shareholders as disclosed in substantial shareholder notices given to the company are as follows:

Vanguard Group (Vanguard Group Inc. (USA) and subsidiaries)	56,772,669	6.02

Vanguard Group's substantial shareholder notice was given on 31 October 2019. There has been no notice of a change of interest of the substantial shareholder since that date.

Blackrock Group (Blackrock Inc. and subsidiaries)	57,411,550	6.09

Blackrock Group's substantial shareholder notice was given on 30 May 2019. There has been no notice of a change of interest of the substantial shareholder since that date.

Annual General Meeting

The 2020 Annual General Meeting (AGM) of Woodside Petroleum Ltd will be held at 2.00 pm (AWST) on Thursday, 30 April 2020, at the Perth Convention & Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia. Details of the business of the meeting will be provided in the AGM notice.

The AGM will be webcast live on the internet. An archive version of the webcast will be placed on the Woodside website to enable the proceedings to be viewed at a later time.

Refer to Woodside's website for copies of the Chairman's and CEO's speeches (www.woodside.com.au).

Share registry enquiries

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

Computershare Investor Services Pty Limited

Address:	Level 11, 172 St Georges Terrace Perth WA 6000
Postal address:	GPO Box D182 Perth WA 6840
Telephone:	1300 558 507 (within Australia) +61 3 9415 4632 (outside Australia)
Facsimile:	+61 3 9473 2500
Email:	web.queries@computershare.com.au
Website:	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 account details.

For security reasons, you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) when communicating with the share registry. The share registry website allows shareholders to make changes to address and banking details online.

Refer to the share registry website for details of shareholdings (www.investorcentre.com/wpl).

Dividend payments

Woodside declares its dividends in US dollars as this is our functional and presentation currency. Woodside pays its dividends in Australian dollars, unless a shareholder's registered address is in the United Kingdom (UK), where they are paid in UK pounds sterling, or in the United States of America (USA), where they are paid in US dollars.

Shareholders may have their dividends paid directly into any bank or building society account in Australia, the USA or the UK. Payments are electronically credited on the dividend payment date and confirmed by payment advice. To request direct crediting of dividend payments, please contact the share registry or visit the share registry website (www.investorcentre.com/wpl).

Shareholders must make an election to alter their dividend currency by the business day after the record date for the dividend.

Shareholders who reside outside the USA, the UK and Australia may elect to receive their dividend electronically in their local currency using the share registry's Global Wire Payment Service. For a list of currencies offered and how to subscribe to the service, please contact the share registry.

Refer to Woodside's website for the history of dividends paid by the company (www.woodside.com.au).

Change of address or banking details

Shareholders should immediately notify the share registry of any change to their address or banking arrangements for dividends electronically credited to a bank account.

Refer to the share registry website to change details (www.investorcentre.com/wpl).

Australian Securities Exchange listing

Woodside Petroleum Ltd securities are listed on the ASX under the code WPL.

American Depositary Receipts

Citibank (Citi) sponsors a level-one American Depositary Receipts (ADR) program in the USA. One Woodside share equals one ADR and trades over the counter under the symbol 'WOPEY'.

ADR holders should deal directly with Citi on all matters related to their ADRs.

Enquiries should be directed to:
Citibank Shareholder Services

Address:	PO Box 43077 Providence Rhode Island 02940-3077
USA Toll Free Number:	1-877-CITI-ADR
International callers:	+1 781 575 4555
Facsimile:	+1 201 324 3284
Email:	citibank@shareholders-online.com

Investor Relations enquiries

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

Address:	Woodside Petroleum Ltd Mia Yellagonga 11 Mount Street Perth WA 6000
Postal address:	GPO Box D188 Perth WA 6840
Telephone:	+61 8 9348 4000
Email:	investor@woodside.com.au
Website:	woodside.com.au

Key announcements 2019

January	Scarborough Contracts awarded
February	Full-year 2018 results and briefing
March	Sustainable Development Report 2018
April	First quarter 2019 report
June	Pluto LNG turnaround
	Investor site visit
July	Second quarter 2019 report
August	Half-year 2019 results
	First oil from Greater Enfield
October	Third quarter 2019 report
November	Scarborough resource volume increase
	Investor Briefing Day 2019
December	Long-term LNG supply contract

Events calendar 2020

Key calendar dates for Woodside shareholders in 2020.
Please note dates are subject to review.

February	13	Full-year 2019 results and briefing
	13	Annual Report 2019
	13	Sustainable Development Report 2019
	24	Ex-dividend date for final dividend
	24	Closing date for receipt of director nominations
	25	Record date for final dividend
March	20	Payment date for final dividend
April	16	First quarter 2020 results
	30	Annual General Meeting
June	30	Half-year end 2020
July	16	Second quarter 2020 results
August	13	Half-year 2020 results
October	15	Third quarter 2020 results
November		Investor Briefing Day 2020
December	31	Year-end 2020

Unreasonable prejudice

As permitted by sections 299(3) and 299A(3) of the *Corporations Act 2001*, we have omitted certain information from this operating and financial review in relation to our business strategy, future prospects and likely developments in our operations and the expected results of those operations in future financial years. We have done this on the basis that such information, if disclosed, would be likely to result in unreasonable prejudice to Woodside (for example, because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage). The omitted information relates to our internal budgets, forecasts and estimates, details of our business strategy, and LNG contractual pricing.

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.

Further information on some important factors that could cause actual results or performance to differ materially from those projected in such statements is contained in the 'Risk' section on pages 38-41. 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 Australian Securities Exchange (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.

Business directory

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Asset facts

Producing facilities

Australia[1]

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, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG

Pluto LNG	Pluto A Platform	Pluto LNG Plant
Role	Operator	Operator
Equity	90%	90%
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate

Australia Oil	Ngujima-Yin FPSO	Okha FPSO
Role	Operator	Operator
Equity	60%	33.33%
Product	Oil	Gas and oil

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

Developments

	Australia[1]		Myanmar	Senegal	Canada	Australia/Timor-Leste
	Browse	Greater Scarborough	A-6 Development	Sangomar Phase 1	Kitimat LNG	Sunrise
Role	Operator	Operator	Joint operator	Operator	Non-operator	Operator
Equity	30.6%	50-75%	40%	35%	50%	33.44%
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate	Pipeline natural gas	Oil	LNG, pipeline natural gas	LNG, pipeline natural gas and condensate
	Julimar-Brunello Phase 2	Greater Western Flank Phase 3				
Role	Operator	Operator				
Equity	65%	16.67%				
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate				

Exploration

Asia-Pacific

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

Republic of Korea	8, 6-1N
Role	Joint operator
Equity	50%
Product	Gas prone basin

Europe

Bulgaria	1-14 Khan Kubrat
Role	Non-operator
Equity	30%
Product	Oil or gas prone basin

Ireland	FEL 5/13 and FEL 11/18
Role	Operator
Equity	90%
Product	Oil or gas prone basin

Africa

Senegal	Rufisque, Sangomar and Sangomar Deep
Role	Operator
Equity	35%
Product	Oil prone basin

Latin America

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

1. For further information on Woodside's Australian titles, please refer to the titles register website (neats.nopta.gov.au).

Glossary, units of measure and conversion factors

Glossary

$, $m	US dollars unless otherwise stated, millions of dollars
1P	Proved reserves
2C	Best Estimate of Contingent resources
2P	Proved plus Probable reserves
Acquisition costs	2018 acquisition expenditure divided by contingent resources (2C) added through 2018 acquisition activity
AGM	Annual General Meeting
AOI	Area of interest
APPEA	Australian Petroleum Production & Exploration Association
Appraisal well	A well drilled to follow up a discovery and evaluate its commercial potential
ASX	Australian Securities Exchange
A$	Australian dollars
Average unit cash cost of sales	Average unit cash cost of sales includes production costs, royalty and excise, shipping and direct sales costs, carbon costs and insurance; excludes exploration and evaluation, general administrative and other costs, depreciation and amortisation, PRRT and income tax
BJV	Browse Joint Venture
Brent	Intercontinental Exchange (ICE) Brent Crude deliverable futures contract (oil price)
Cash margin	Revenue from sale of produced hydrocarbons less production costs, royalties and excise, insurance and shipping and direct sales costs, divided by revenue from sale of produced hydrocarbons
CDP	Carbon Disclosure Project
CHF	Swiss francs
Condensate	Hydrocarbons that are gaseous in a reservoir but that condense to form liquids as they rise to the surface
cps	Cents per share
CWLH	Cossack, Wanaea, Lambert and Hermes
DBNGP	Dampier to Bunbury Natural Gas Pipeline
DRP	Dividend reinvestment plan
EBIT	Calculated as a profit before income tax, PRRT and net finance costs
EBITDA	Calculated as a profit before income tax, PRRT, net finance costs, depreciation and amortisation and impairment
EBITDAX	Calculated as a profit before income tax, PRRT, net finance costs, depreciation and amortisation, impairment and exploration and evaluation expense
EEP	Employee equity plan
EPC, EPCI	Engineering, procurement, construction and installation
EPS	Earnings per share
Equity lifted LNG	The proportion of LNG which Woodside is entitled to lift and sell, in its own right, as a result of its participating interest in the relevant project
Farm-in	Where one company acquires an interest in an exploration permit or production licence by paying some of the past or future costs of another company that is relinquishing its interest
FEED	Front-end engineering design
FEL	Frontier exploration licence
FID	Final investment decision
First half, second half	Halves of the calendar year (H1 is 1 January to 30 June and H2 is 1 July to 31 December)
Flaring	The controlled burning of gas found in oil and gas reservoirs
FPSO	Floating production storage and offloading
FPU	Floating production unit
Free cashflow	Cashflow from operating activities less cashflow from investing activities
FVLCD	Fair value less costs to dispose
GDP	Gross domestic product
Gearing	Net debt divided by net debt and equity attributable to the equity holders of the parent

Gross margin	Gross profit divided by operating revenue. Gross profit excludes income tax, PRRT, net finance costs, other income and other expenses
GSPA	Gas sale and purchase agreement
GWF	Greater Western Flank
H1, H2	Halves of the calendar year (H1 is 1 January to 30 June and H2 is 1 July to 31 December)
HSE	Health, safety and environment
HSEQ	Health, safety, environment and quality
Infill well	Well drilled for the purpose of increasing production
ISO	International Organisation for Standardisation
JCC	The Japan Customs-cleared Crude is the average price of customs-cleared crude oil imports into Japan as reported in customs statistics (also known as 'Japanese Crude Cocktail') and is used as a reference price for long-term supply LNG contracts
JV	Joint venture
KGP	Karratha Gas Plant
LHS	Left hand side
LNG	Liquefied natural gas
LOPC	Loss of primary containment
LPG	Liquefied petroleum gas
LTIF	Lost time injury frequency
MOU	Memorandum of understanding
Net debt	Total debt less cash and cash equivalents
NOJV	Non-operating joint venture
NPAT	Net profit after tax
NT	Northern Territory
NWS	North West Shelf
PEP	Petroleum exploration permit
PRRT	Petroleum resources rent tax
PSC	Production sharing contract
PSE	Process safety event
Q1, Q2, Q3, Q4	Quarters of the calendar year (Q1 is 1 January to 31 March, Q2 is 1 April to 30 June, Q3 is 1 July to 30 September, Q4 is 1 October to 31 December)
RAP	Woodside's Reconciliation Action Plan
Return on equity	Return on shareholder funds is calculated as NPAT (excluding non-controlling interests) divided by equity attributable to the equity holders of the parent
RFSU	Ready for start-up
RHS	Right hand side
ROACE	Return on average capital employed, calculated as EBIT divided by average non-current liabilities and average equity attributable to equity holders of the parent
RSSD	Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore
SPA	Sale and purchase agreement
Spudded	Commenced well-drilling process
Tier 1 PSE	A typical Tier 1 process safety event is loss of containment of hydrocarbons greater than 500 kg (in any one-hour period)
Tier 2 PSE	A typical Tier 2 process safety event is loss of containment of hydrocarbons greater than 50 kg but less than 500 kg (in any one-hour period)
TRIR	Total recordable injury rate. The number of recordable injuries (fatalities, lost workday cases, restricted workday cases and medical treatment cases) per 1,000,000 work hours
TSR	Total shareholder return
Unit production cost	Production cost ($ million) divided by production volume (MMboe)
USA	United States of America
USD	US dollars
WA	Western Australia

Units of measure

bbl	barrel
bbl/d	barrels per day
Bcf	billion cubic feet
boe	barrel of oil equivalent
CO_2-e	carbon dioxide equivalent
kPa	thousand Pascals
kt	thousand tonnes
MMbbl	million barrels
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
mmscf	million standard cubic feet
mmscf/d	million standard cubic feet per day
MPa	million Pascals
Mtpa	million tonnes per annum
psi	pounds per square inch
t	tonnes
Tcf	trillion cubic feet
TJ	terajoules

Conversion factors[1]

Product	Factor	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
Dry gas	1 MMBoe	5.7 Bcf

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

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Summary charts

Product view

Investment

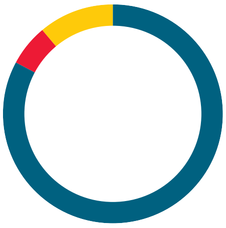
	2019	2018
Gas and condensate*	**63%**	51%
Oil	**23%**	27%
Exploration and other	**14%**	22%

*Indicative only as some assets produce oil and gas.

Our investment expenditure was primarily on Wheatstone, the Greater Enfield Project, NWS subsea tie-backs and exploration.

Production

	2019	2018
Natural gas*	83%	86%
Oil	6%	4%
Condensate	11%	10%

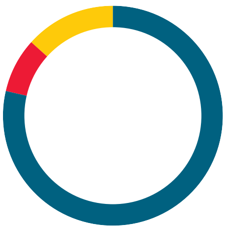


*Includes LNG, LPG and pipeline gas.

The majority of our production is from natural gas produced through Pluto LNG and NWS Project.

Sales revenue

	2019	2018
Natural gas*	78%	80%
Oil	8%	6%
Condensate	13%	14%

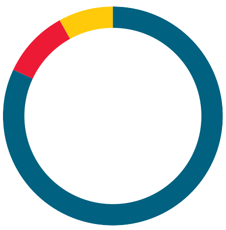


*Includes LNG, LPG and pipeline gas.

Gas, largely sold as LNG, continues to provide the majority of our sales revenue.

Reserves (Proved plus Probable)

	2019	2018
Dry gas	82%	86%
Oil	10%	5%
Condensate	8%	9%

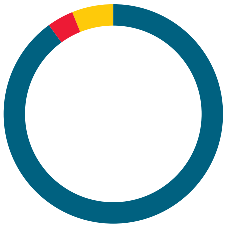


Gas represents the largest portion of Woodside's Proved plus Probable reserves.

Regional view

Investment

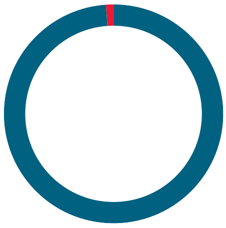
	2019	2018
Australia	**90%**	83%
Canada	**4%**	4%
Rest of world	**6%**	13%



The majority of our 2019 investment was in Australia.

Production

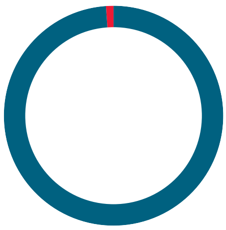
	2019	2018
Australia	>99%	99%
Canada	<1%	1%
Rest of world	0%	0%



Australian assets continue to provide the majority of Woodside's production volumes.

Sales revenue

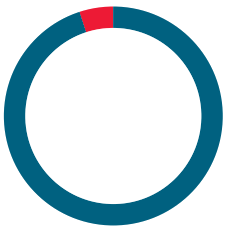
	2019	2018
Australia	>99%	>99%
Canada	<1%	<1%
Rest of world	0%	0%



The majority of our revenue is currently derived from Australia.

Reserves (Proved plus Probable)

	2019	2018
Australia	95%	100%
Senegal	5%	0%
Rest of world	0%	0%



The majority of Woodside's Proved plus Probable reserves are located in Australia.

Ten-year comparative data summary

		2019[6]	2018	2017[5]	2016	2015	2014	2013	2012	2011	2010
Profit and loss (USDm)[5,6]	Operating revenues										
	Australia domestic gas	**83**	84	142	292	295	376	366	367	375	309
	Australia LNG	**3,271**	3,761	2,674	2,751	3,095	4,563	3,347	2,834	1,509	1,310
	Australia LPG	**44**	25	43	34	34	80	88	125	127	115
	Australia condensate	**586**	651	422	413	421	901	1,000	903	860	708
	Australia oil	**360**	301	391	302	650	1,133	896	1,918	1,795	1,579
	Australia LNG processing revenue	**119**	202	192	202	180	198	150	125	-	-
	Trading revenue	**267**	210	53	70	354	161	-	-	-	-
	Other hydrocarbon revenue	**141**	1	47	-	-	-	-	-	-	-
	Other international	**2**	5	11	11	1	23	79	76	136	172
	Total	**4,873**	**5,240**	**3,975**	**4,075**	**5,030**	**7,435**	**5,926**	**6,348**	**4,802**	**4,193**
	EBITDAX	**3,680**	4,041	3,095	3,004	3,443	5,853	4,460	5,528	3,423	3,431
	EBITDA[1]	**3,531**	3,814	2,918	2,734	3,063	5,568	4,188	5,162	2,864	3,126
	EBIT	**1,091**	2,278	1,714	1,388	441	3,672	2,538	3,795	2,212	2,256
	Exploration and evaluation (excluding amortisation of permit acquisition)	**149**	227	177	270	380	285	272	366	559	305
	Depreciation and amortisation	**1,688**	1,451	1,188	1,320	1,517	1,441	1,218	1,184	627	749
	Amortisation of license acquisition costs	**15**	46	16	26	22	21	45	26	28	24
	Impairment/(impairment reversal)	**737**	39	-	-	1,083	434	387	157	(3)	97
	Net finance costs	**229**	183	84	48	85	163	179	137	26	(18)
	Tax expense	**480**	628	465	367	243	993	545	614	677	697
	Non-controlling interest	**39**	103	96	105	87	102	65	61	2	2
	Reported NPAT	**343**	1,364	1,069	868	26	2,414	1,749	2,983	1,507	1,575
	Reported EPS (cents)[2]	**37**	148	123	104	3	293	213	366	190	204
	DPS (cents)	**91**	144	98	83	109	255	249	130	110	105
Balance sheet (USDm)[5,6]	Total assets	**29,353**	27,088	25,399	24,753	23,839	24,082	23,770	24,810	23,231	20,196
	Debt	**6,849**	4,071	5,065	4,973	4,441	2,586	3,764	4,340	5,102	4,915
	Net debt	**2,791**	2,397	4,747	4,688	4,319	(682)	1,541	1,918	5,061	3,952
	Shareholder equity	**16,617**	17,489	15,081	14,839	14,226	15,876	15,225	15,148	12,658	11,091
Cashflow (USDm) and capital expenditure (USDm)	Cashflow from operations	**3,305**	3,296	2,400	2,587	2,475	4,785	3,330	3,475	2,242	2,104
	Cashflow from investing	**(1,238)**	(1,772)	(1,568)	(2,473)	(5,555)	(617)	(1,059)	161	(3,533)	(2,941)
	Cashflow from financing	**317**	(159)	(805)	51	(58)	(3,119)	(2,470)	(1,252)	362	608
	Capital expenditure										
	Exploration and evaluation	**443**	728	328	965	1,305	261	166	383	778	703
	Oil and gas properties and property, plant and equipment	**749**	993	1,039	1,214	4,309	425	420	1,145	2,651	2,933
	ROACE[3] (%)	**4.1**	9.3	7.4	6.2	2.0	17.5	12.0	18.3	11.8	13.5
	Return on equity (%)	**2.1**	7.8	7.1	5.8	0.2	15.2	11.5	19.7	11.9	14.2
	Gearing (%)	**14.4**	12.1	23.9	24.0	23.3	(4.5)	9.2	11.2	28.6	26.3
Volumes[5]	**Sales (million boe)**										
	Australia domestic gas	**5.7**	4.6	6.3	12.9	13.2	13.3	14.0	13.9	14.0	14.8
	Australia LNG	**66.8**	69.6	61.2	63.6	57.6	58.3	52.4	42.6	22.4	22.7
	Australia LPG	**0.7**	0.4	0.7	0.7	0.7	0.8	0.9	1.1	1.1	1.3
	Australia condensate	**9.7**	9.2	7.7	9.3	8.5	9.4	9.5	8.6	7.8	9.1
	Australia oil	**5.5**	4.2	6.9	6.9	12.5	11.2	8.0	16.8	15.7	19.8
	Other international	**0.5**	1.2	1.3	1.6	0.2	0.2	0.9	0.8	2.9	4.5
	Total (million boe)	**88.9**	89.2	84.1	95.0	92.7	93.2	85.7	83.8	63.9	72.2
	Production (million boe)										
	Australia domestic gas	**5.6**	4.6	6.0	12.9	13.1	13.3	13.9	13.8	14.0	14.8
	Australia LNG	**67.7**	71.9	61.7	63.7	57.5	60.3	53.6	43.9	22.6	23.2
	Australia LPG	**0.5**	0.6	0.6	0.7	0.7	0.8	0.9	1.1	1.2	1.4
	Australia condensate	**9.7**	9.3	8.0	9.3	8.4	9.1	9.5	9.3	7.9	9.1
	Australia oil	**5.6**	3.8	6.8	6.7	12.3	11.4	8.2	16.0	16.0	19.7
	Other international	**0.5**	1.2	1.3	1.6	0.2	0.2	0.9	0.8	2.9	4.5
	Total (million boe)	**89.6**	**91.4**	**84.4**	**94.9**	**92.2**	**95.1**	**87.0**	**84.9**	**64.6**	**72.7**
Other ASX data	Reserves (Proved plus Probable) Gas (Tcf)	**5.65**	6.05	6.54	7.09	7.59	6.65	7.09	7.51	7.80	8.02
	Reserves (Proved plus Probable) Condensate (MMbbl)	**100.0**	108.2	117.0	124.2	133.5	117.1	125.2	130.9	138.7	154.7
	Reserves (Proved plus Probable) Oil (MMbbl)	**122.4**	67.7	69.9	74.4	42.6	54.1	67.0	95.9	108.5	117.5
	Other										
	Employees	**3,834**	3,662	3,597	3,511	3,456	3,803	3,896	3,997	3,856	3,650
	Shares High (A$)	**37.40**	39.00	33.97	31.88	38.33	44.23	39.54	38.16	50.85	49.28
	Low (A$)	**30.49**	28.45	28.16	23.94	26.20	33.71	33.29	30.09	29.76	40.56
	Close (A$)	**34.38**	31.32	33.08	31.16	28.72	38.01	38.90	33.88	30.62	42.56
	Number (000's)	**942,287**	936,152	842,445	842,445	823,911	823,911	823,911	823,911	805,672	783,402
	Number of shareholders	**220,065**	209,753	209,383	214,350	225,138	227,798	217,383	208,277	205,868	201,134
	Market capitalisation (USD equivalent at reporting date)	**22,666**	20,681	21,762	18,922	17,250	25,664	28,579	28,983	25,287	33,745
	Market capitalisation (AUD equivalent at reporting date)	**32,396**	29,320	27,868	26,251	23,663	31,317	32,050	27,914	24,670	33,342
	Finding costs ($/boe) (3 year average)[4]	**21.71**	29.90	26.21	39.06	107.45	44.09	30.43	14.09	12.67	6.12
	Reported effective income tax rate (%)	**57.2**	31.7	34.0	35.9	49.8	30.1	29.8	27.2	30.5	25.2
	Net debt/total market capitalisation (%)	**12.3**	11.6	21.8	24.8	25.0	(2.7)	5.4	6.6	20.0	11.6

1. The calculation for EBITDA has been updated to exclude impairment and amortisation of license acquisition costs. 2010 to 2013 EBITDA numbers have been restated to reflect this change in calculation. EBIT is calculated as a profit before income tax, PRRT and net finance costs.
2. Earnings per share has been calculated using the following weighted average number of shares (2019: 935,833,092; 2018: 921,165,018; 2017: 866,201,877; 2016: 835,011,896; 2015: 822,943,960; 2014: 822,771,118; 2013:822,983,715; 2012: 814,751,356; 2011: 791,668,973; 2010: 773,388,154).
3. The calculation for ROACE has been revised in 2014 to use EBIT as the numerator, in addition to a change in the composition of capital employed. ROACE for 2009 to 2013 has been restated to include this change.
4. Finding cost methodology is in accordance with the FAS69/SEC industry standard.
5. 2017 has been restated for the retrospective application of AASB 15 *Revenue from Contracts with Customers* (AASB 15). Comparative financial information prior to 2016 has not been restated for AASB 15.
6. 2019 includes the adoption of AASB 16 *Leases*.

Annual Report 2019

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