

# ASX Announcement

Thursday, 13 February 2020

ASX: WPL  
OTC: WOPEY

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## WOODSIDE FULL-YEAR 2019 RESULTS

Woodside has recorded a full-year net profit after tax (NPAT) of US\$343 million. Production was 89.6 MMboe and operating cashflow was \$3,305 million.

Underlying NPAT was \$1,063 million prior to the deduction of a \$720 million non-cash impairment for the Kitimat LNG assets in Western Canada.

The directors have declared a final dividend of US 55 cents per share (cps), bringing the full-year dividend to US 91 cps. The dividend was based on the underlying NPAT of \$1,063 million.

Woodside CEO Peter Coleman said that 2019 was a pivotal year for the company, which delivered a solid performance and laid the foundations for the future while progressing long-term sustainable growth.

“Our underlying full-year profit of \$1,063 million and strong free cashflow of \$2.1 billion, along with our good cost performance, demonstrate the strength of our base business and its ability to fund growth.

“This was a good outcome given the challenges of Tropical Cyclone Veronica in the first quarter and major turnaround activity.

“At Pluto LNG, we safely executed the first major scheduled maintenance turnaround since start-up in 2012 and the facility went on to achieve record daily production and production rates in the second half.

“Pleasingly, we achieved our best-ever safety outcomes in 2019, which is a credit to our staff and contractors.

“The Karratha Gas Plant achieved strong LNG reliability, while completing major maintenance activities as the North West Shelf Project continued investment in extending the life of the facilities.

“In the first major instalment in our growth trajectory, the Sangomar Field Development Phase 1 in Senegal has progressed into execution phase, targeting first oil in 2023. After working throughout 2019 to secure relevant approvals, the joint venture sanctioned the development in early January 2020.

“We have delivered our near-term growth projects with the completion of the Greater Enfield Project, on schedule and budget.

“Our vision for an integrated LNG processing hub on the Burrup Peninsula is taking shape as momentum builds towards final investment decisions amidst progress on approvals, engineering work and commercial alignment.

“In a complex and at times challenging environment, we have worked hard to bring all stakeholders with us as we advance proposals to produce 40 Tcf of gas resources, including from Scarborough and Browse, and deliver value to our shareholders and communities.

“The increased value of the Scarborough resource was realised through the application of new technology confirming a 52% increase in the estimated resource volume, unlocking the huge potential of this resource and extending the expected cashflow from the development. The revised volume, in conjunction with an agreement on a tolling price for processing Scarborough gas through Pluto LNG, places the development in a strong position ahead of FID targeted for 2020.

“Woodside is ready for FEED entry on Browse following progress on engineering work and regulatory approvals, including the release of the environmental impact statement and environmental review documents.

“In Myanmar, the A-6 Development has taken a further step towards commercialisation by moving to a pre-front-end engineering design phase and agreements have been executed to enable the development to proceed.

“The impairment of Kitimat reflects increased uncertainty, particularly in the timing of the development of the upstream Liard resource, and follows sustained depressed gas market conditions in Western Canada. We will continue to evaluate development opportunities for this world-class asset.

“We have taken steps that are significant to our company’s long-term future, guided by our commitment to sustainability, including signing an agreement with Greening Australia to invest in large-scale carbon offsets,” he said.

### **Financial headlines**

- NPAT of \$343 million
- Underlying NPAT of \$1,063 million
- Operating cashflow of \$3,305 million
- Cash and cash equivalents at year-end of \$4,058 million
- LNG unit production cost of \$3.9/boe, excluding the impact of the Pluto LNG turnaround
- Liquidity at year-end of \$6,952 million and 14.4% gearing at the low-end of our target range
- Declared a final dividend of US 55 cps, bringing the full-year dividend to US 91 cps

### **Key business activities**

#### *Base business*

- Achieved record LNG production rates at Pluto LNG
- Recorded the lowest total recordable injury rate of 0.9 per million work hours
- Completed major turnarounds at Pluto LNG and NWS Project
- Delivered the 500<sup>th</sup> LNG cargo from Pluto LNG

#### *Near-term growth*

- Delivered Greater Enfield Project on schedule and budget
- Achieved FID on Pyxis Hub
- Achieved FID on Julimar-Brunello Phase 2

#### *Burrup Hub*

- Executed FEED for Scarborough and Pluto Train 2
- Increased Scarborough estimated contingent resource (2C) volume by 52%
- Agreed the tolling price for processing Scarborough gas through the Pluto LNG plant
- Completed basis of design work and progressed regulatory approvals for Browse
- Approved the pipeline component of the Pluto-KGP Interconnector
- Executed a sale and purchase agreement with Uniper for long-term LNG supply

#### *Sangomar Field Development, Senegal*

- Received approval of the Exploitation Plan and other regulatory approvals
- Achieved FID on Sangomar Field Development Phase 1 in January 2020
- Awarded major contracts

#### *A-6 Development, Myanmar*

- Completed concept select phase
- Commenced pre-FEED phase
- Finalised revised fiscal terms.

### **Sustainable Development Report 2019**

Woodside has released its Sustainable Development Report 2019 which summarises our sustainability approach, health and safety performance and other material information.

### **Full-year results teleconference**

A teleconference providing an overview of the full-year 2019 results and a question and answer session will be held at 7:30am AWST (10:30am ADST) on Thursday, 13 February 2020.

Investors are encouraged to participate in this event by dialling the numbers listed below and quoting passcode ID: 1559293

For locations within Australia dial toll-free 1800 123 296, or toll 02 8038 5221.

International dial-in numbers (toll-free):

Canada	1855 5616 766	China	4001 203 085
Hong Kong	3008 2034	India	1800 2666 836
Japan	0120 994 669	New Zealand	0800 452 782
Singapore	800 616 2288	United Kingdom	0808 234 0757
United States	1855 293 1544		

For all other countries or operator assistance, please dial +61 2 8038 5221.

The full-year results briefing pack follows this announcement and will be referred to during the conference call.

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*This ASX announcement was approved and authorised for release by Woodside's Disclosure Committee.*



# FULL-YEAR 2019 RESULTS BRIEFING

13 FEBRUARY 2020



# Disclaimer and important notice

## Disclaimer and risks

- This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable as at the date of this presentation but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, changes in accounting standards, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Readers are cautioned not to place undue reliance on these forward looking statements. No representation is made or will be made that any forward looking statements will be achieved or will prove to be correct. We do not undertake to update or revise any forward looking statement, whether as a result of new information, future events or otherwise.

## Notes to petroleum resources estimates

1. Unless otherwise stated, all petroleum resource estimates are quoted as at the balance date (i.e. 31 December) of the Reserves Statement in Woodside's most recent Annual Report released to ASX and available at <https://www.woodside.com.au/news-and-media/announcements>, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius). Woodside is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.
2. Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects the reference point is defined as the outlet of the floating production storage and offloading (FPSO) facility, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.

3. Woodside uses both deterministic and probabilistic methods for estimation of petroleum resources at the field and project levels. Unless otherwise stated, all petroleum estimates reported at the company or region level are aggregated by arithmetic summation by category. Note that the aggregated Proved level may be a very conservative estimate due to the portfolio effects of arithmetic summation.
4. 'MMboe' means millions (10<sup>6</sup>) of barrels of oil equivalent. Dry gas volumes, defined as 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product, are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5.7 Bcf of dry gas per 1 MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbl to MMboe on a 1:1 ratio.
5. The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The estimates have been approved by Mr Ian F. Sylvester, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 20 years of relevant experience.

## Other important information

- All references to dollars, cents or \$ in this presentation are to US currency, unless otherwise stated.
- References to "Woodside" may be references to Woodside Petroleum Ltd or its applicable subsidiaries.
- Woodside adopted AASB 16 *Leases* as of 1 January 2019. Refer to Note E.9(c) on page 112 of the Annual Report 2019 for further information.

**Cover page image:** Pluto LNG onshore processing facility, a key component of Woodside's Burrup Hub vision.

# Financial headlines

**Net profit after tax**

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**\$343** million

**Underlying net profit after tax**

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**\$1,063** million

**Revenue**

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**\$4,873** million

**Operating cashflow**

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**\$3,305** million

**2019 dividend**

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**91** US cps

# Strong base business performance

**Annual production**

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**89.6** MMboe

**Total recordable injury rate**

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**0.90** per million  
work hours

**Operated LNG reliability<sup>1</sup>**

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**97.8%**

**Gas unit production cost<sup>1</sup>**

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**\$3.9** per boe

**Gross margin**

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**\$24.0** per boe

1. Excludes oil facilities and impact of the Pluto LNG turnaround.

# Strong base business fundamentals

## Greater Enfield complete

- + 4.0 MMbbl production contribution
- + Delivered on schedule and on budget

## Investment in reliability

- + Record Pluto LNG production rates
- + Major NWS campaigns complete
- + Facilities prepared for growth

## Low cost

- + Strong operated cash flow

## 2020 production guidance

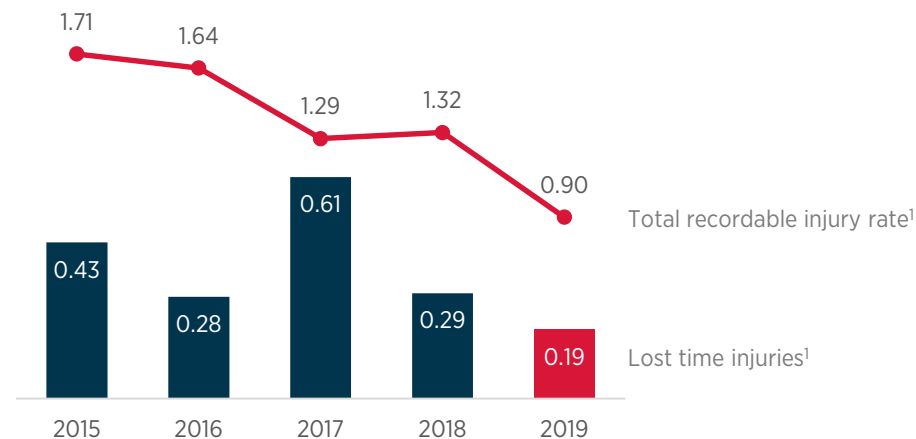
- + 97 – 103 MMboe



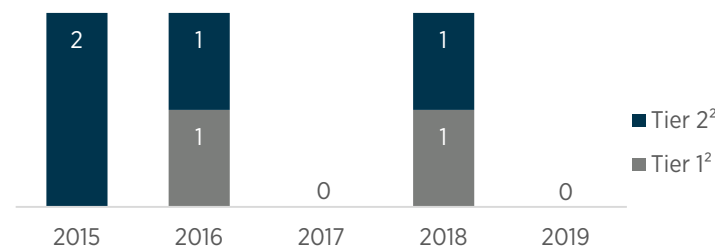
# Best-ever safety performance

- + Record lowest annual injury rate
- + No Tier 1 or Tier 2 loss of primary containment process safety events
- + Achieved through a focus on:
  - Health and safety leadership
  - Collaboration with contractors
  - Mental wellbeing

## Strong safety performance



## Process safety events



1. Per million work hours.  
2. Loss of primary containment process safety event.

# Development momentum

## NEAR-TERM GROWTH

- + Pyxis Hub
- + Julimar-Brunello Phase 2
- + Interconnector pipeline
- + Greater Western Flank Phase 3<sup>1</sup>

**FIDs achieved**

## SANGOMAR PHASE 1

- + Exploitation Plan approved
- + Achieved FID on Phase 1<sup>1</sup>
- + Commenced execute phase<sup>1</sup>

**First oil 2023**

## SCARBOROUGH PLUTO TRAIN 2

- + Agreed Train 2 tolling price
- + Increased Scarborough resource by 52%<sup>2</sup>
- + De-risked costs
- + Executed FEED
- + Executed long-term SPA with Uniper

**FID 2020**

## BROWSE

- + Completed Basis of Design
- + FEED ready
- + Completed Economic Impact Assessment
- + Progressed primary environmental approvals

**FID 2021**

## MYANMAR A-6

- + Completed concept selection and definition studies
- + Commenced pre-FEED
- + Finalised fiscal terms

**FEED entry 2020**

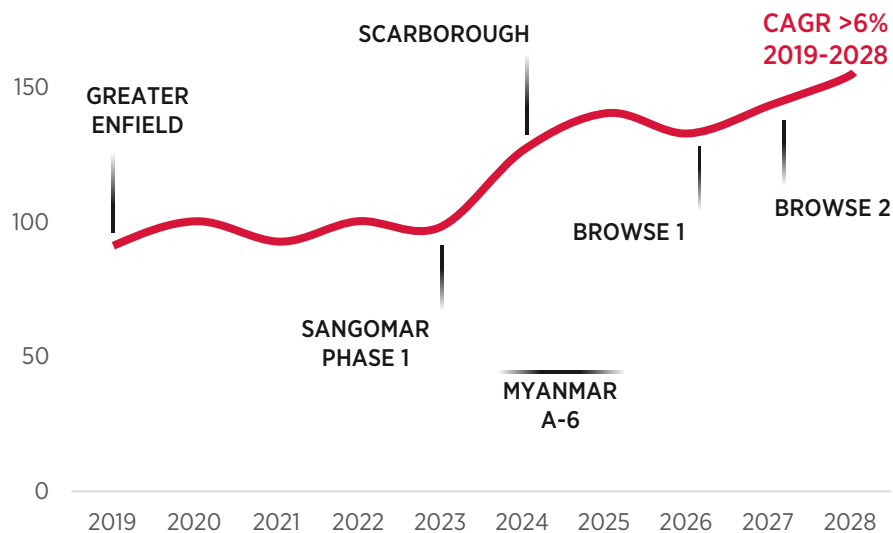
All dates are Woodside targets and remain subject to joint venture approvals, regulatory approvals and relevant commercial arrangements.

1. Subsequent to the period.

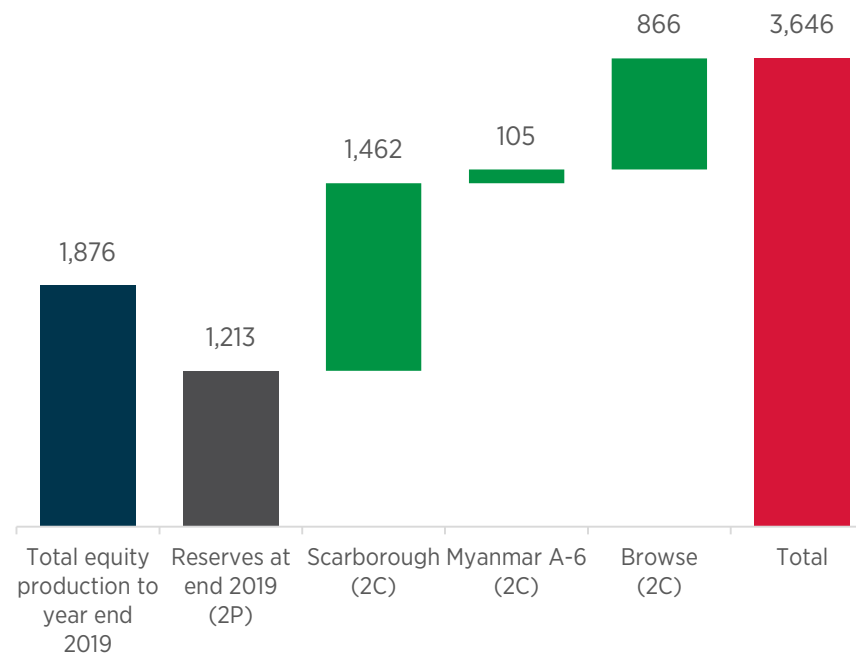
2. ASX announcement 'Scarborough resource increase by 52%', 8 November 2019. 2C, 100%. Woodside's share of Scarborough resource has increased from 5.5 Tcf to 8.3 Tcf.

# Producing ~40 Tcf through the Burrup Hub

## Staircase of new production (MMboe)



## Tripling reserves base (MMboe)

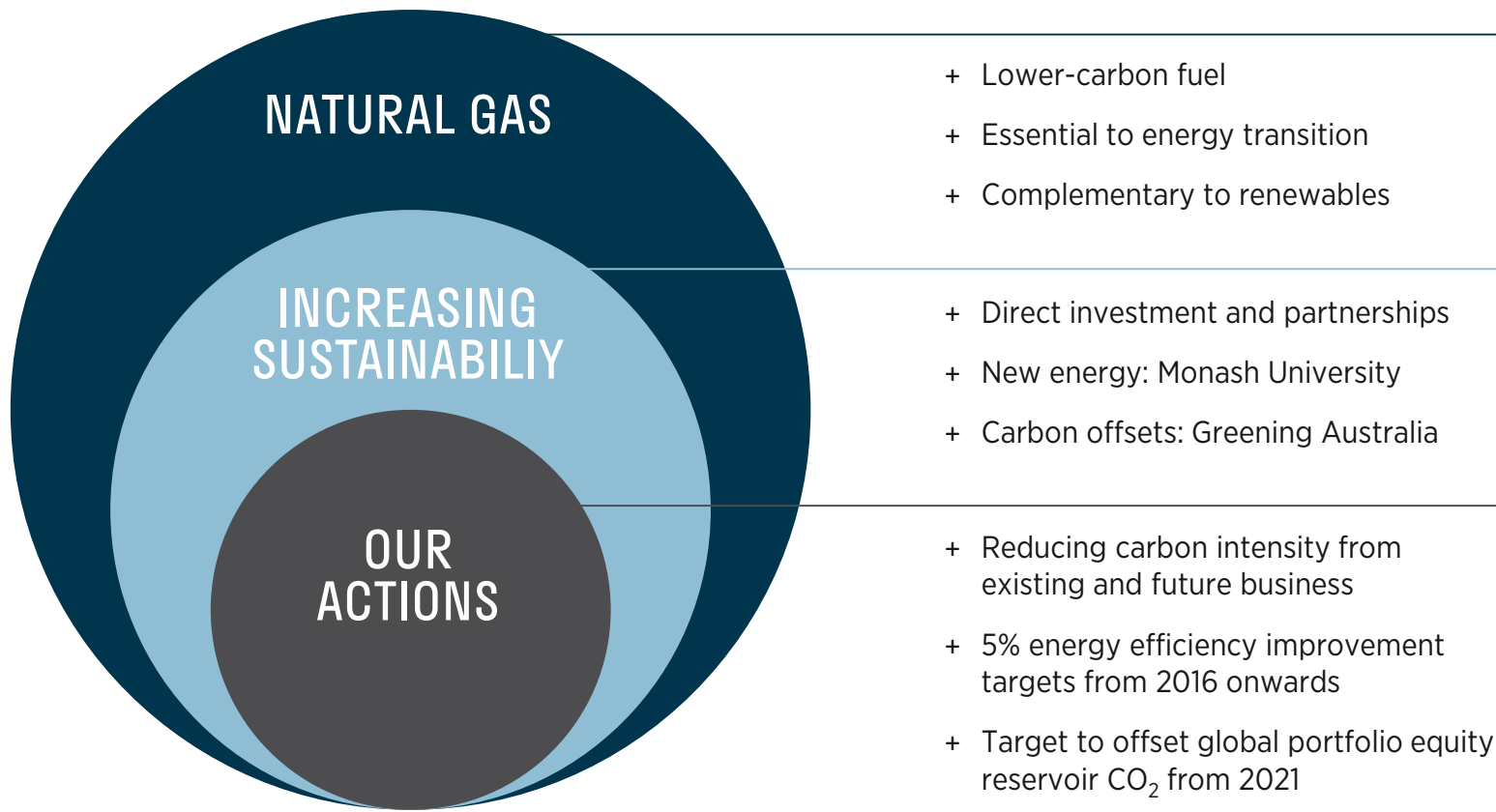


40 Tcf target is based on Proved plus probable reserves (2P, 100%) and best estimate contingent resources (2C, 100%) for Greater Pluto, NWS, Greater Scarborough and Greater Browse.

Targets and not guidance. Based on an estimate of currently sanctioned projects being delivered in accordance with their current project schedules. Includes production impact of the Pluto-KGP Interconnector (2022-2025). Potential future production and reserves figures based on target future sanction and progress of developments and performance of the underlying business and satisfaction of the requirements of Woodside's Reserves Policy for change from resources to reserves.

Myanmar A-6 start-up date subject to finalisation of agreements and the resource size is as disclosed in the 2019 Reserves and Resources Statement.

# Delivering a lower-carbon future



# FINANCIAL UPDATE



# Financial headlines

**Underlying NPAT**

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**\$1,063 million**

**Cash on hand**

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**\$4,058 million**

**Gearing**

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**14.4%**

**Liquidity**

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**\$6,952 million**

**Liquidity cover**

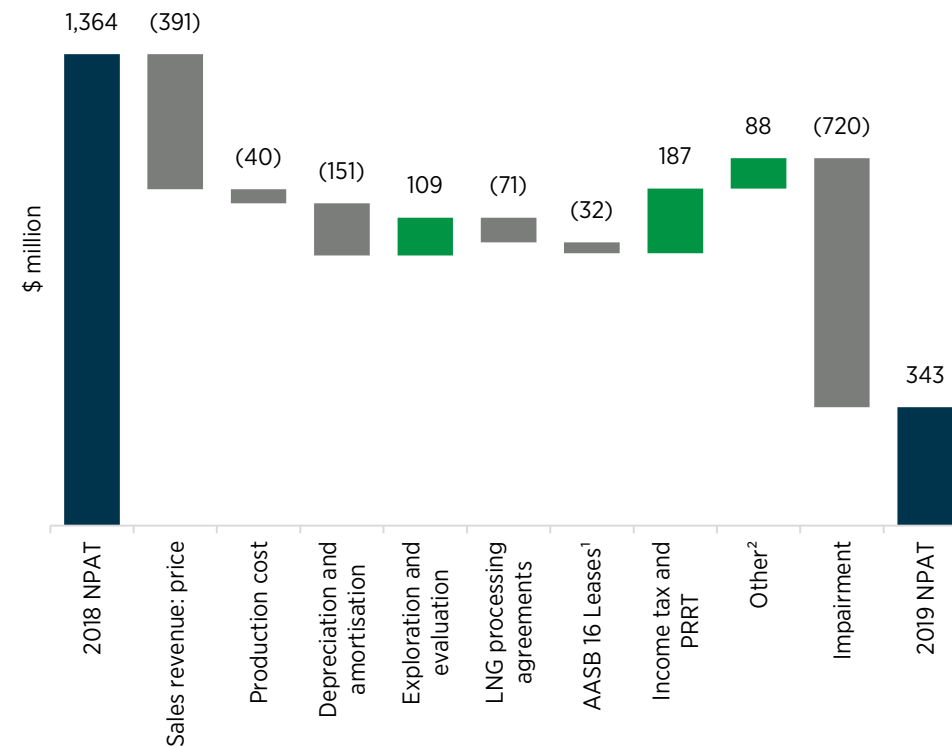
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**~12-18 months**

# Resilient profitability

- + Sales revenue impacted by lower realised price
- + Reduced exploration expense
- + Greater Enfield start-up
- + Adoption of AASB 16 *Leases*

## NPAT reconciliation



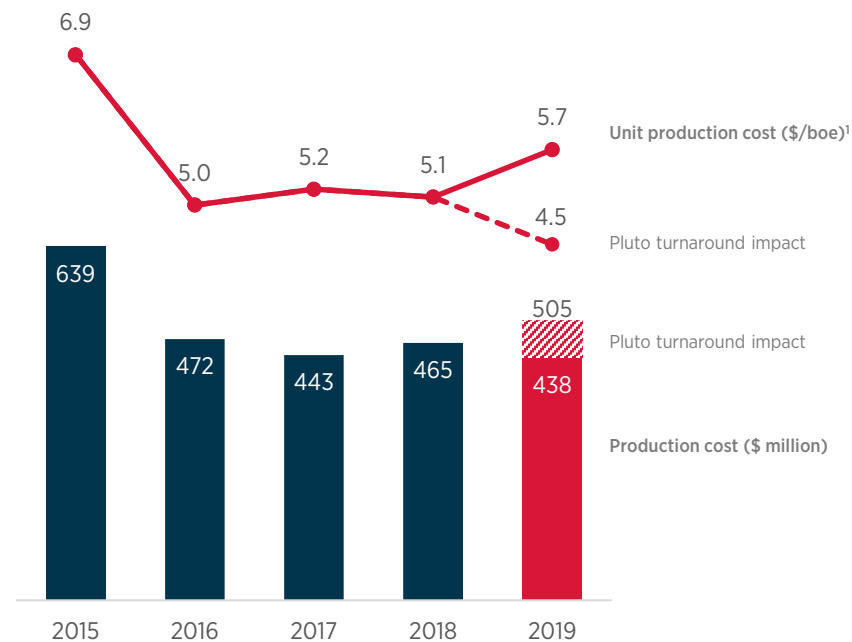
1. Indicative profit and loss impact between prior operating leases (per AASB 117 *Leases*) and AASB 16 *Leases*.

2. Other items include finance income, net trading impact and restoration.

# Underlying production cost reduced

- + Total costs impacted by planned Pluto LNG major turnaround
- + Additional production from:
  - Full year of Wheatstone Train 2
  - Start-up of Greater Enfield

### Production cost

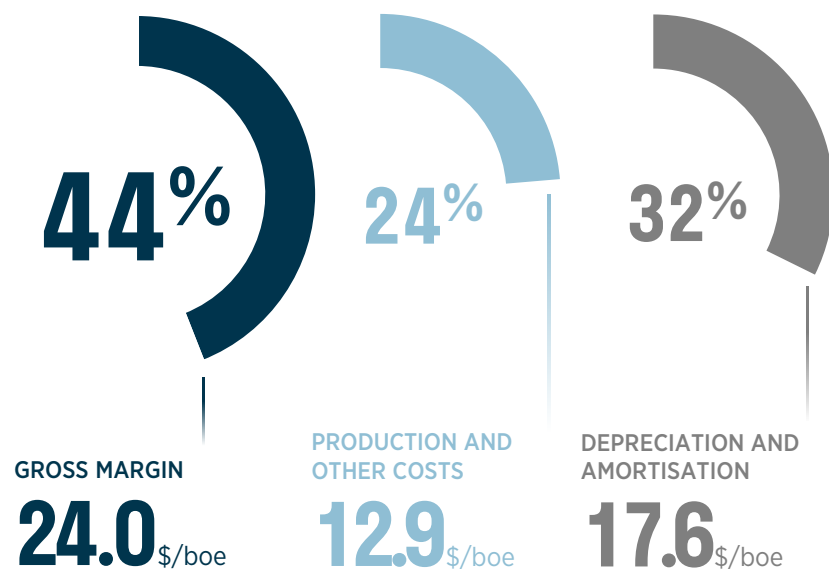


1. Includes all products.

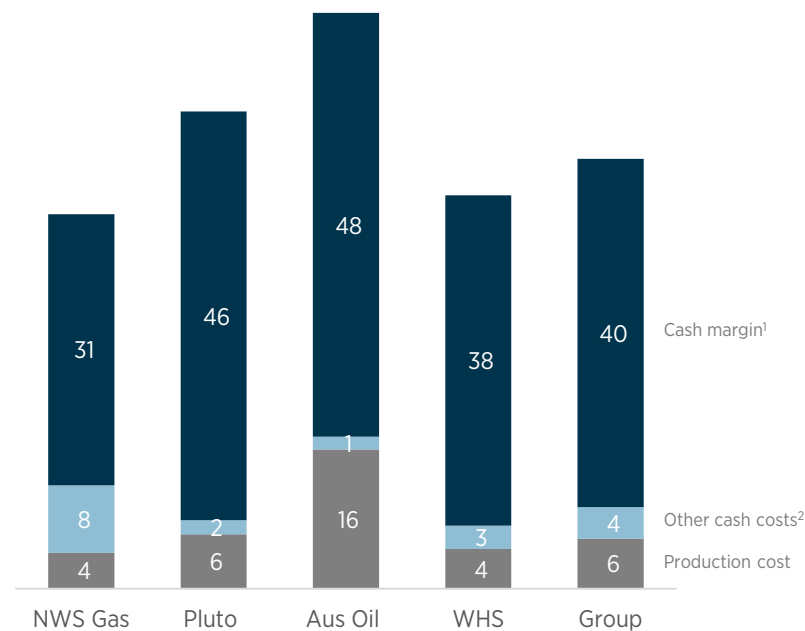


# Strong margins across portfolio

## Gross margin



## Cash margin (\$/boe)



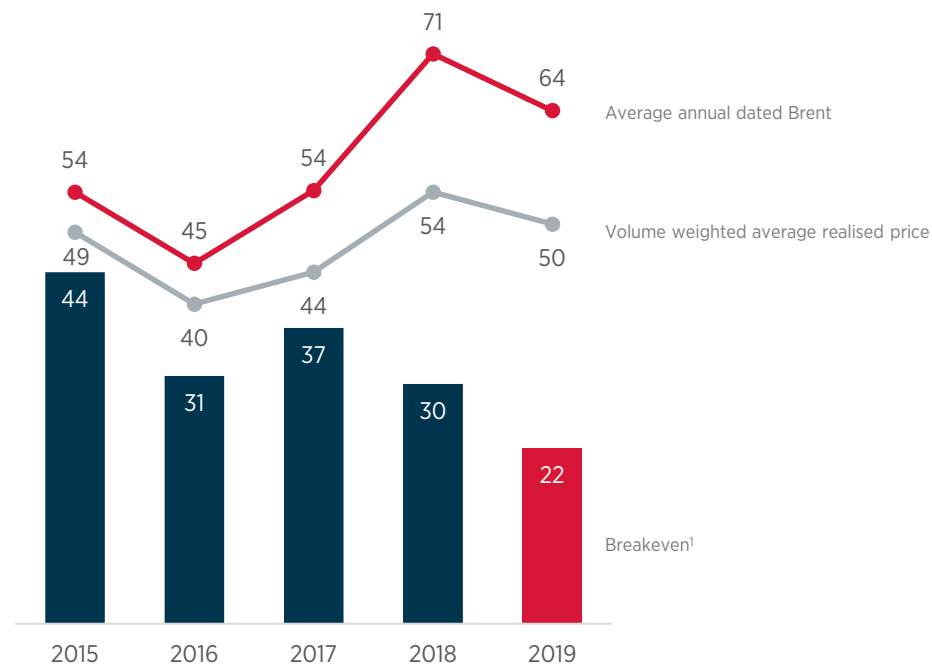
1. Gross profit excluding other revenue, oil and gas properties depreciation and amortisation, inventory movement, trading costs and other hydrocarbon costs, divided by sales volume.

2. Other cash costs includes royalties and excise.

# Increased cashflow generation

- + 27% reduction in breakeven price
- + 36% increase in free cashflow
- + Prudent expenditure management
- + Capacity to fund growth

Breakeven cashflow (\$/boe)

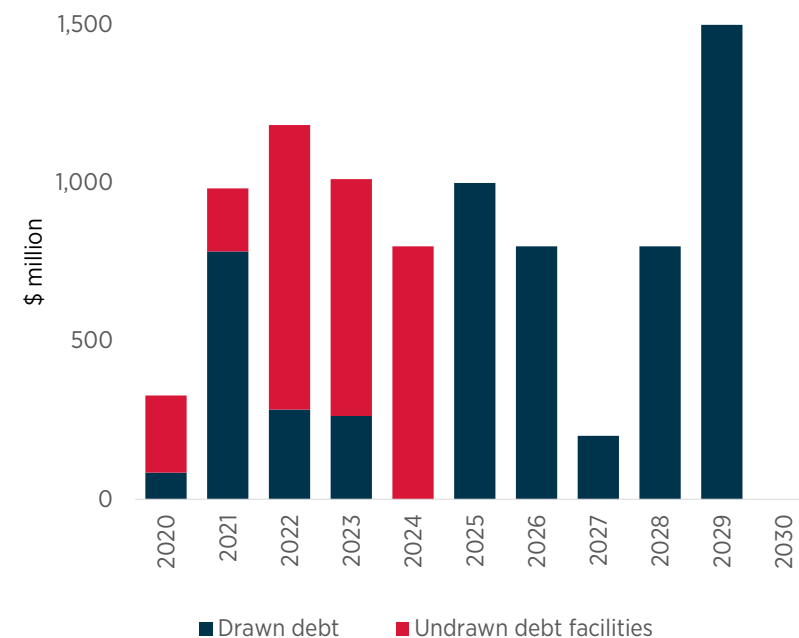


1. Dated Brent price at which the 2019 cashflow from operating activities would have equalled cashflow from investing activities (pre-dividend). Excludes acquisitions.

# Preparing balance sheet for growth

- + New facilities of \$2,450 million in 2019
- + Balanced debt maturity profile
- + 14.4% gearing
- + 3.6% portfolio cost of debt
- + 5.2 years portfolio weighted average term to maturity

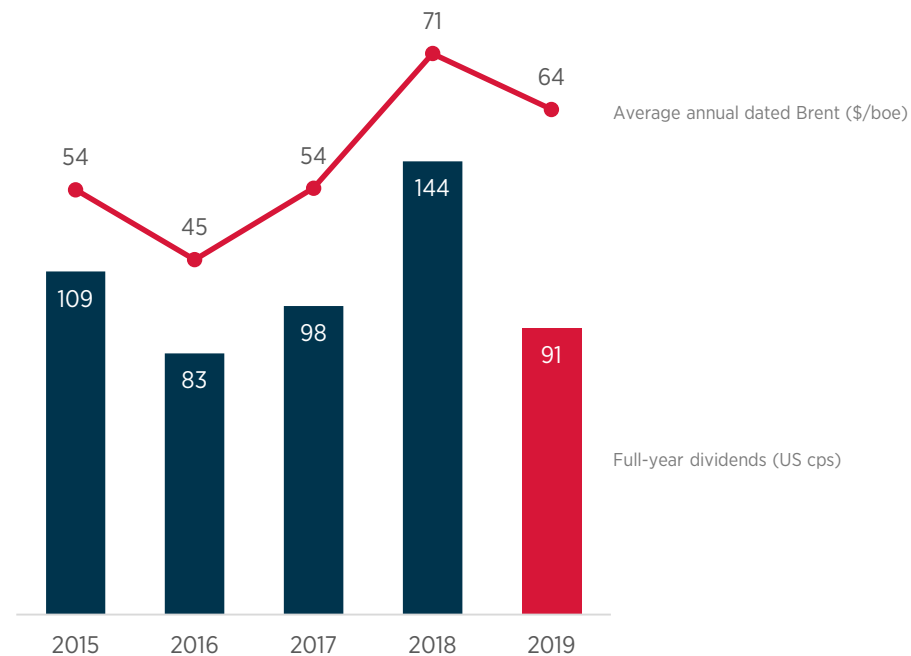
### Debt maturity



# Solid distributions to shareholders

- + 80% payout ratio
- + 5.3% dividend yield<sup>1</sup>
- + Reactivated the dividend reinvestment plan in August 2019

### Full-year dividend



1. Net 12 month dividend yield, 2019. Source: iBloomberg.

# 2020 guidance

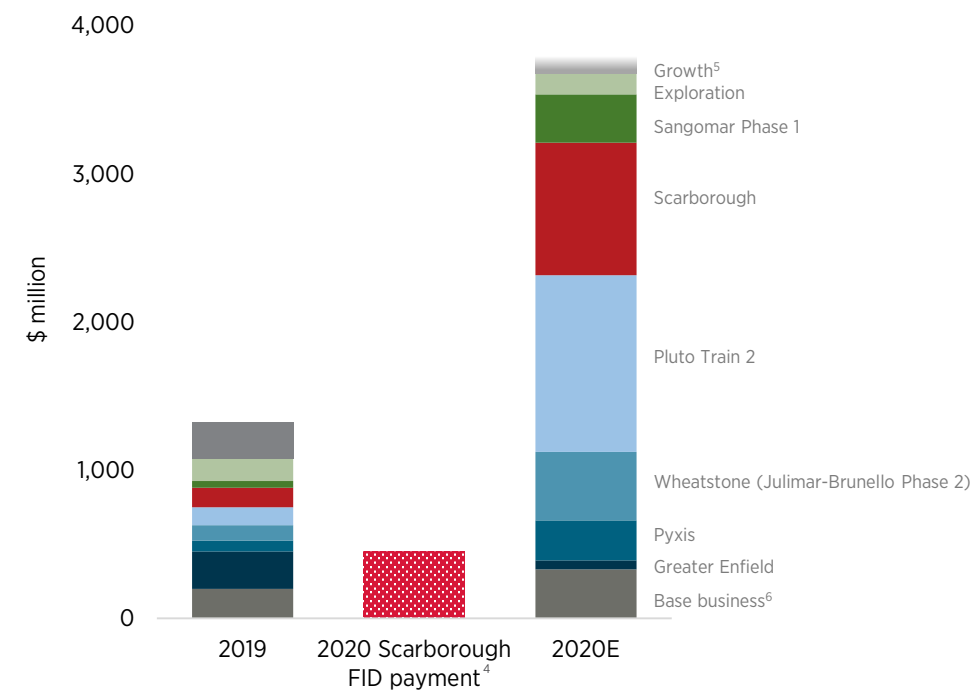
## Production guidance

	MMboe
LNG	74 – 77
Liquids <sup>1</sup>	18 – 20
Australian domestic gas	4 – 5
Other <sup>2</sup>	1
<b>Total</b>	<b>97 – 103</b>

## Corpus Christi

- + Offtake expected to commence in mid-2020
- + Existing arrangements include put options, FOB sales and portfolio sales
- + Stop-loss and hedging may be used for optimisation

## Investment expenditure guidance \$4,100 – 4,400 million<sup>3</sup>



1. Liquids includes oil and condensate.

2. Other includes LPG and other domestic gas.

3. Investment expenditure guidance range is sensitive to phasing of project expenditure.

4. \$450 million due to ExxonMobil and BHP on a positive FID to develop the Scarborough field.

5. Growth includes Browse, Pluto-KGP Interconnector, Kitimat, Myanmar A-6 and other spend.

6. Base business includes Pluto LNG, NWS Project, Australia Oil and Corporate.

# SUMMARY

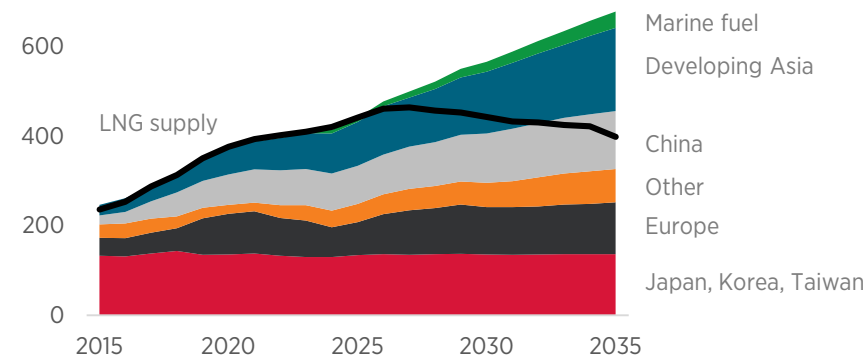
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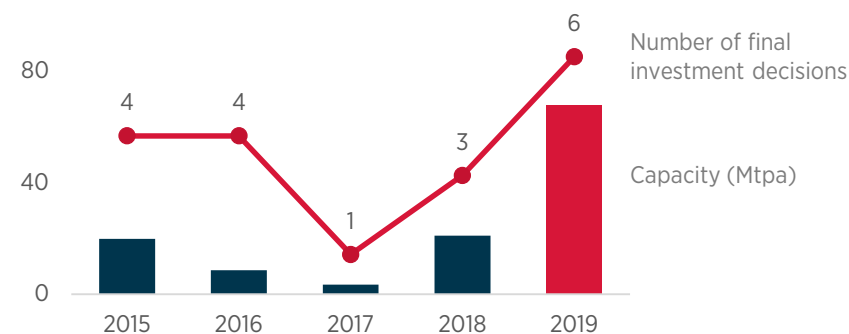
# Global LNG demand

- + LNG demand growth
  - Increased 42% in the past four years
  - CAGR expected to exceed 4% to 2035<sup>1</sup>
  - Supported by China and developing Asia
- + Maintaining project momentum

## Global LNG outlook (Mtpa)



## New LNG capacity sanctioned



1. Compound annual growth rate.

Supply forecast based on existing capacity and under construction developments, excluding boil-off gas. 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.

# 2020 outlook

## EXCELLENT BASE BUSINESS

- + Production guidance 97-103 MMboe
- + Maintain high cashflow and excellent margin
- + Low exploration spend

## DELIVERING GROWTH

- + Sangomar Phase 1
  - Commence FPSO construction
- + Scarborough FID
  - Award EPC contracts
- + Browse FEED
- + Myanmar A-6 FEED

## INCREASING SUSTAINABILITY

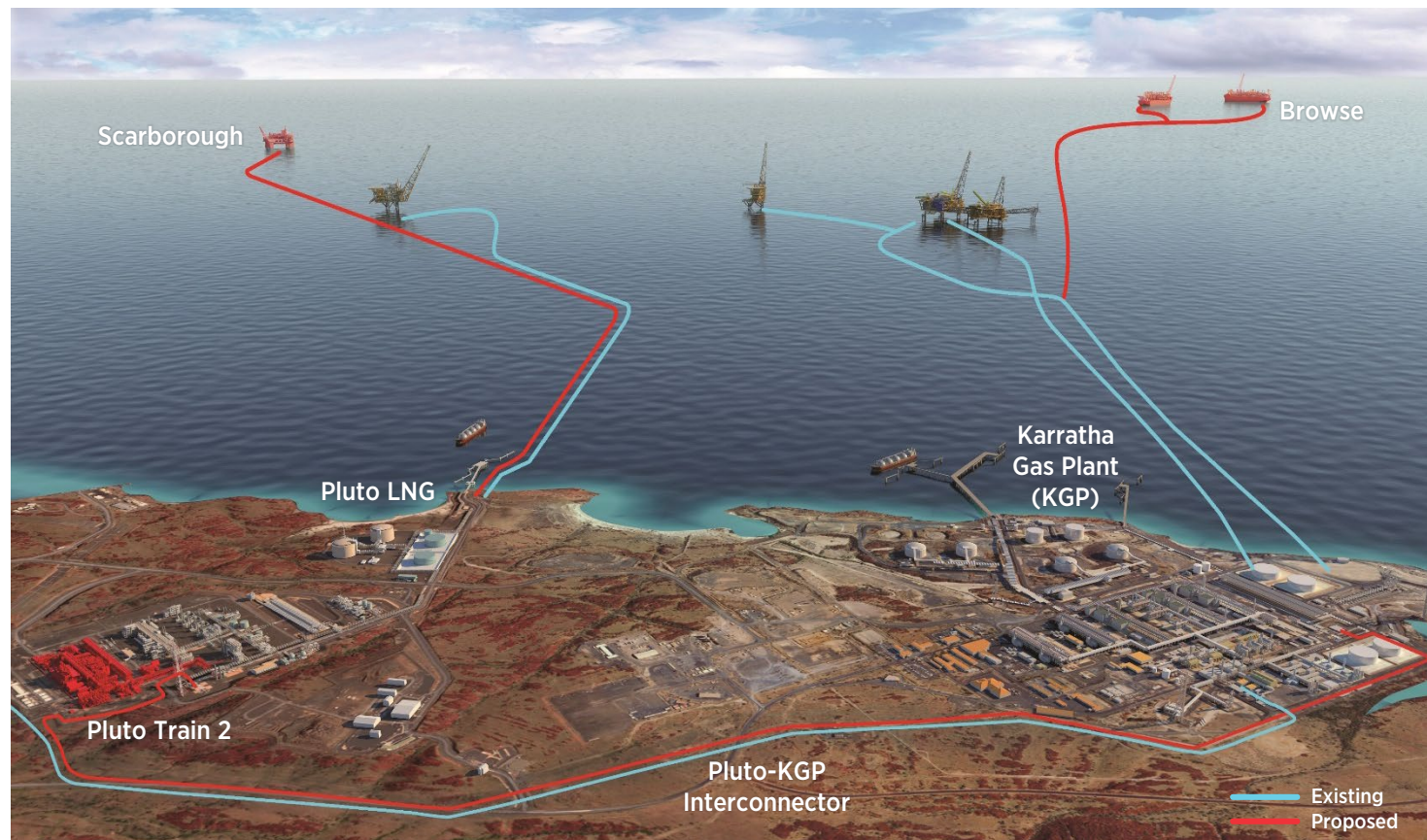
- + Reduce carbon intensity
- + Expand carbon offset business
- + Invest in new energy



# Delivering the vision

## CREATING VALUE

- + Capital efficient developments
- + Meeting global demand
- + Maintaining momentum
- + Strong base business



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

# ANNEXURE



# Realised price

<b>Products</b>	<b>2019</b> (\$/boe)	<b>2018</b> (\$/boe)	<b>Variance</b> (%)	<b>Revenue impact</b> (\$ million)
NWS LNG <sup>1</sup>	45	48	(6)	(85)
Pluto LNG	54	57	(5)	(93)
Wheatstone LNG <sup>2</sup>	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)
<b>Volume-weighted average</b>	50	54	(7)	(391)
Average Dated Brent	64	71	(10)	
Average 3-month lagged JCC	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.

# Corporate performance

		2019	2018
Production volume	MMboe	89.6	91.4
Operating revenue	\$ million	4,873	5,240
EBITDA	\$ million	3,531	3,814
EBIT	\$ million	1,091	2,278
Net finance costs	\$ million	229	183
Taxes	\$ million	480	628
Non-controlling interest	\$ million	39	103
NPAT	\$ million	343	1,364

# 2019 segment performance

		<b>NWS</b>	<b>Pluto</b>	<b>Australia Oil</b>	<b>Wheatstone</b>
Production volume	MMboe	32	37	6	14
Operating revenue	\$ million	1,379	2,230	360	677
EBITDA	\$ million	967	1,804	205	619
EBIT	\$ million	699	963	35	298
Cash margin	%	72	85	74	84
Gross margin	%	51	45	33	29



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