

ASX Announcement

Wednesday, 4 August 2021

ASX: WPL
OTC: WOPEY

Woodside Petroleum Ltd.

ACN 004 898 962

Mia Yellagonga

11 Mount Street

Perth WA 6000

Australia

T +61 8 9348 4000

www.woodside.com.au

SCARBOROUGH PROJECT UPDATE AND LINE ITEM GUIDANCE

Scarborough project update

In the lead up to the targeted final investment decision (FID) later this year, Woodside has finalised technical work to support execution readiness and completed an update of the capital expenditure requirements for the Scarborough development.

Refreshed pricing from major contractors underpins the updated cost estimate, and reflects Woodside's work with them since 2020 to maximise the value of the project by optimising design and execution planning, and increasing offshore processing capacity.

The updated cost estimate is US\$12.0 billion (100% project, nominal), comprising \$5.7 billion for the offshore component and \$6.3 billion for the onshore component.

The cost estimate is approximately 5% higher than the previous cost estimate announced in November 2019 and incorporates:

- An approximately 3% cost increase in the onshore component, including modifications to Pluto Train 1 to enable processing of Scarborough gas
- An approximately 8% increase in the offshore component, including an increase in offshore production capacity from 6.5 Mtpa to 8.0 Mtpa of LNG and an additional well.

The expected internal rate of return (IRR) of the integrated Scarborough and Pluto Train 2 development is greater than 12%. It has a globally competitive cost of supply of approximately \$6.8/MMBtu to north Asia and is targeted to deliver the first cargo in 2026 into a market with anticipated robust demand for LNG.¹

Woodside Acting CEO Meg O'Neill reaffirmed that the Scarborough development is a transformational project that will deliver enduring shareholder value.

"Significant progress has been made towards our targeted final investment decision on Scarborough and Pluto Train 2 this year.

"The cost update includes value-accretive scope changes to deliver an approximately 20% increase in offshore processing capacity and to modify Pluto Train 1 to allow increased Scarborough gas processing. It also reflects the work undertaken with our contractors to optimise the execution schedule and manage costs in preparation for FID.

"Woodside's contracting strategy for Scarborough reduces cost risk, with approximately 90% of total project contractor spend structured as lump-sum and fixed rate agreements.

"We have commenced the formal processes for selling down our interest in Pluto Train 2 and Scarborough as we target the investment decision later this year and these processes are supported by the updated cost estimate," she said.

1. Cost of supply based on integrated LNG DES North Asia. At 10% discount rate.

Half-year 2021 line item guidance

Woodside reiterates the half-year 2021 line item guidance provided in the second quarter 2021 report on 15 July 2021 for “Other expenses – other” of \$135 – 165 million.

“Other expenses – other” comprises Kitimat expenditure (including exit costs), gains and losses on hedging activities, contractual cancellation costs and other expenses not associated with the ongoing operations of the business.

“Other expenses – other” does not include line items within costs of production, other costs of sales or general and administrative costs.

Contacts:

INVESTORS

Damien Gare

W: +61 8 9348 4421

M: +61 417 111 697

E: investor@woodside.com.au

MEDIA

Christine Forster

M: +61 484 112 469

E: christine.forster@woodside.com.au

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