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Announcement

Friday, 2 December 2022

INVESTOR BRIEFING DAY 2022 TRANSCRIPT

Date: 1 December 2022
Time: 09:30 AEDT / 06:30 AWST (16.30 CST on Wednesday, 30 November 2022)

Start of Transcript

Matthew Turnbull: Good morning and welcome to Woodside's Investor Briefing Day for 2022. This is our first in-person briefing day since 2019 so it's a real pleasure to host you all here this morning in Sydney. And good morning, good afternoon, or good evening to everybody joining us on the webcast. It's great to have you involved from wherever it is you're joining us.

Today we are meeting on the land of the Gadigal people of the Eora Nation. We acknowledge their continued connection to these impressive land and waters. We pay our respects to Gadigal Elders past and present and honour their enduring traditions and culture.

It's been 12 months since our last investor briefing day where we outlined our plans for the merger with BHP petroleum's business and our strategy to thrive through the energy transition. It has been a really a busy period and an exciting period for us since then as we have completed the merger and progressed execution of the strategy.

Now, before we get started, there's three items of housekeeping I'd like to address. First, please take the time to read the assumptions disclaimer and other important information on slides 3 and 4 of the pack. I'd like to remind you that all dollar figures are US currency unless otherwise noted.

Second, for those of you in the room, if there is an emergency please follow the instructions of hotel staff. The exit will be through the back doors and then follow staff either north to the Barangaroo Reserve or south to the Wharf Promenade. There's no need to bring anything, please leave everything in the room. And third, we'd appreciate if you could please turn your phones to silent.

Now, today you will hear from our Chief Executive Officer and Managing Director, Meg O'Neill, who will discuss Woodside's role in providing affordable, reliable, and lower carbon energy to the world today and into the future. You'll also hear from members of the Executive Leadership Team on what they are doing in each of their respective areas to deliver enduring value.

We'll then have a quick break before Meg leads a question and answer session so I'd ask if you could please hold all questions until then. Meg and the rest of the leadership team are looking forward to talking with you about Woodside's activities. Please take the opportunity over a light lunch to ask any additional questions you might have.

So with that, I'd like to welcome Meg to the stage to commence today's Investor Briefing Day.

Meg O'Neill: Well thank you, Matt. Good morning, welcome to everyone in the room and online. I'm very pleased that you're able to join us today for Woodside's 2022 Investor Briefing Day. As Matt said, we're very happy to be back in person after two years online and we're very pleased to be here as the new Woodside Energy after completing our merger with BHP's petroleum business.

The merger was completed six months ago today and I'm very proud of how the organisation has responded to deliver on our goal of being better together. I'm joined today with the Woodside Executive Leadership Team. This team has been working closely together to plan integration and then lead our new business as we completed the merger.

I do want to acknowledge the contributions of Fiona Hick who left the organisation earlier this week. Fiona was with Woodside for 22 years and led Australian operations through the challenges of the pandemic and through our early days of the merged Company and we certainly wish her well in her new endeavours. Breyden Lonnie will be representing Australia operations today. Breyden is our Vice President for the North West Shelf and has deep operations experience. Thanks for stepping up at short notice, Breyden.

So I'll provide an overview of our business and our strategy and priorities and then we'll go deeper into the business with the ELT members. Woodside Energy today is a very different company than we were a year ago. When we announced the merger with BHP Petroleum, we highlighted a number of the strategic benefits that the combination would provide and we outlined a compelling investment case.

Those benefits are visible in our performance today. We have increased geographic and product diversification. We have doubled production and operating cash flow. We have strengthened the balance sheet. Three key elements comprise Woodside's investment thesis. First off, we have a high quality portfolio. Our foundation is high performing, cash generating operating assets, and we have future value coming from scale assets that are under development today.

Secondly, we have a disciplined framework for capital management. The framework provides a strong balance sheet and the ability to provide both strong shareholder returns and invest in quality opportunities. And finally, we are well positioned to navigate the energy transition. Building on our traditional energy capabilities and maturing opportunities to produce lower carbon energy and provide integrated carbon solutions.

Now when we compare against other companies in our sector, Woodside does present a differentiated investment opportunity. When you look across a number of key measures, Woodside has a track record of delivering strong margins from our operations and delivering values to shareholders - delivering value to shareholders. We are also biased towards gas developments which we believe will be increasingly attractive in the energy transition.

The former Woodside and BHP Petroleum portfolios are highly complementary. Each containing high quality assets and developments. Merged, the business has a regular cadence of new production from major projects that are under construction today. Those projects, including Mad Dog Phase 2, Sangomar, Shenzi North, and Scarborough will deliver greater than 4% compound annual production growth rate between 2023 and 2027.

Furthermore, we have options to invest in opportunities that could continue to grow production beyond 2027. Matthew, Andy, and Shaun will discuss these opportunities. I'll now spend some time discussing how we see the global energy landscape, what that means for oil and gas demand, and how Woodside is responding.

The energy challenge faced by the world today is complex. The world needs energy that is affordable, reliable, and has lower carbon intensity. Now, too often when energy transition is discussed, the only focus is on carbon intensity. A stable transition for a decarbonising world, however, requires solutions that effectively balance these three attributes.

Energy must be affordable. Real growth in energy demand comes from developing nations with aspirations to improve their standards of living and grow their economies. And even in developed nations, industry and economic prosperity is underpinned by access to affordable energy.

Energy must be reliable. Customers expect immediate access to power, to heat, to transportation. As renewables are increasingly deployed, we believe natural gas can partner with renewables to firm power supply and stabilise electricity networks.

Finally, if the world is to meet the goals of the Paris Agreement, our energy mix does need to evolve. So we need to meet energy demand but with lower carbon emissions. Now, changing the world's energy mix to reduce carbon whilst supporting economic growth through reliable and affordable energy, is a tremendous challenge. To inform our strategy, we need to understand how the transition might unfold.

Woodside evaluates a range of scenarios to help inform our strategic thinking and decision making. And for today's discussion, we will reference scenarios from the recently released World Energy Outlook, produced by the International Energy Agency. The three scenarios are the Stated Policies, the Announced Pledges, and the Net Zero Emissions scenario. And the Net Zero Emissions is a scenario with 1.5 degrees Celsius of global warming.

Let's start with the fundamentals. The charts show that as the world's population increases and living standards improve, GDP will also rise. Now there's a range of possibilities for energy supply but in any event, total demand remains strong. There's variability across the globe.

We see the energy demand of OECD nations as being likely to decline slightly due to increased energy efficiency. But non-OECD nations will see a greater increase as their standard of livings improve. This is an essential point. There is a huge number of people today who still don’t have access to clean cooking fuels or even electricity.

So what does this mean for hydrocarbons? The charts illustrate oil, gas, renewables, and hydrogen demand out to 2050 and we can see from the charts that oil and gas demand is likely to remain strong through the period. The global energy transition can take many different pathways, including those that require strong demand for natural gas, particularly as the world phases down coal.

But what the last two years have demonstrated is that the energy transition is unlikely to be a smooth, linear progression. We are entering a period of highly volatile energy markets and prices. An enormous amount of investment is required in all forms of energy in the coming decades to meet demand under all scenarios.

It's also important to note the scale of hydrogen demand growth. It will take decades and trillions of dollars of investment in hydrogen to develop the scale required to meaningfully replace other fuels. Natural gas, and particularly LNG, plays a key role in energy security. We are very positive on the continued role for gas.

Now we've seen this year the turmoil caused in energy markets by the Ukraine crisis and the consequent threat to accessing reliable and affordable energy. LNG is part of the solution, allowing buyers to secure energy from suppliers from all around the globe.

The price chart, which shows two years of data, indicates the growing disconnect between oil and gas pricing and the increased volatility of gas pricing which began even before Russia's invasion of Ukraine. This highlights the strong demand for gas.

It's also important to understand that only about a third of gas demand is for power generation. Other uses for gas, such as feed stocks for industrial processes, cannot be replaced by renewables. So with that context on the role of hydrocarbons and particularly gas in today's world, I'd now like to describe Woodside's approach.

Our strategy, as we announced to the market about a year ago, is to thrive through the energy transition and I believe that remains the right approach. We intend to optimise value and shareholder returns through developing a low cost, lower carbon, profitable, resilient, and diversified portfolio.

The merger certainly added resilience and diversification to the portfolio, enabling us to be more profitable. When it comes to cost, the expected cash flow break even oil price in 2023 is approximately $30 per barrel. Now, this excludes major projects, trading, exploration, and hedging, which are, in some ways, all discretionary choices. This competitive break even cost gives us confidence in our ability to create value through the cycle.

Following completion of the merger, we have a portfolio of diversified, high quality operating assets and projects. All of our production comes from conventional developments, with a heavy emphasis on offshore resources. Whilst we are still very much an Australian company, we have high quality assets in North America, including large, long life operating assets in the US Gulf of Mexico.

Our Senegal development is 72% complete and we continue work towards first production in 2023. We are also developing a portfolio of new energy opportunities to further diversify our activities and support our customers' decarbonisation plans. The benefits listed on the top of the slide really do highlight the characteristics of the portfolio that give me confidence in Woodside's ability to deliver enduring value.

Now, I'd like to briefly reiterate our capital allocation framework which informs how we think about future investment options. The framework is unchanged from what we have presented previously. As an energy company, we intend to continue developing oil and gas resources and, in parallel, to bring forward opportunities in new energy.

We will be disciplined in our investment decisions with clear targets for financial returns expected from each of our potential investments. For new energy, we have confidence in delivering these targeted return measures. We are focused on parts of the value chain with a higher barrier to entry and which complement our skill set as a producer of bulk energy. Shaun will discuss this further.

Within the capital allocation framework, we have a healthy pipeline of opportunities across each type of energy, oil, gas, and new energy. Some opportunities have progressed to the execution phase and others are being matured for potential future investment decisions.

The key benefit to the breadth of the portfolio is we have development optionality. We can be increasingly selective and only progress the best opportunities. The team will provide further detail on these opportunities and the projects that are shown here.

Now, when we announced the merger in August 2021, we outlined the strategic rationale for the merger and the key benefits. Our presentation has already shown that we are realising many of these benefits. We are also continuing to capture the synergy benefits of the merger.

We have now implemented initiatives to deliver $200 million plus of post-merger annual synergies and we are on track to meet our target of $400 million by calendar year 2024. The synergies cover a range of items, some of which are shown on the slides here.

Our strategic review has also reaffirmed that our portfolio composition is sound. Both heritage companies have taken actions over the past years to high grade the asset base and we do not anticipate further high grading. We do continue to engage potential Scarborough joint venture partners. But given the strength of the balance sheet, we can be discerning and ensure we get the right partner at a value that is accretive for Woodside shareholders.

We are progressing a number of activities in support of our emissions reduction targets. One thing that we've highlighted previously that we'll talk about a little bit more is our progress in developing asset decarbonisation plans. Breyden will talk about this in more detail. But to highlight, we have identified opportunities across our heritage Woodside assets and we are investing to implement these opportunities across the Australian business.

And it's important to reiterate once again that development of any future oil and gas opportunities will be aligned with our decarbonisation targets. ESG performance is absolutely woven into the way we run the business. It starts with integrity in what we do and transparency and accountability to our stakeholders.

I have an expectation of everyone in the Company that we work in a way that builds and maintains trust. This slide presents several material topics that underpin our focus areas and our actions. We clearly have a strong focus on activities related to emissions and climate change, but we also have important work underway across the spectrum of ESG topics.

Now, at this point I would like to welcome Graham Tiver to the stage to discuss how we are managing the balance sheet and our use of capital in the coming years. Welcome, Graham.

Graham Tiver: Thank you, Meg, and good morning, everyone. My name is Graham Tiver. I’m the Chief Financial Officer for Woodside and it’s great to be here in Sydney for my first Woodside Investor Briefing Day. Woodside is in great shape. Our post-merger portfolio of well-run operating assets is generating significant cash flow. We are currently supported by a very strong market, just as we are investing in major projects that will deliver new production for decades to come.

At the same time, we are delivering healthy returns to our shareholders. Over the last 12 months we have paid 214 US cents per share of fully franked dividends to our shareholders with current cash flow generation supporting ongoing returns. My job is to ensure the balance sheet enables the execution of the strategy. We do that through disciplined allocation of capital, managing the balance sheet prudently, making sure we can fund our expenditure commitments and rewarding our shareholders. Today I will take you through what I’m doing to achieve these goals.

Woodside is really well placed to realise and return value in the coming years. The balance sheet is well positioned and set up to fund our major capital projects with low gearing and high liquidity. One of the reasons I’m confident is because of the resilience of our low cost portfolio to generate cash through the cycle, and that is due to our cash breakeven of $30 per barrel, which Meg touched on.

However, strong cash generation only delivers value if the cash is put to good use. Meg has touched on the capital allocation framework and how we look at different types of investments, but we also have a robust capital management framework, shown here on the slide, which informs our decision making on how to optimise the allocation of cash to investments and shareholders. You will have seen this framework before and we continue to deliver in line with it.

There are three boundary conditions we work within. First, we must meet our investment expenditure commitments. Second, we are committed to maintaining an investment grade credit rating and third, our dividend policy is to pay out a minimum of 50% of our underlying profit and currently targeting a range of 50-80% and it’s worth noting pretty well over the last decade we have paid to the top end of that range.

Maintaining an investment grade credit rating is important to us and a primary driver for how we manage the balance sheet. As it's forward looking it is an independent assessment of the financial strength of the Company and allows access to competitive debt capital markets.

Another metric which we use to gauge the health of the balance sheet is gearing, which has a target range of 10-20% through the cycle. We tested this range across a number of scenarios and determined that it was robust to various price decks, investment decisions and returns. The 10-20% range is appropriate for our business, which features large capital commitments in a volatile pricing environment.

We may at times sit temporarily outside of the range subject to internal and external factors. Once we meet our capex commitments, target credit metrics, dividend obligations and consider the external factors then we will make a call on how to use any excess cash. This includes potential additional returns through special dividends or share buybacks.

Now looking at the strength of our balance sheet, our investment grade credit rating is important and is currently BBB+ and Baa1, which were both reaffirmed recently. Our liquidity continues to strengthen underpinned by strong operational performance and buoyant markets for our products. At the end of October our liquidity was US$9.4 billion, of which undrawn debt facilities were $4.1 billion. Our debt maturity profile is well managed with an average portfolio term to maturity of 3.6 years and minimal maturities in the near term. Our strong balance sheet ensures we are well positioned as we work through this period of high major capital expenditure.

The chart on the screen shows an indicative forecast capital expenditure over the next five years. This is for committed activities only. If we were to take FID on additional major projects, such as Trion, Calypso and H2OK, then the capex would be additional to the values shown here and the total capex would be broadly aligned to the dotted line shown on the chart, the blue dotted line. Our capital expenditure is expected to peak next year and we are guiding to a total investment expenditure range of $6 billion to $6.5 billion for 2023.

This total amount includes some capex, which has been rephased from '22 in '23 and '24 and both Sangomar and Scarborough remain on budget and on schedule. These investments are important to us and the likes of Sangomar and Scarborough will maximise and generate future production and cash for decades to come. Our cash flows differentiate Woodside as an investment proposition. Today we are presenting five year indicative projections for both operating cash flow and free cash flow. Once again, these are based on a range of assumptions, including a price deck representing the current forward curves for our products.

Under these conditions the business is expected to remain free cash flow positive through the current period of heightened capital expenditure, that is we are essentially self-funding both Scarborough and Sangomar, even at current equity levels. Over the next five years on the assumptions as outlined we will generate on average $8 billion per annum of operating cash flow and $4 billion per annum free cash flow. This speaks to the value being delivered by the merger.

I would like to reflect on Woodside's dividend performance over the last five years. Our history of strong shareholder returns is something we are very proud of. Our disciplined approach to capital management provides a framework to ensure we continue to return value to our shareholders and that is through the cycle. At the half year our dividend represented an annualised yield of 9% and, as mentioned previously, current cash flow generation supports ongoing returns.

So it's an exciting time for Woodside and it's an exciting time for me as the CFO. We're in the middle of developing our first post-merger full year results. As a result of the scale of the Company and the additional reporting requirements following the merger there has been a lot of change to how we report. I do appreciate your patience through this period of transition. We are finalising the accounting impacts of the transaction, including items such as the purchase price allocation and depreciation as examples and look forward to sharing the outcome with you in February.

I will now pass over to Mark Abbotsford, Executive Vice President Marketing and Trading, to talk about our marketing strategy and activities. Thank you.

Mark Abbotsford: Firstly, thank you, Graham. Good morning, everyone. It is an absolute pleasure to be here today at Woodside's Annual Investor Briefing Day. For those who don't know me, my name is Mark Abbotsford. I'm Executive Vice President of Marketing and Trading. As noted by Meg, global energy markets have undergone unprecedented change in the last couple of years. We have experienced two tail or black swan events. Whilst exceptional pricing has been realised across our portfolio, price volatility is at heightened levels and risks, including that related to counterparty performance, remain elevated.

Tragic events have led to reduced pipeline gas supply to Europe with a significant swing towards LNG to meet that shortfall. These events have compounded conditions that were already evident in 2021 when gas prices were rising largely as a consequence of rising coal and carbon pricing within the European Union. In addition, under-investment in new LNG production has constrained supply growth just at the point that the market needs it most.

These events have fundamentally reshaped global energy markets. We have transitioned from being supply balanced to being supply short. They have also highlighted the importance of three key things to market participants. Firstly, the importance of access to affordable and reliable energy. Secondly, the importance of access to important infrastructure, specifically LNG shipping and LNG regasification capacity. And thirdly, the importance of possessing the capability to manage global market shocks and risks across the value chain.

Against this macroeconomic backdrop Woodside is positioned to capture value and manage risk underpinned by three key tenets. Firstly, Woodside has a diverse and flexible marketing portfolio of supply and delivery points across both the Asia-Pacific and Atlantic Basins, positions that we expanded through the merger with BHP Petroleum and which we look to grow.

By way of example, the recent term deal with Uniper provides Woodside with certain cost competitive physical access to the European gas hub market. Woodside is looking to continue to grow its portfolio and new markets, including through cost competitive and flexible access to new LNG supply out of the United States.

Secondly, our portfolio sales strategy is underpinned by ex-ship sales and strong logistics. Whilst LNG shipping is often taken for granted, access to shipping has become extremely constrained with spot shipping rates recently hitting levels of appropriately US$400,000 a day. During 2022 Woodside has committed to a further six LNG carriers on long term charter to support our growth, to reduce our operating costs and reduce emissions. Taken together these two items provide a platform to create value upside and manage risk through shorter term trading and portfolio optimisation.

Thirdly, as we look forward Woodside will continue to be disciplined in seeking new term arrangements, leveraging our strong global customer relationships to layer volumes into the market throughout the cycle. This will provide a balance between oil linked deals which provide portfolio optionality and gas hub linked deals that provide portfolio flexibility. Whilst much focus is on the near term, we are now seeing a renewed focus for long term security of supply from our key buyers, often complemented with a desire for new energy initiatives. With uncommitted volumes in our portfolio and a growing portfolio of new energy projects Woodside is very well positioned to meet these buyer needs. This provides a useful segue into the detail of our portfolio composition.

Following the merger with BHP Petroleum Woodside portfolio has a more diverse product and price mix, both of which serve to increase portfolio resilience. The portfolio has a greater weighting towards oil in the near term with optionality and flexibility in the longer term from our growth projects and as contracts expire, including our Pluto foundation contracts from Q2 2025. This, along with confidence in the liquidity of the LNG spot market, provides an opportunity to consider an increase in gas hub indexation in our broader portfolio.

As we specifically look at our equity LNG portfolio, Woodside expects to increase its exposure to gas hubs from current levels of appropriately 20-25% pre-Scarborough start-up to 30-35% in the longer term. These levels are post further oil linked sales and potential reductions in Scarborough equity through any future selldown. The impact to the total equity produced portfolio will be a reduction in the overall indexation from oil and a reweighting towards gas. This portfolio mix is complemented by our low volatility portfolio of predominantly pipeline gas sales from Western Australia, eastern Australia, Trinidad and Tobago and the United States.

At the right points Woodside will seek to secure flexible oil linked deals in its portfolio to regenerate optionality and to provide firm outlets. For example, Woodside recently concluded a term sale with a large end-buyer in the Asia-Pacific providing Woodside with gas hub exposure for the first two years of that arrangement before reverting to strong, flexible hybrid pricing in the medium term.

I would note that this slide does not include our trading portfolio, which is also exposed to gas hub pricing. As we have previously advised, Woodside's hedging program has largely mitigated downside outcomes in both 2023 and 2024. Our trading gas hub exposure is expected to grow in 2023 and further grow in 2024 and beyond.

Now moving closer to home, Woodside's Australian domestic gas portfolio has increased significantly as a result of the merger. As at 2023 Woodside's share of domestic gas production is expected to supply appropriately 18% to the Western Australia market from four supply points and 20% of the eastern gas market. A hundred per cent of the gas that Woodside produces and sells in eastern Australia is consumed domestically.

Prices have been increasing in both regions and new supply sources are key to meet demand. Woodside is proud to continue to make available and supply reliable gas in both WA and eastern Australian gas markets. Again, by way of example, Woodside has recently conducted an expression of interest in eastern Australia for the sale of approximately 50 petajoules of gas over 2024 and 2025. Over 20 companies were invited to participate and the expression of interest closed significantly oversubscribed. Woodside is now in the process of finalising arrangements with selected parties and will look to release further supply during 2023.

Woodside is a signatory to the Gas Code of Conduct and we see gas as being critical to energy security across Australia, particularly as firming power demand becomes even more critical with falling coal generation and increasing penetration of renewables. To this end we continue to progress our discussions with Viva Energy regarding the potential to supply LNG into Victoria and we work closely with our Gippsland JV partner to ensure that we maximise available supply into Eastern Australia in both the short and longer term.

With that I will close and I will hand across to our EVP of Projects, Matthew Ridolfi. But before Matthew joins us we have a short video to share with you. Thank you very much.

[Video playing]

Matthew Ridolfi: Good morning, my name's Matthew Ridolfi, it's my pleasure to be here today to talk to you about the Projects business, which I lead for Woodside Energy. Woodside's post-merger project portfolio has scale, and is underpinned by strong project delivery capability. Our major operated projects are going well, and you just saw the video of Sangomar and Scarborough, and I'll come back and give you some further details on those projects shortly.

We have a healthy pipeline of new opportunities. Including the Trion development, which we are making ready for a final investment decision next year. So today I will provide you with an update on our Projects status, including how we have set ourselves up to take advantage of our global scale, manage risk in the current environment, so that we can deliver our projects safely at low cost and lower carbon.

In bringing the two organisations together we have combined the expertise of the two Projects groups across oil, gas, LNG, onshore and offshore. We see benefits from the new organisation in the way we can share knowledge between Projects, but also in the terms of our increased scope and scale that we have with our contractors and suppliers. We have seen strong performance. In the last 12 months we have successfully executed the Greater Western Flank 3 project, the Pyxis Hub and the Shenzi subsea multiphase pump project, all ahead of schedule and under budget.

You heard from Meg before about our broader strategy to ensure we remain competitive in a quickly changing world. This applies and holds true to Projects as well, where we need to be safe, low cost and provide lower carbon solutions. Safety is fundamental to everything we do, and remains our number one priority across all of our activities. We are always looking for ways to improve our safety performance and reduce risk.

For our projects to compete in our capital management process, we need to be low cost. We do so by focusing on being low cost, but for the benefit of returns and value. Projects also has a major part to play in lowering carbon and meeting our emissions targets. The design decisions that our teams take early in the facility's life, live with that facility throughout its production life.

Moving on now to look at our projects pipeline across the conventional oil and gas businesses. You can see we have a strong mix of sanctioned projects, and a healthy pipeline of new opportunities. We are very focused on our sanctioned projects of delivering them on time, safely, and under budget. We are also planning the developments of the future, like Trion, and I will come back and give you some further details on what we're doing on Trion.

We work closely with the Exploration and Development team, led by Andy Drummond, to ensure that we properly plan and prioritise those opportunities that his team secures. Likewise, we work closely with the Australian and International Operations teams on their brownfield subsea tie-back opportunities that we have throughout our producing assets. Now all of these opportunities need to compete for capital, and are evaluated in an open and transparent way, in accordance with our capital management framework that Graham outlined earlier.

Now returning to our major operated projects currently in execution phase. Firstly, the Sangomar team has been doing an outstanding job over the last couple of years in progressing the project. Despite the impacts of COVID since we took FID in early-2020. I am pleased to say the project is now 72% complete. Our current focus is on three delivery areas.

Firstly, the drilling program is progressing well. We have drilled and completed six out of the 23 development wells. We have drilled a further two that are waiting to be completed, and another eight have actually started drilling through our batch drilling activities. We are very pleased with the drilling performance, including with respect to safety and the reservoir results to date have also been in line with expectations.

Secondly, the FPSO conversion activities have recently wrapped-up in China and the FPSO is on its way down to Singapore for inspection, commissioning, and final integration activities. The FPSO conversion is where we saw the greatest impact of COVID, with multiple lockdowns and reduced workforce availability and this is some footage of the FPSO being towed down from China to Singapore.

It's a credit to the Sangomar team that we have been able to deliver the scope, remain on budget, and remain on target for first oil in 2023. I would also like to acknowledge the excellent safety performance that was achieved in the yards in China, with over 16 million hours worked without a lost time event.

Finally on Sangomar, the subsea equipment is nearing completion, and the offshore construction has commenced. We have already installed 69 out of 101 kilometres of rigid pipe in the field, and also installed 64 out of the 111 permanent subsea structures that form the field.

Now turning to our second major operated project, Scarborough, which has just passed one year since we took final investment decision. The project is currently 23% complete, and remains on budget and on schedule. Here our current focus is on completing detailed design, procurement, and early fabrication activities. Construction works at Pluto Train 2 have commenced, and are progressing safely. Recently we opened the first phase of the workers accommodation village in Karratha, which is a major milestone for the project providing 600 beds. We will continue the construction of this facility in 2023, and will peak at 2000 beds being available.

The Scarborough Trunkline fabrication is also ahead of schedule, with 254 km of pipe already manufactured, out of a total of 440 km. All of the subsea trees that are required for start-up of Scarborough have been delivered, or are in Perth. The floating production unit procurement is progressing, and we now have fabrication yards up and running in China. We are also leveraging the lessons that we took away from Scarborough [Correction: Sangomar], how to manage COVID in those yards.

So really great progress overall on our major operated projects. While we have had great progress, we continue to also actively monitor market conditions for any potential impact, and I'll talk about some of those risks now. We currently see common risk themes across the industry, as well as some that are unique to particular projects or particular regional operating environments. But our approach to dealing with these is the same.

We seek to understand early, engage broadly with the critical stakeholders, and minimise any cost or schedule impacts, to maximise value. Inflation and supply chain pressures are currently affecting all parts of our industry. We have been able to mitigate some of these through our contracting strategies, and we continue to work with our contractors to minimise any impacts.

On Sangomar, we are 72% complete and, as such, a large portion of our project costs and rates are now locked in. At Scarborough we front-end-loaded the project's scope definition and execution planning, which has helped mitigate these risks. We also secured our contractors early, before the pandemic and the Ukraine conflict. This has enabled us to build very strong relationships and work with our contractors through these difficult times. We also secured a large portion of our expenditure at fixed rates or lump sums, with contractual mechanisms to manage cost pressures and supply chain disruption. Our increased scale also helps us again here, where we can leverage learnings across our projects, and benefit from the broader relationships that we have with our suppliers.

On Scarborough, we are continuing to work with the regulator to secure the secondary approvals that we need for the offshore part of the project. Some delays have been experienced in obtaining environmental plans in federal waters, following the outcome of the recent Federal Court decision associated with the Santos Barossa proceedings. However at this stage there has been no impact to the Scarborough critical path.

Now turning our attention to a new region of the world for Woodside, Mexico. Mexico provides us with an opportunity to leverage our deepwater US Gulf of Mexico experience as we progress our pipeline of conventional opportunities. The specific opportunity that we have at this stage in Mexico is Trion, which is a significant discovered oil resource that has a fast pay-back period. We have built a strong relationship with our joint venture partner, Pemex, and the other key stakeholders in Mexico and we are on-track for FID readiness in 2023.

This next slide provides an overview of the proposed conceptual development of Trion. The floating production unit would be a semi-submersible, with production capacity of up to 100,000 barrels of oil a day. The initial field development would also include gas injection and water injection wells.

The expected Scope 1 and Scope 2 emissions from Trion are 12.6 kilograms of CO_2 equivalent per boe, a below industry average for deep water development. We have achieved this through efficient design, and we

will continue to look for further ways to reduce our emissions. The Trion subsea infrastructure is designed to allow tie-backs and in-field opportunities and also includes a gas export link to existing infrastructure in Mexico.

So Trion is a mature investment opportunity in Woodside's portfolio. The technical work is well-advanced, and we have a clear pathway into FID in 2023. The key remaining item in FID readiness is to select the FPU contractor and we are on target to do that in the first half of 2023.

In closing, we have a strong Projects delivery capability, and a material operated portfolio that enables us to deliver effectively. Our major operated projects are progressing well. We are aware of the risks that we are facing in the current environment, and we are actively working to mitigate them. We have a healthy pipeline of future opportunities.

That concludes my section covering Projects. Thank you for your time, I will now hand over to Breyden.

Breyden Lonnie: Thanks Matthew, and thank you all for joining us here today. For those I haven't met, my name is Breyden Lonnie, and I am the Vice-President of the North West Shelf. I have been with Woodside for 18 years now, and I have worked in a variety of roles across operations and across project delivery. Culminating in the last seven years, where I have been based in Karratha, with responsibility for the Karratha Gas Plant.

But today I'd like to talk about how we are maximising value across all of our Australian operating assets. The map on the right provides you overview of our Australian operating assets, post the merger with BHP Petroleum earlier this year. The merger has given us a number of things in the Australian operating business. It's provided exposure to Australia's east coast domestic gas market, through the Bass Strait assets. It's doubled our interest in the North West Shelf joint venture, and it's provided other additional oil and gas assets by way of the Pyrenees asset and Macedon.

With increased scale comes the opportunity to run our business more efficiently, and also to take greater opportunity of the synergies as we look to share learnings across an increased base of operating assets. We have a very simple framework for how we maximise value from our operating assets, and that is to focus on safe, reliable, low cost, and lower carbon operations.

The safety of our people is absolutely our highest priority. The process safety performance measures and high consequence injuries are at or below target. Including zero high consequence injuries year-to-date. Personal safety performance is not at target across our Australian operating assets, but it is improving. We have implemented specific improvement plans that focus on the foundations of good safety performance that continue to build on a culture of care, and that strengthen our ability to respond to changes that may arise in the future.

But back to process safety performance. Process safety performance for us at Woodside is an absolute non-negotiable. It keeps our people and our assets safe. Our process safety systems and processes are embedded across our operational roles and activities and there is an ongoing program to make sure that we administer, that we assure, and that we continue to learn from process safety events.

It's essential that we keep our costs under control without compromising safety. This is fundamental to remaining competitive and delivering high margins. Cost control is more challenging in an inflationary environment, and also with the North West Shelf in reservoir decline. The solution is to innovate how we run our business, and also how we employ technology to become more efficient.

We have recently implemented a new operating model across Operations, which creates a more enabled workforce through stronger line accountability. We are leveraging technology through the use of digital tools, such as our new Digital Permit to Work System, which has fundamentally improved tool time for our frontline operations and maintenance workforce.

Now the majority of Woodside's Scope 1 and 2 emissions come from our operations, so how we operate our facilities has a direct impact on our progress towards our corporate emissions reduction targets. Across our heritage Woodside assets we have been developing asset decarbonisation plans, which we are now working to embed. The plans identify opportunities to reduce emissions, such as improving the efficiency of our gas turbines, which are economic when considering the improved performance from those machines, as well as the cost of carbon abatement.

Another operate-out initiative that we are assessing is the use of solar power to generate electricity for the Pluto LNG facility. The electricity could be supplied from the proposed Woodside Solar Project, which will be based in Karratha, in Western Australia. This would reduce our Scope 1 greenhouse gas emissions and increase the amount of gas from Pluto that could be directed to sale, as opposed to power generation.

So beyond our focus on safe, low cost, and lower carbon operations, we have other ways to maximise value from our operating assets. Clearly maintaining high facility reliability is a key metric for us. A reliable plant is a safe plant, but it is also an efficient plant. Our October year-to-date LNG reliability at Pluto is 98.5%, and across at Karratha Gas Plant is 98.7%.

As we look forward to 2023 we have a turnaround at Pluto LNG plant for the second quarter of next year, which is expected to be approximately four weeks long. On the Bass Strait, operator has continued to maximise production, enabling the asset to respond positively to east coast market conditions. For example, in June of this year, the pipeline network was optimised, which increased production capacity from 970 terajoules per day to 1020 terajoules per day.

To maximise utilisation of our existing infrastructure we have also delivered a number of drill and tie-back programs this year. This includes the Greater Western Flank-3 project, Lambert Deep project, and Julimar-Brunello Phase 2. Each of these projects were delivered ahead of schedule, and under budget. The Xena-2 well achieved ready for start-up in November of this year and this was delivered on schedule, and under budget as well. Infill and nearfield drill and tie-back opportunities generally have a lower cost of capital, and have a faster payback period.

We are also thinking creatively about how we can leverage our position as an operator across multiple facilities. An exciting milestone occurred this year when Pluto gas was transported through the Pluto-KGP Interconnector into the Karratha Gas Plant, and processed using available capacity at the North West Shelf. 8 million barrels of oil equivalent production from Pluto was accelerated and sold into high price markets, creating significant value upside for Woodside. Now that this has proved the concept for tolling other resource operators' gas, we are looking for other opportunities to take third-party gas into the North West Shelf.

Now the chart on the right demonstrates the indicative contribution of the Australian assets to Woodside's production over the next five years. Following 2023, which is the first full year of production post-merger, Australian production does taper off, primarily due to the North West Shelf being in decline. If the North West Shelf utilisation remains below 100%, then we will consider taking off one of the LNG trains, taking if offline, in 2024. Which will help with both cost and emissions efficiency. Toward the end of this period, Australian operations production ramps up. That is due to Scarborough coming online.

So I briefly spoke about asset decarbonisation plans earlier. The chart on the right demonstrates the potential impact of asset decarbonisation plans, and what it could do to reducing Woodside's net equity Scope 1 and Scope 2 emissions, which is up to 300 kilotonnes by 2030. It's important to note that this chart reflects the decarbonisation plans associated with Woodside heritage assets, and that we have plans in place to develop decarbonisation plans for our heritage BHP assets in the near future.

Now the final topic I would like to discuss is decommissioning. Woodside has both operated and non-operated interests in several late-life assets and decommissioning will be an ongoing feature of our activity

plans in the future. The chart provides indicative cumulative decommissioning spend over the next seven years. We are collaborating across the industry to identify opportunities to learn and get better in the space of safety, the environment, and cost. We are also investing in the National Decommissioning Research Initiative. I would like to also highlight that decommissioning expenditure is nearly all local content, provides significant benefits to local contractors, and by extension, impact to local communities.

So as you can see, there is a lot of activity across our Australian operating portfolio. Woodside has never been better set up to deliver outstanding operational performance. The merger has increased the potential for efficiencies of scale. We have consolidated two great heritage organisations with a much broader experience base that we can take advantage. We are absolutely focused on doing the right things, extremely well.

So on that I would like to pass over to Shiva McMahon who will discuss our international operating assets.

Shiva McMahon: Thank you, Breyden. Good morning, everyone. I'm Shiva McMahon, EVP for International Operations and it's an absolute pleasure to be here today to talk to you about our international operations business. We have world-class assets with great embedded growth options. This is a high-margin business and our teams continue to identify opportunities to expand the value of these assets. Now, consistent with a broader Woodside strategy, I'm focused on our business being safe, low cost and lower carbon to deliver value and shareholder return.

The key elements of our international business today are our Caribbean assets and our Gulf of Mexico position. These are both basins that we have operated and co-owned in for many decades and have an established track record of safe operations. One of the areas that I'm quite proud of is how our mature safety processes show up and are prioritised in field leadership. We have a combined culture of field leadership between our contractors and our employees. We work as one team at our sites where everyone feels empowered and an integral part of the team. This is fundamental to building a strong safety culture.

We also have a long-standing focus on cost discipline. Over the last couple of years, we also restructured our operations to be most cost-competitive. This has positioned us for resilience well into the future regardless of the oil price environment. Our teams are focused on maintaining safe as well as efficient operations. One example is the recent extension of our living quarters at Shenzi. The progress of our maintenance program, as well as some of our value-adding projects, were constrained by availability of bed space offshore. So our engineering and operations team were able to demonstrate that extending the existing living quarters was actually more cost-effective than deploying short-term rental accommodation or Flotels. This was the right thing to do from an asset integrity perspective, but also from a value lens. And it shows the continuous improvement mindset that our teams apply every day.

Our assets are also lower carbon. The Gulf of Mexico is one of the lowest emissions intensity basins globally and this has been highlighted amongst others through a recent WoodMac study on greenhouse gas intensity. It has favourable fluids, facility design and operating practices that limit emissions. Our assets are consistent with that. Our portfolio is shown on the right. Our Gulf of Mexico position has a remaining resource space of almost a billion barrels. Now, I'll come back to that in just a moment.

In the Caribbean where we've had operating presence for over 20 years, we've built very strong relationships with the government and we've also had a positive impact on the community. Here where our producing assets are later life, our focus is on safe operations and on optimising our performance. So safely maximising the base while we evaluate opportunities for growth in the region and you'll hear a lot more about that in Andy Drummond's section. Now, this is one area where knowledge sharing across the merged organisation has already borne some fruit. Australian operations have significantly reduced their ongoing fabric maintenance backlog through leveraging a single coat paint system that also reduces reliance on dedicated paint crews. That is now being piloted in the Caribbean and I'm pretty confident it will help us reduce our man hours offshore, our costs, while also reducing our risk to our business.

Looking at slide 48, it shows our current Gulf of Mexico position. We are the sixth largest producer in the Gulf of Mexico by volume and we have a demonstrated capability of managing the resources for value and moving them through to production. Today, we have three anchor assets. Shenzi's operated and we also have non-operated positions in Atlantis and in Mad Dog. These are deep water, high-quality oil assets and these large fields have already had multiple phases of development since they were first sanctioned in the early 2000s. Now, each of Shenzi, Mad Dog and Atlantis have one of the top 10 most prolific wells in the Gulf of Mexico. We also have a track record of executing profitable projects to extend the life of these assets.

Over the last 12 months, at Shenzi, we brought online the subsea multiphase pump that Matthew talked about earlier on. This helped us improve production from our base wells, but it's also expected to help us with some of our development wells as well. We also brought on a side track and right now we are executing the Shenzi North project which is a two-well nearfield tie-back opportunity.

So this is just an example of the constant optimisation that our teams do on our assets. We learn more about the field from our production, we identify opportunities to extend the value and then we execute them systematically. Mad Dog and Atlantis are very similar. At Atlantis, we see remaining growth in additional wells, in subsea expansion and in facility modification to help with water injection and water handling. All of this gives us a very healthy pipeline of future opportunities. Now, as Mad Dog phase 2 starts, we expect to learn more about the reservoirs as well and use the information to further inform value-adding projects.

Given the infrastructure is already in place and these reservoirs have quite large volumes, these projects are generally pretty short payback and higher return and you'll see that in a later slide that I'm going to show. I'll now move to slide 49.

The indicative production profile shows that our Gulf of Mexico production which is the dark blue on the screen behind me is actually increasing and this increase is more than offsetting the underlying base decline. This includes a number of tie-backs and, of course, production optimisation projects, but it also includes Mad Dog phase 2. Now, while as you know the operator is working through some commissioning delays, we absolutely expect it to start up in 2023. The production profile also shows our Caribbean production and when we bring on Sangomar, the growing contribution of international operations into the Woodside portfolio.

Moving to slide 50, this highlights the return of some of our unsanctioned projects in the Gulf of Mexico. One of the technologies that's been absolutely instrumental to our infill drilling program and water injection optimisation projects has been the ocean bottom node seismic surveys or OBN. Now, at Atlantis for example, we've just acquired our fifth OBN survey. This gives us a 4D view of the reservoir which allows us to target unswept oil.

So to wrap up, our international business is very well-placed to continue to deliver value safely and reliably. It has an exciting portfolio that will expand further when Sangomar starts up. With that, I'd like to hand over to Andy who's going to take us through our Exploration and Development portfolio. Thank you very much.

Andy Drummond: Thank you, Shiva and hello, good morning, I'm Andy Drummond, Executive Vice President for Exploration and Development. Today, I'll be talking to you about the front-end of our oil and gas growth pipeline. This includes both our Exploration and Development business where we take discovered options through to concept-select before handing over to Matthew in Projects.

We believe this model can increase the pace of developments by reaching concept-select recommendations faster and allowing projects to move straight into design and execution activities. Based on our conversations to date, I know you'd like to hear three things; how do we think about the need for future hydrocarbons and what's the role of exploration, what will make us successful and what do we think of our current development growth options?

Meg shared the global outlook. It is clear that in a transitioning world, the hydrocarbon molecules that will be developed to satisfy demand will be lower-carbon low-cost molecules. In a number of those scenarios Meg

showed, there are enough discovered resources around the world today to satisfy demand. However, there are a number of these resources that in our opinion will not or should not be developed. That may be because of cost, carbon intensity, technology or geopolitical reasons. The role of exploration at Woodside is to add valuable opportunities to the portfolio that are more competitive from a cost and carbon perspective.

Moving to slide 52. To be successful, we are focused on building a portfolio that delivers quality through choice. We want a diverse set of options that we'll assess through risk and value lenses. We manage the risk of the portfolio by creating diversity of play types, geologies and proximity to existing infrastructure. We manage the risk of the options by characterising both the subsurface and aboveground elements, such as the fiscal and regulatory environment. Leveraging joint ventures can help manage our risk exposure by supplementing capabilities and giving access to technology or infrastructure.

We recently announced two joint ventures in our Western Gulf of Mexico position. This allows us to test more for the same spend and has brought additional views of the subsurface to the table along with additional seismic volumes to evaluate the option set. From a value perspective, we are focused on exploration options that can be commercialised fast. Fast to market is a key driver for improving returns on our exploration dollars. However, all opportunities must still compete within our capital application framework. To compete, options will need the right combination of reservoir rock and fluids paired with proven development concepts and have access to markets.

We are seeing industry trends to improve development costs. This can include phased developments and the use of standardised development designs to reduce cost. We now have detailed designs for Sangomar, Scarborough and Trion. Similar facilities may be appropriate for discoveries with similar fluids and ocean conditions. Let me talk about the budget. We will execute the strategy with a moderate budget. This moderate budget challenges us to be disciplined on what opportunities we progress and ensures we progress them in a cost-effective manner. This is a key component to our quality through choice strategy. To that end, we have reduced our budget from the combined heritage companies.

Annually, we will need to balance a budget between additional data and acquisition costs to bring new options into the portfolio and testing new and existing options through drilling. Let's move on to some of the current development options where we have a great hopper of options in the portfolio today. Our focus is on addressing the key items to unlock each option and how they fit in our capital allocation framework.

Moving to slide 53. First is Calypso which is a series of discoveries in the deep water of Trinidad and Tobago. Why do we like it? To date, we have discovered over 3.2 Tcf of gross 2C contingent resource in a country with a great market outlook.

First, there are LNG trains with ullage. Second, there is a petrochemicals industry that relies on gas as a feedstock and third, there is a domestic gas market. Additionally, as Shiva mentioned, we've a long history in country and a great relationship with the government who are keen to support this development. With that, our focus at present is selecting the development concept and identifying the best commercial and marketing solutions.

Slide 54 is Browse. Browse is a large discovery off west coast of Australia. As mentioned earlier, the Karratha Gas Plant is starting to see ullage. Browse is a natural backfill for this ullage. From a development perspective, leveraging the existing infrastructure would enable a competitive option to feed the Asian LNG markets while providing additional domestic gas security for Western Australia.

The three focus areas for Browse are a carbon solution to ensure it's a low carbon [Correction: lower carbon] development, commercial agreements for tolling through the North West Shelf, and acquiring the environmental approvals.

Slide 55 is Greater Sunrise. Another material gas discovery in the waters between Australia and Timor-Leste. Again, well placed for the expected longer term Asian LNG demand. The field has a couple of

development options including sending the gas to Australia to leverage existing LNG plants or a greenfield LNG train in Timor-Leste. Both have the opportunity to aid the communities in Timor-Leste.

The current focus is on agreeing the terms of the production sharing contract between the two countries and the joint venture and selecting the development concept.

So thank you for the opportunity to talk to you today. In summary, I would like to leave you with, we remain committed to exploring for hydrocarbons. We will enable success by building a portfolio that delivers quality through choice and we currently have a great set of development options to choose from. With that, I'll hand over to Shaun.

Shaun Gregory: Thanks, Andy and good morning. My name is Shaun Gregory and I head up Woodside's New Energy team. The scale of the energy transition and decarbonisation journey is unlike anything we've seen before. It took over a century to build today's integrated energy infrastructure and several decades to create today's global LNG industry.

We need to build an entirely new, new energy supply chain. One that does not yet exist while maintaining uninterrupted supply. This is complex. It must be orderly and it must be affordable and this is why we start with the customers. It is with the customers that we get insights into what they want and when in regards to the energy transition.

The development of new energy markets is very similar to the development of the LNG industry many years ago. We are building relationships across the value chain and are aligning solutions to those customers with options to scale to match the pace of the energy transition and this is an important point. The transition timing is very uncertain. We're developing the options to match that pace however it plays out. Our new energy products target hydrogen and ammonia production leveraging our experience as a safe and reliable energy producer. Producing hydrocarbons is a complex process and Woodside has been doing it for almost 40 years. It is our core capability and we are leveraging it going forward.

We also have integrated carbon solutions to help decarbonise and reduce emissions for our business and for those of our customers building on our carbon management strategy where we are focussed in three areas, offsets, carbon capture and storage and carbon to products.

Firstly, on offsets. They are important because they are available to us now and in the short and medium term for emissions that cannot otherwise be avoided or reduced. We have continued to build a diverse portfolio of high integrity offsets to support Woodside's 2030 net emissions reduction targets for our merged business.

Our second focus area is CCS. We're leveraging the capabilities that Andy has in Exploration and Development to identify reservoirs suitable for CCS. We see potential for large scale CO2 storage which will be important to making a step change in abatement for ourselves and our customers. Woodside as a participant in various joint ventures was recently awarded three licenses across the Australian basins to study CCS.

Our third focus area is carbon to products. Woodside is investing in technology advancement to convert carbon into useful products. This is an emerging technology and Woodside has been collaborating with several companies to drive the development of these CCU technologies and it's an exciting future to watch.

Now, let's talk about end use markets that we target for hydrogen and ammonia. First, heavy duty transport. We're focussed on liquid hydrogen as a potential substitute for diesel. Truck manufacturers are developing fuel cell based trucks that need liquid hydrogen as fuel. Our H2 Oklahoma project targets this end use.

Second, we're targeting investment in ammonia for power generation. It can help in decarbonising a coal fired power generation at scale where co-firing of ammonia is a large scale opportunity that we are collaborating with customers in Japan and beyond.

Third, our ammonia projects will also target the shipping and marine fuels market. It is one potential fuel that can contribute to the decarbonisation of the maritime supply chain and finally, hard to abate sectors such as industrial and chemicals. There is increasing opportunity for lower carbon hydrogen and ammonia to replace existing industrial feedstock.

Turning to our portfolio, this slide summarises our announced new energy projects. It's the starting point we aim to grow and be flexible in line with customer demand and all of these projects are scalable. Breyden already mentioned the solar opportunity in the Pilbara to decarbonise our base assets where this week we announced an Indigenous Land Use Agreement.

Also this week, we were selected as the preferred partner for the Southern Green Hydrogen project in New Zealand. This project, along with H2Tas are well positioned to access advantaged renewable hydropower. In H2Perth, we are advancing through pre-FEED and have begun market enquiry for feedstock renewables.

Before we talk about H2OK, I can't forget Heliogen, a breakthrough AI-enabled solar technology that addresses the intermittency problem of renewables. We look forward to helping progress this technology to commercial scale.

I want to take a moment to discuss our most advanced hydrogen project, that in H2 Oklahoma in the United States. The passing of the Inflation Reduction Act has catapulted the US to the forefront of global energy transition by accelerating key markets through policy and economic support. This provides a potential opportunity to increase the returns for the H2OK project.

Woodside is well positioned as we are looking to develop H2OK as it is in a strategic transport and supply chain corridor, making it close to customers who wish to adopt hydrogen as a fuel in the heavy transport sector. We secured electrolysers in October and are expecting to finalise FEED this month and are targeting to be final investment ready in 2023.

Just a few comments on how we see the new energy value chain. The oil and gas value chain is typically described in three segments. Upstream, midstream and downstream. We believe that the new energy value chain is thought of in similar segments. Upstream is about the location for power, water and other infrastructure. We target our facilities in locations that have advantaged access to low cost renewables and enabling infrastructure.

Midstream is our focus where we're leveraging our experience as a safe and reliable energy producer and supplying industrial scale volumes to customers. We see this as a competitive advantage for us in the processing, electrolysis and liquefaction as we embark on our new energy journey.

Customers is about relationships which we have been investing in for decades with our traditional LNG buyers and, as Mark mentioned, we're extending that to new and emerging customers in new energy.

To wrap up, this is a critical time for our industry and a fascinating time to be involved in new energy. We have made some big steps forward in our strategy to develop the products and solutions to help decarbonise our own business and that of our customers and we're targeting the parts of the value chain that not only play to our strengths but should also deliver the best return on investment. I'll hand back to Meg now to close.

Meg O'Neill: All right, thank you, Shaun. So we've covered a lot of territory today and I'm sure you're impressed - as impressed as I am with the capability, strength and depth of leadership that we have on the

Woodside executive team. I believe the investment case in our Company is compelling and I hope that after what you have seen today, you will agree.

We have a quality portfolio. We are oriented towards LNG. We have high quality opportunities to grow the business, both in the near term and in the longer term. We have a disciplined approach to capital management where we ensure that we are able to make investments that we protect the balance sheet and we are able to return value to shareholders through the cycle.

Finally, we are very well positioned to navigate the energy transition and provide the energy that the world needs as it seeks to secure energy that is affordable, reliable and lower carbon. We'll take a short break, about a five minute break, and then we'll be back for questions and answers and we look forward to hearing from the floor at that point in time. Thank you.

[Music playing]

Matthew Turnbull: Welcome back to the second half of the Investor Briefing Day, 2022. We have around 45 minutes for Q&A so there are a few roving mics. We've got Sham, Rohan and Sarah wandering around and if you'd like to ask a question, please just raise your hand and they will come to you.

When it's time to ask your question, please ensure you use the microphone so people on the webcast can hear and please also state your name and where you're from. I would like to ask if you could please limit your questions to two. We want to make sure everybody has an opportunity to be heard. So with that, I'd like to welcome Meg to the stage again and we'll get going. Mark?

Mark Samter: (MST Marquee, Analyst) Can you hear me now? Yes, perfect. What a change for Woodside Investor Day, I get the first question. Thank you. So it's Mark Samter from MST. First question, Meg, just with the Scarborough selldown and it sounded like a - maybe a bit of a push on the process there - can you give us any indication? There's been a process running for a while. Did you reach the stage where you got bids and you weren't happy with the bids or was it perhaps international potential owners are looking at the debacle of Australian energy policy at the moment and not wanting to act? Can you just give us some colour and maybe how the process played out?

Meg O'Neill: Well thanks for the question, Mark. We're always pleased to field questions from you. From a Scarborough sell down perspective, we have been talking to a number of quality counterparties. Potential counterparties. One of the things that the merger provides for us is a strong balance sheet and we've got the ability and we've got probably the luxury of being able to be quite selective about a sell down.

In fact, potentially selecting not to sell down and so we've been very disciplined in who we talk to, wanting to make sure that we're talking to quality counterparties who share our view of LNG as a strategic commodity and we want to make sure that we get the right price. So we're not schedule driven by the process and we'll continue talking to interested parties.

I think it is worth sharing, just to maybe give a bit of colour that there are multiple quality parties that we are continuing to talk to and when we have something to announce, we'll announce it but we're not schedule driven.

Mark Samter: (MST Marquee, Analyst) Thanks Meg and second question, if I can? I don't know if this is for you or for Graham. I think when we look at it, it's great that you've given us those operating cash flow and free cash flow numbers. I suspect the next couple of years, a fair bit less than the market has.

I just wonder, in that context when you consider the Trion and potential FID, do you have a view on your base case macro assumptions, whether you can FID Trion and sustain the payout ratio at 80%? Or do you think it's a bit of an either or?

Meg O'Neill: So, as Graham has described, there are a few guardrails in our capital management philosophy. We are committed to strong investment grade credit rating. We have a dividend policy that pays out 50% of net profit after tax excluding underlying - or excluding exceptional events. We've got a track record, as Graham showed, of paying out at the upper end of our target range, the 50% to 80%. So those are two counterpoints that are very important as we think about our funding capacity.

Everything in between, you know, we have investment commitments that we have already made and as you saw from the slides, we've provided guidance for next year which is $6 billion to $6.5 billion and if you look at the charts for '24, it's in the $4.5 billion to $5 billion range. So we do need to make sure that we can fund those projects. We do need to make sure that we're able to do that if there is a price shock and any potential investment decision that comes in over the top of that. We'll take a look at what's the capital requirement in particularly '23 and '24 and will we be able to afford that or not? Our current assessment is that we can afford to take FID on Trion and we can afford to take FID on Oklahoma. Those are both investment decisions that we want to be ready to make next year, but it will depend on the economic merits and as Matthew stated, we're in the contractor market today getting bids on the FPU, which is one of the significant cost components, and that will help inform that decision.

So the team clearly understands the sort of return and payback periods that we need to be getting from those sorts of oil investments and that's the work that's underway as it stands. And similar on H2OK, Shaun's team is out talking to potential customers, looking for offtake deals, wanting - we need to secure our power purchase agreements and firm up the cost of the development. So all of that will inform those investment decisions.

Mark Samter: (MST Marquee, Analyst) Thanks, Meg.

Matthew Turnbull: So, can we get Tom down here, Sham?

[Over speaking]

Daniel Butcher: (CLSA, Analyst) All right, I'll ask it. Sorry, Daniel Butcher from CLSA. I'm just wondering firstly, in the context of the rumoured gas price cap that's coming in, would you be able to just provide us with a little bit of colour where you can on the contractual profile for Gippsland Basin JV in Bass Strait in terms of the roll-off of any contracts you have and maybe a rough split of oil-linked versus fixed-price versus spot sales? Thanks.

Meg O'Neill: Sure. As Mark noted, we actually went through an EOI process just a few months ago to offer to the market 50 petajoules of gas and the process was run in a quite transparent way. We asked the potential gas buyers to say well, how much gas do you need and what's the preferred pricing mechanism for you as a customer? We got great uptake of the offer. We have been signing agreements with customers and we'll continue to progress agreements, and as Mark noted, we'll continue to put volumes on the market rateably.

One of the things that we have with the Bass Strait with the decline profile we're in and with a seasonal demand profile in eastern Australia where winter demand tends to spike, and we saw that very clearly this past year, we need to make sure that we are rateable in our contracting. We don't want to get in a situation where we are unable to meet our customers' needs. That's why we go out with these partials year after year.

Look, we don't talk about the specifics of any contracts, that's private business between us and the customers, but I would say that they're prices that both the seller and the buyer think are fair. That means those are prices that again the buyer thinks they can continue to run their business in a profitable manner and I'll commend the buyers who have participated in that process for taking care of their business and ensuring that they have reliable energy for the future.

Daniel Butcher: (CLSA, Analyst) All right, thanks. If I could maybe just try a second one on Trion. Thanks for the capex range there. Do you have in mind roughly what the breakeven oil price would be that would be for that project with your 15% IRR that you're targeting? We could use maybe a little bit more colour on what sort of Mexican gas price linkage there is and whether the FPSO would be leased or owned in that capex figure?

Meg O'Neill: Yes. We haven't put out a breakeven target price on a project-by-project basis. What hopefully was useful for you to understand is our current operating business cash breakeven, which is that $30, and read the footnote because it's got clarity on what's included in that calculation. We haven't put that out to market. The gas does go into the Mexican market. Look, I would say that that's not a huge driver of the value of the Trion opportunity and our starting position is that the FSO will be leased.

Daniel Butcher: (CLSA, Analyst) All right, thanks.

Meg O'Neill: Sorry, Tom, maybe we'll go to this side of the room but you'll be in the on-deck circle, to use a baseball analogy.

Dale Koenders: (Barrenjoey, Analyst) Hi. Dale Koenders from Barrenjoey. I just wanted to dive a little bit deeper on the free cash flow chart that Mark was talking about before. I just want to confirm that doesn't actually include the capex for Trion and for the Oklahoma H2 project, it doesn't include that for future growth capex for Calypso or Sunrise or Browse and it doesn't include, given it's not the sanctioned the $5 billion on new energy spend. Is that the way to think about that outlook?

Meg O'Neill: Yes, that's correct. What we have in there is everything that's sanctioned, so that's spend on those projects that is anticipated for next year but not any of the significant investment. Graham's capex chart showed what the capex profile would look like in 2024 and beyond. It's worth noting that capex doesn't move a whole lot in '23 if we do or don't sanction those projects, so it's probably in the width of the line or your round-off, but for 2024 plus you can get a sense for what that future capital looks like from the chart that Graham provided and that was inclusive of Calypso, Trion, and H2 Oklahoma.

Dale Koenders: (Barrenjoey, Analyst) So I guess consensus dividend forecasts through Visible Alpha around $4 billion per annum really does chew up the remaining of that free cash flow before thinking about growth. So, as Woodside progresses as a company and gets towards '24 and '25 and has this next wave of growth, do you think there is a decision point where you might need to pull back your dividend payout, which is really I think Mark's question, if you want to progress with some of these really exciting growth opportunities that you have in the portfolio, if forward oil price is right and if there are no asset selldowns. Is that the right way to think about the outlook?

Meg O'Neill: So our shareholders have been very clear and a number of shareholders are in the room - about the value they place on the Woodside dividend. We went through pretty comprehensive analysis last year to explore the dividend policy and to examine alternatives, surveilling the market and understanding what others do and we reaffirmed that our policy is to pay out 50% of net profit after tax. We find that gives a more stable and predictable return for our shareholders and avoids some of the wild swings that you might see if you used other metrics.

So the 50% commitment is - the 50% dividend payout policy is a commitment to our shareholders. As I noted, we've been paying out at 80% and market conditions this year have allowed us to continue to do so but we will assess each dividend-paying period again as we look at the projection for forward capital, as we look at the projection for forward pricing, and make those decisions at that point in time.

Dale Koenders: (Barrenjoey, Analyst) Okay, thank you.

Meg O'Neill: Okay. We'll go back to Tom.

Tom Allen: (UBS, Analyst) Sure. Thanks, Meg. I was hoping you could just please provide some more detail on the key takeaways that came out of the strategic review. You mentioned that you didn't find any more opportunities for high grading but can you confirm whether your aspirations included asset consolidation opportunities? I recall earlier this you had mentioned that there were attractive opportunities in the Gulf of Mexico that might have allowed Woodside to expand its operatorship in the region. Is that still a live option?

Meg O'Neill: Absolutely. So If you look at the Gulf of Mexico, and I think Shiva's presentation nicely articulated our current business, you know we've got three deepwater tier 1 assets with quite a bit of running room and I think a key chart to take away is the undeveloped potential in our existing asset base. You look at what's going on in the Gulf of Mexico, it's a basin where there's always been a lot of deal space. So, we will continue to look at opportunities to grow the business in North America.

Tom Allen: (UBS, Analyst) Any guidance on the size of opportunity that you're looking at there?

Meg O'Neill: No.

Tom Allen: (UBS, Analyst) No worries, you can only try. Then also just extending the previous question on the capital demands of the business into the longer term, the chart there on I think slide 25 was very helpful, but the only energy transition project in there was the H2OK - the Oklahoma project. So, maybe a little bit more clarity on how you plan to deploy the remainder of that $5 billion from the very, very end of the decade, just on maybe the key project buckets?

Meg O'Neill: Sure. Shaun outlined a number of the projects that we are working on and I know the capital chart only went out for a five-year period with those projects. So the Oklahoma project is the most advanced, FEED is nearing completion, we are approaching a point where we can make an investment decision next year. But there is a series of dominos that follow in pretty quick succession.

Now, it depends on a number of factors. We need to progress the technical work, we need to progress the regulatory approvals, we need the right sort of commercial agreements both for purchase of input commodities, things like power and water, and then on-sale agreements to customers, but we would want to be able to progress those projects through a series of investment decisions as we move into the middle period of this decade.

So, Oklahoma in '23, our aspiration is to be ready to take another FID in '24, but again it depends a bit on all those factors lining up and having success in progressing the project. So we do have a plan that says we can get to the $5 billion spend with those opportunities that we have described already, but we're working through all the details. I'm keen on making sure we don't promise too many things and then not make it because there are still a lot of open switches on it.

As Shaun noted, the key factor is customer demand and how fast is that customer demand going to grow? We've heard big numbers, things like Europe is aspiring to be importing 15 million tonnes of hydrogen or ammonia by 2030; they're at zero or very small numbers today so it's a very steep growth curve. We want to be part of that growth curve but again, it depends on the customers being ready to make that growth as well.

James Redfern: (Bank of America, Analyst) Hi Meg. James Redfern from Bank of America. Two questions please. The first one is on Browse. Just in relation to the carbon solution for the Browse project, is it fair to say that the project will only go ahead if there's a viable CCS project as opposed to buying carbon credits or offsets? Just wondering if you could please talk about that. Thank you.

Meg O'Neill: Sure. For Browse, Browse has been around for a long time and most of the previous iterations of Browse had developments where we would be venting the CO2 that comes out of the reservoir. We recognise in today's world to confront climate change and take action; we can't do that.

So, what we have been working on and what we intend to build into the design plan is CCS of - and this is important - of the reservoir CO2 from the beginning. The Browse concept with the FPSOs locally and then taking the gas to the Karratha Gas Plant, even the 2019 version of Browse we were always maintaining space on the FPSOs to be able to do CCS, but our base case will now incorporate CCS from the beginning.

Now, we're working through what does that mean for our regulatory approvals. The technical work is well matured but there are some injection permits; we received the licence but there's regulatory processes associated with that as well, but that is our intention. There is other CO2, of course, from Browse. The FPSO itself, it generates power and we use gas for power so there's emissions there and then there's emissions at the Karratha Gas Plant. But as part of the state's process for approving the life extension for the Karratha Gas Plant there are quite significant emission reduction commitments in that plan and we're working through what exactly does that mean, how do we tackle decarbonising the Karratha Gas Plant.

James Redfern: (Bank of America, Analyst) Thank you. Second question is just on the LNG market. I think roughly two-thirds of the gas or LNG volumes for Scarborough is uncontracted. I'm just wondering if you could please talk to where you're seeing slopes at the moment for oil-linked LNG contracts for midterm, five, 10, 15-year terms? Thank you.

Meg O'Neill: Sure. What we have is market surveillance. There's not been a lot of published data on what slopes folks are signing up for. If we went back to 2020, so when the COVID pandemic hit there were deals that were reported with slopes around 10%. Our understanding is they've recovered to the 12% and 13% range but again a lot of those recently announced deals haven't been publishing slopes.

It's probably worth also commenting that a lot of deals, a lot of the big deals have been coming out of Qatar and the terms and conditions that they ask the buyers to take are often quite stringent. So, one of the things that we want to be able to do is to position ourselves as a supplier that offers more flexibility which is beneficial to the buyers and ourselves, and we feel pretty confident that we'll be able to get attractive pricing by virtue of offering greater flexibility to buyers.

I think maybe we can go to Saul.

Saul Kavonic: (Credit Suisse, Analyst) Thank you, Meg. Two questions. I wanted to touch on spot exposure. You've guided to now - not guided but indicated 20% to 25% for the next few years. Could you just explain then perhaps as we head into '24 and we don't have a Pluto turnaround, why doesn't the spot exposure go up? And also, as we head into 2025, I recall I think Peter Coleman a few years ago talked about the Pluto contracts expiring and the option to extend not happening from 2025. Can you just clarify the status of where those Pluto contracts roll off and do you then gain that increased spot exposure and that what point that is?

Meg O'Neill: To clarify, the market guidance we put out for next calendar year is that 20% to 25%. Our ability to operate towards the upper end of the range, where we land in that range depends on a few factors, one of which is operational performance and this year we're really pleased with how the plants have operated. The Interconnector has also allowed us to be at the top end of our range for calendar year 2022.

As we look forward, the guidance - or sorry, the indication we put in the pack is an indication for the three years, it's not guidance for each of those three years, it's a range, just to give you calibration for your model. And again, any given year it will depend on a number of different factors. It will depend on the other turnarounds. Of course, Pluto is the most significant one with a 90% stake for us but we will have rolling turnarounds through the business over that three-year window.

Upside reservoir performance, upside LNG plant performance, those are all positive factors, but of course now that North West Shelf is on decline we've also got the risk of downside reservoir performance. That's why we've given you a bit of a range. The Pluto contracts do roll off in '25 and you'll note that on that chart we didn't talk about '26. '26 is a year that will have a fair amount of uncertainty. It will be the commissioning year for the second LNG train and the year when we start up Scarborough and so we felt it was premature

for us to try to guide or give you an indication on '26. '27 and beyond, strategically where we'd like to be positioned is to have that 30% to 35% available for the spot markets, or for gas hub pricing. Some of it might be an actual spot sale, some of it might be strip deals, for example, but to be able to take advantage of the JKM and TTF pricing indices.

Saul Kavonic: (Credit Suisse, Analyst) Thanks. Just a follow-up. I guess if Pluto contracts roll off in '24, that's almost half of your entire volumes, so why do spots stay under 25%? Why can't spot go to 50% in 2025 just on that simple math?

Meg O'Neill: We've been doing some things to recontract volumes. We want to make sure that when a significant contract goes off that we're not left without a home for our LNG, so we have been doing recontracting activities to ensure that we are able to place those volumes in calendar year '25. As it stands today, '27 and beyond we do have opportunity to continue to do sales deals. There is more unsold LNG today in that '27-plus window but part of what the Marketing team is going to be doing in the next few years is firming up some of those sales so that we have confidence in being able to place our volumes.

Saul Kavonic: (Credit Suisse, Analyst) Okay. My second question is just on the outlook here because we've got I think quite a number of years where investors have seen Woodside miss a lot of targets and even the guidance put out on Tuesday for next year was lower than what was in the merger docs in April. Are you confident now that what you've put out in this outlook to 2027, you're confident you're going to hit that? Are these targets or is this a conservative outlook?

Meg O'Neill: So we've put out guidance for next year. I think it's worth reminding, and part of why we put the guidance out earlier this week was so that we could spotlight some of the things that were important to note. The conversion factors is a change, so versus the explanatory memorandum that was the old methodology as used by the two heritage companies simply summed. We knew we were going to have to align methodologies but we hadn't yet decided on what factors we were going to use, so there is that adjustment and that's going to be a bulk adjustment from everything that was in the EM.

Then we have had some project delays and Mad Dog is probably the most notable. We were expecting to have Mad Dog production next year [Clarification: by the start of next year] and that's not going to happen. Now, looking at the forward plan, when we look at our project delivery, when we look at how things are going at Sangomar, at Scarborough, we did put quite transparently our assumption for Mad Dog phase 2 starting up midyear. Shenzi North is on track. We are putting a plan out that we have confidence that we can deliver.

If it comes to some of the metrics, the operating cash flow and free cash flow, I'd encourage you to read the footnote because that's price sensitive. The production numbers are the things that we control. The financial outcomes, we do our best, we control our opex, we control our capex, we control our production, but the price of our commodity can be variable and over the past two years has been quite variable. So, I'd just encourage you to read that footnote carefully.

Saul Kavonic: (Credit Suisse, Analyst) Sorry, to follow on from that. From '24 onwards the cash flow outlook you put out, are you saying the only changes are price, there won’t be for example increases in capex versus what was put out in April? Because on my math it sort of looks like there's been an increase in capex.

Meg O'Neill: Sangomar project is on budget. We update that quite regularly and got an update from the team just a couple of weeks ago and we're still tracking to budget. There's been a bit of phasing changes but that's still tracking to budget. Perhaps the team, if you have some more detailed questions, can work through those. Scarborough and Pluto Train 2 also remains on the forecast, the US$12 billion.

Saul Kavonic: (Credit Suisse, Analyst) The base GoM business, because that's where it looks like it was higher than we'd interpolated from earlier.

Meg O'Neill: Yes. The base GoM business, it's worth noting that's quite activity dependent. So, infill drilling in the Gulf of Mexico is a bit lumpy so there'll be years where we'll do a fair amount and there'll be years where we do less, and that will cause a bit of variability year-on-year. Same is true in Australia; if we do an infill campaign or a subsea tie-back in Pluto with 90% equity, that has a different effect than if we do one in North West Shelf. That's why there is a little bit of variability in our - I will call it notionally sustaining capex, but it still is in that $1 billion international, $1 billion Australia range, again plus or minus any given year.

Saul Kavonic: (Credit Suisse, Analyst) Thanks. I'll give it to someone else.

Gordon Ramsay: (RBC, Analyst) Hi Meg. Thanks very much for the presentation this morning. My question is about Sangomar and you said it's on budget. What about timing? Because you don't have any production in your 2023 guidance from that project. Can you update us on the timing?

Meg O'Neill: Sure. So our commitment when we took an investment decision was first oil in 2023. We still are tracking to have first oil in 2023. But to be conservative we have not included any production uplift. Look, I think it's fair to say that with the challenges in executing the FPSO in particular in the Chinese yards, that's gone a little bit slower than we had anticipated. But we are still on track for that first oil calendar year 2023.

Gordon Ramsay: (RBC, Analyst) Assuming the end of the year. Just on third party LNG sales, the margin that you got in the September quarter was exceptional. We got some guidance today that you plan to increase third party sales next year. What kind of margins can we look forward to? Can you repeat the stellar performance we've just seen or will we move back to single digit type margins?

Meg O'Neill: Look, for planning purposes I would suggest modest margins. The challenge to Mark and his trading team is to beat those. But the planning basis should be that we use trading for a couple of purposes. We are able to trade to optimise our base business. As Mark talked about we have a shipping fleet which gives us some advantages in being able to participate in trades that other players in the sector don't have. But I would suggest your planning assumption ought to be modest margins on that part of the business. That will give us the opportunity to surprise to the upside.

Gordon Ramsay: (RBC, Analyst) Thank you.

Mark Wiseman: (Macquarie, Analyst) Mark Wiseman from Macquarie. First question just on Trion, you've talked about the $6 to $8 billion of capex which is helpful. Could you just explain the dynamics with the carry? How much of the $6 to $8 billion does Woodside need to deploy in that upfront phase?

Meg O'Neill: Look, I'll probably call Matthew to the stage. The carry - the mechanism for the carry was agreed in the initial bid to get into the Trion development. A good portion of the carry has been liquidated thus far. But I will let Matthew speak to how the rest of the carry gets liquidated over the coming period.

Matthew Ridolfi: Yes, you described it well Meg. The carry was about $1.9 billion and the amount left going forward is of the order of $400 million to $450 million [Clarification: the expected amount left at FID is approximately $450 million]. So, the expectation is that Pemex would have to start contributing cash in about 2025.

Meg O'Neill: Thanks Matthew.

Mark Wiseman: (Macquarie, Analyst) Okay, that's clear. Thank you. Just secondly on the Sunrise project. I think previous management had described the onshore team or greenfield concept as not viable because of the Timor Trench. It sounds like this project is making real progress now. Could you maybe just talk around the two options and why that greenfield Timor option is now viable?

Meg O'Neill: So, over the years we've looked at Sunrise many, many different times. We have done technical pipeline studies to understand the feasibility of going across the trench. Those studies have always

indicated that with the right will, the right engineering, the right execution plan, that you can execute that scope of work.

The challenge has always been the economics. If you look at Darwin - so there are two LNG plants in Darwin. They both have port infrastructure. There's space at both of those locations to build additional trains. So the cost of LNG processing capabilities - you have a longer pipeline but you just have to build a train, not all of the associated greenfield equipment which would have to be built in Timor.

That said, there has been a lot of work in the industry over the past few years and you can look at some of the things that have been done in the Gulf of Mexico. For example, looking at modular construction, looking at different approaches. The Commonwealth LNG project that we've signed offtake agreements with, is one that's using a modular construction and very different designs.

So the Timorese are very keen to have that development in country and we recognise it is an important national project for them, so we feel like it's appropriate to reopen the concept evaluation, understand the technologies, understand the technical challenges. Look, Timor-Leste has a lot of international friends. International friends may want to help with some of that infrastructure that doesn't exist today in Timor that would exist if we went to Darwin.

Adam Martin: (Evans and Partners, Analyst) Morning Meg. Adam Martin, E and P. Just on Scarborough and the primary and secondary approvals, we've seen one of your competitors have issues here on another project. Can you just tell us where you're at on the secondary and if there's any risk there please?

Meg O'Neill: So, we are working on a number of different secondary approvals. We need - the specific document is we need environment plans for things like drilling, seismic shoots, subsea installation, pipeline installation for example. We are working very closely with the regulator to understand their expectations and what they need to see from us for them to be able to approve those secondary documents. We are certainly concerned. It has - processes are slowing down to be really frank.

At this point in time it's not critical path and the team is working really hard to ensure that it stays off critical path and we're working very closely with both the regulator and the government to make sure that they've got clarity on what documents are schedule critical. As I said nothing is schedule critical at this point in time. But we do need to be moving those through. So we will continue to work closely with the government and the regulator.

Adam Martin: (Evans and Partners, Analyst) Okay, thank you. Just second question - I think it was Slide 34 - you had some Bass Strait gas opportunities. How are you thinking about that particularly with this backdrop of a price cap?

Meg O'Neill: If there is a price cap it's very hard to see those opportunities being attractive, to be really blunt. It's really hard to see LNG import being attractive. The price cap will have exactly the opposite effect. It might feel good for a short period but the outcome will be under-investment in supply and under-investment in the kinds of capacity mechanisms, things like FSRUs that could help alleviate the pressure for the long term.

Adam Martin: (Evans and Partners, Analyst) Yep, thank you.

Meg O'Neill: One here and then we'll come back.

Nik Burns: (Jarden, Analyst) Thanks Meg. Nik Burns from Jarden Australia. I have two questions. First one just a clarification on your cash flow charts. Thanks for putting the oil price assumptions in there. But I think one of the key reasons why free cash flow has been strong this year has been your exposure to gas hub pricing. But you haven't disclosed what your assumptions are going forward. Can you just talk about what they might be in the outer years?

Meg O'Neill: Forward curve - forward gas hub prices.

Nik Burns: (Jarden, Analyst) Okay, great thank you. That's easy. Second one, just referring back to your gas hub pricing exposure longer term. You've talked about 30% to 35% from 2027. I guess we've seen LNG developed in waves in the past and there's a lot of talk about new expansion coming on from the Gulf of Mexico in particular, hitting around that type of time frame.

I'm sure if you put that chart up, say two years ago we would have maybe not reacted quite the same way to that increase in gas hub exposure. But how are you thinking through risk - how are you going to deal with that risk that you could be confronted with at a much lower price environment because of an over-build that might eventuate in that time frame? Thanks.

Meg O'Neill: You've spotlighted - probably between your question and Saul's question we've spotlighted the challenge that we're trying to navigate which is the question of how much LNG demand will there be in the back half of the 2020s leading into the early 2030s. There is new capacity coming online. The Qataris have sanctioned their projects. Scarborough Pluto Train 2 will be coming online and there are other US projects that are in the works that will bring supply to market.

So you've got that as a factor saying there's a lot of supply coming. You look at what's happening in Europe today. You look at what's happening with Asian demand growth. You look at the Asian nations' commitments to reduce their emissions and you say those are things that are quite favourable for LNG demand.

As Saul and others have highlighted we do have more gas on contract in that time period. What we've said is, look philosophically we want to plan our portfolio to have about a third of our produced LNG exposed to those gas hub price markers because we do expect there will be more volatility. We see very strong seasonality already. We saw that even before the Ukraine crisis. The prior two winters we saw very significant spikes in gas hub prices.

So we've said, look deliberately we want to design our portfolio to be able to take advantage of that. We recognise there's downside risk. But there's comparably a lot of discussion about what's going to happen in the oil markets. Is there going to be a recession? What do rising interest rates mean? What's happening in Europe and China?

So we do our best job to read the crystal ball. The things we can control is where we focus our efforts. I can't control oil price. Australian government, much as they want, can't control international gas prices. So we plan our business to be cost efficient, to tackle our carbon emissions, to be safe and reliable - because reliability delivers better production outcomes, more product for us to put in the market at any point in time. I think we had one here.

Henry Meyer: (Goldman Sachs, Analyst) Thanks Meg. Henry Meyer from Goldman Sachs. Just around Pluto Train 1, I guess great the Interconnector is accelerating volume into higher prices at the moment. But on current 2P reserves you might deplete gas by 2030. Do you just have any details around backfill to Pluto Train 1? Is WA-404-P still the likely candidate? You know, are you comfortable enough with understanding of that reservoir already? Or what is the potential backfill to Train 1?

Meg O'Neill: Sure, so with the Interconnector - and it's probably worth reminding everyone - I think we put this out publicly when we signed the deal - but the Interconnector contract is a four year contract - so 2022 to 2026 and it is accelerating Pluto production. When Scarborough comes online we will be ramping down the amount of Pluto gas that goes through Train 1 so that we can blend the gas feed to Train 1. So as you think about, well when does Pluto come offline, we need to factor all of those things into your calculations.

We are out in the market talking to potential gas sources to look at backfill options to Train 1. We would be keen to get additional resource in play. 404-P - the challenge with 404-P has always been its remote

distance and the fact that it's a number of different smaller reservoirs. With the Scarborough trunk line in place there will be a point in time where 404-P would naturally be able to tie into that trunk line and that would help keep the costs down for 404-P. But unfortunately, we won't be able to flow gas through that pipeline until Scarborough is on the back side of its life.

So 404-P is still a resource that is in our contingent. But it has been pushed out in time and we'll be looking for other things to bring into Pluto Train 1 just as we're looking for other gas that we can bring into North West Shelf both in the near term and then ultimately Browse as in many ways which is the natural backfill for North West Shelf. The compositions are quite close. Joint venture alignment is closer than other assets. So that's the plan, to try to bring other resource gas into our facilities.

Henry Meyer: (Goldman Sachs, Analyst) Great, thanks Meg. Then maybe on Sangomar drilling. I guess a disappointing results with SNE North. Has the team got any early data to support confidence in Phase 2 water flood performance? Would you be considering an earlier development sequence in drilling to sustain production going forward? Or would you want more production data from Phase 1 before supporting that extra drilling?

Meg O'Neill: To remind everyone Sangomar has two different reservoirs. There is a lower reservoir which is called the 500s. It's the high quality reservoir. We've got great confidence in the productivity and as Matthew noted the early drill well results have been right in on prediction. The shallower reservoir is the 400s. Very, very large in place. The open question for us is productivity and how effective the water injection is going to be. We need to get a bit of production data to understand how effective the actual sweep efficiency will be. That data needs to come in before we can make decisions about the significant further campaign.

We may look to a few additional infills here and there, just based on early well results, but a significant Phase 2 campaign, we need that dynamic data.

Henry Meyer: (Goldman Sachs, Analyst) Great, thank you.

Meg O'Neill: I think we have about five more minutes. Have we hit everyone who had a first round of questions? Okay, if we have, we can go to second rounds. All right, let me start with Saul and then Mark.

Saul Kavonic: (Credit Suisse, Analyst) Thanks and glad to have the opportunity for one more. I just wanted to touch also on the Gulf of Mexico because we haven't heard much about it before, but you talked about you converted 2C to 2P of 200 million barrels over the last five years. You talked about a rough reading 18% to 27% IRRs for yet to be sanctioned 2C.

How do you think we should think about the next few years, because I think there's still few hundred million barrels of 2C. If we give that $10 to $20 a barrel, that's worth quite a big number. How do we think - is there potential for another 200 million barrels conversion in the next five years at these same kind of returns?

Meg O'Neill: So Shiva outlined what we've been doing in the Gulf of Mexico. These are very large fields, billion plus barrels in place. The technical question of course is how do you optimise infill drilling and how do you get data that informs you about what's actually happening in the reservoir. That allows you to then make good decisions about where to place those next wells.

Shiva commented we've shot rounds of - it's called ocean bottom node seismic. So you basically put your seismic receivers on the sea floor, because again the reservoirs are very, very deep into the earth. That helps with the quality of the imaging and it allows us to get 4D data so we can understand how our fluid is moving through the reservoir. That helps us get smarter about how we place the wells.

It's a technical answer but the outcome of that is yes, we do think there are additional phases of drilling possible and if you looked at the production chart for the Gulf of Mexico you saw production growing over the

period. That's things like Mad Dog Phase 2 starting up. It will start up as we guided. We are assuming it will start up mid next year and full calendar year effect in '24.

Infill drilling, Shenzi North. So I think our track record would show that we continue to gather that data and make good, informed decisions about additional well drilling. The wells will continue to have those strong rates of return because it's relatively modest capital. You've already got the big facility in place.

Saul Kavonic: (Credit Suisse, Analyst) Thanks and last one would be, we've obviously - it seems we've seen big licks of buying of US investors into Woodside over the course of the year. Have you been spending much time talking to US investors? What's the feedback you've been getting on how they see Woodside versus I guess the US names?

Meg O'Neill: Sure, we have spent quite a bit of time in the US. So as part of the merger, we took a secondary listing in London and a secondary listing in the US. I think our register right now is about 20% US investors. We have been spending quite a bit of time in the US and they are pretty excited about Woodside.

So, we're different from many of the US players. So a lot of the US players are focused on the unconventional and the unconventional is a capital treadmill. Yes, you can turn it off when prices are low but you're always on that capital treadmill and what we're seeing in the US right now is actually supply chain constraints limiting their ability to grow their business.

LNG, we spent big lumps of capital upfront and that's a bit of the nature of the business. But then when we're running an LNG plant it's cashflow for 20 years. So they like the fact that we're differentiated. They like the fact that we are gas oriented. We have a very significant LNG orientation. I think we showed one chart that showed our gas weighting.

We're a gas heavy business. We have heavy LNG exposure from our produce business. So we can get access to those customers and we're able to move our cargoes around depending on where demand is highest and the price signals pull the gas.

So the US investors are very excited about us. They think we're quite differentiated and I think that's why we've got 20% of our register in the US these days.

Probably have time for one from Mark.

Mark Wiseman: (Macquarie, Analyst) Yeah, thanks for the second question. Just on the Pluto turnaround for next year. I think on previous discussions we had in our notes that that was due in the 2024. Has that been brought forward and could you maybe just talk through what the dynamics of that four week shutdown are? Is there some Pluto Train 2 preparatory work going on there as well? Thanks.

Meg O'Neill: Sure, so our cycle for Pluto is a four-year turnaround cycle. So - I don't know - maybe we were not adequately crisp in the past about when the next turnaround might be. So four years is our normal planning cycle. We will be doing some tie-ins for Pluto Train 2 to be able to connect in.

As we get to 2026, we likely will have to interrupt Pluto production to be able to start up Scarborough and as we get closer to that point in time, we'll provide a bit more granularity on what those durations might be. We will do some tie in works to try to be able to minimise the impact on Pluto based assets between the '23 shutdown and Scarborough start up.

Okay, well look, thank you all for attending the 2022 Woodside Investor Briefing Day. I hope you have found the presentation informative. If I go back to where we started, I think the investment case for Woodside is quite a compelling one.

Post-merger with BHP Petroleum, we are a bigger Company. We have geographic diversity, product mix diversity. We have retained our significant exposure to the LNG market and we think that is an increasingly important energy commodity as the world tackles climate change.

We have an incredibly strong balance sheet. We've preserved our very strong investment grade credit rating and we're positioned to be able to invest through the cycle and return value to shareholders. So I hope you've enjoyed the discussion today. For those of you on the webcast, thank you. We'll let you drop off now and for those of you in the room, we have a little light lunch out in the foyer and we look forward to chatting with you over lunch. Thank you.

End of Transcript

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