WOODSIDE RECORDS FIRST HALF PROFIT OF US$419 MILLION

Woodside has recorded a half-year reported net profit after tax (NPAT) of $419 million. Production in the first half was 39.0 MMboe and operating revenue was $2,260 million.

The directors have declared an interim dividend of 36 US cents per share (cps) and reactivated the dividend reinvestment plan.

Woodside CEO Peter Coleman said the company has laid the foundations for a strong second half of 2019 and is on track to achieve targeted annual production of approximately 100 million barrels of oil equivalent in 2020.

“During the half we completed the first major turnaround at Pluto LNG since the start of operations in 2012. The planned turnaround will support continued safe, reliable and efficient production at Pluto LNG for many years into the future.

“The strong cash flow generated by Pluto LNG will contribute significantly to the delivery of Woodside’s vision for the Burrup Hub, which will unlock the future value of our world-class processing facilities in Karratha, and the rest of our growth strategy across three time horizons.

“Our other base businesses performed strongly in the first half, with the North West Shelf and Wheatstone recording solid production. At the NWS Project, several improvements have been implemented to increase the efficiency and production capacity of LNG Trains 4 and 5.

“Subsequent to the end of the period, we recommenced production from the Vincent wells and we expect first oil from the Greater Enfield reservoirs in August 2019. The delivery of the Greater Enfield Project, on schedule and under budgeted cost, is a further demonstration of our capacity to execute our growth plans.

“First half NPAT was lower compared to the corresponding period due to the impact of Tropical Cyclone Veronica, the planned maintenance at Pluto LNG, and the Ngujima-Yin floating production storage and offloading (FPSO) facility being offline for refurbishment in Singapore ahead of its restart at Greater Enfield.

“Significant progress has been achieved at our major developments in Western Australia and Senegal over the course of the first half.

“The Scarborough Joint Venture has awarded two contracts related to the construction of the export gas pipeline. Commercial negotiation of a tolling agreement for the processing of Scarborough gas at Pluto Train 2 has progressed, as has engineering design for the upstream and downstream developments, in support of our targeted final investment decision in 2020.

“A key focus for the half has been on progressing the conversion of the preliminary tolling agreement between the North West Shelf Project and the Browse Joint Venture to a binding gas processing agreement. The Browse Joint Venture approved the Browse to NWS Project basis of design in May and the venturers are aligned on being ready to commence the front-end engineering design phase by the end of 2019.

“In Senegal, major contracts have been awarded for the subsea and drilling work scopes, and the FPSO facility which will have an oil processing capacity of up to 100,000 barrels per day. The joint venture is targeting FID on the SNE Field Development Phase 1 in the second half and is working on total project funding solutions, including pursuing project financing,” he said.
Financial headlines for H1 2019

- NPAT of $419 million.
- Free cash flow of $869 million, increased 123% from H1 2018.\(^1\)
- Liquidity of $5,281 million, increased 36% from H1 2018.
- Secured additional debt funding through the issue of a ten-year $1,500 million bond on the US Rule144A/Regulation S market.
- Declared an interim dividend of 36 US cents per share.
- Strong credit ratings of Baa1 and BBB+ were both reaffirmed by Moody's and S&P Global respectively with a stable outlook.

Key business activities

Outstanding base business

- Delivered production of 39.0 MMboe and operating revenue of $2,260 million.
- Achieved strong production performance from NWS and Wheatstone.
- Completed first major Pluto LNG turnaround.

Delivering a clear plan across three horizons

- Expecting first oil from the Greater Enfield Project in August 2019, on schedule and on budget.
- Awarded multiple Scarborough contracts for engineering design activities.
- Approved the Browse to NWS Project basis of design with the joint venture.
- Awarded the FEED contract for the SNE Field Development Phase 1 FPSO facility.
- Commenced operation of the Pluto LNG truck loading facility.
- Signed a heads of agreement with ENN Group for the sale of 1.0 Mtpa of LNG for a period of ten years, commencing in 2025.

Half-year results teleconference

A teleconference providing an overview of the half-year 2019 results and a question and answer session will be held at 7.30am AWST (9.30am AEST) on Thursday 15 August 2019. Dial in numbers are listed below. Please quote passcode ID: 5973457.

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

For locations within another country, please use one of the following toll-free dial-in numbers:

- Canada: 1855 5616 766
- China: 4001 203 085
- Hong Kong: 800 908 865
- India: 1800 3010 6141
- Japan: 0120 994 669
- New Zealand: 0800 452 782
- Singapore: 800 616 2288
- United Kingdom: 0808 234 0757
- United States: 1855 293 1544

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

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

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\(^1\) Effective percentage increase, adjusted for the impact of AASB 16 on H1 2019 free cash flow.

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All references to dollars, cents or $ in this presentation are to US currency, unless otherwise stated.

References to “Woodside” may be references to Woodside Petroleum Ltd or its applicable subsidiaries.

Cover page image: Karratha Gas Plant, the NWS Project’s onshore processing facility.
OVERVIEW

PLUTO LNG TURNAROUND COMPLETE

GREATER ENFIELD FIRST OIL EXPECTED IN AUGUST 2019

Summary

Operating cash flow

$1,485 million

Free cash flow

$869 million

Net profit after tax

$419 million

Production

39.0 MMboe
1. Subsequent to the period.
2. Targeted production is not guidance. Based on current project schedules.
Delivering Greater Enfield

+ Ngujima-Yin producing oil since early July 2019¹
+ First oil from Greater Enfield reservoirs expected in August 2019
+ Drilling campaign ahead of schedule
  + 11 of the 12 development wells complete¹
+ Expected oil production of ~40,000 barrels per day (100% basis)²
+ Outstanding project performance
  + Shipyard safety
  + Budget and schedule

¹ Subsequent to the period.
² Woodside share 24,000 barrels per day.
Planned Pluto LNG turnaround complete

- Pluto LNG’s first major turnaround
  - Production impact approximately -7 MMboe\(^1\)
  - Production cost impact approximately $65m
- Net positive impact of mitigation cargoes in H1 approximately $15m
- Strong production performance following the turnaround
- Cash flow generation will support delivery of growth strategy

1. Compared to expected production if turnaround had not been executed.
Strong LNG market fundamentals

Global LNG supply and demand outlook

- Forecast global LNG demand continues to grow
- Demand upside emerging as new market opportunities increase
- Market outlook continues to support Woodside’s growth opportunities

1. Supply forecast based on existing capacity and under construction developments.

Source: Wood Mackenzie LNG Tool, Woodside Analysis
### Overview

#### Growth opportunities progressed

<table>
<thead>
<tr>
<th>SCARBOROUGH AND PLUTO TRAIN 2</th>
<th>BROWSE TO NWS PROJECT</th>
<th>SNE PHASE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️ FEED contracts awarded</td>
<td>✔️ Basis of design approved</td>
<td>✔️ FPSO FEED contract awarded</td>
</tr>
<tr>
<td>✔️ Geophysical and geotechnical surveys completed</td>
<td>✔️ Environmental approvals underway</td>
<td>✔️ Environmental and Social Impact Assessment approved</td>
</tr>
<tr>
<td>✔️ Tolling agreement progressing</td>
<td>✔️ Geotechnical and environmental pipeline route surveys completed</td>
<td>✔️ Exploration period extension to PSC areas</td>
</tr>
<tr>
<td>✔️ NOPSEMA proposal open for public comment</td>
<td>FID late 2020</td>
<td>FID H2 2019</td>
</tr>
<tr>
<td>FID 2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### HORIZON I 2017-2021
- CASH GENERATION

#### HORIZON II 2022-2026
- VALUE UNLOCKED

#### HORIZON III 2027+
- SUCCESS REPEATED

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

Production

- Strong production performance from NWS Project and Wheatstone
- Pluto LNG turnaround complete
- Adverse cyclone impact
- 2019 production guidance remains at lower end of 88-94 MMboe\(^1\)

\(^1\) ASX Announcement dated 11 June 2019, Extension of Pluto LNG Turnaround.
\(^2\) Includes the Nganhurra FPSO cessation of production in November 2018 and the Nguijima-Yin FPSO offline for Greater Enfield development.
Profit impacted by planned turnaround

Net profit after tax

1. Based on movements in the consolidated income statement.
2. Includes exploration and evaluation expenditure, amortisation and write-offs.
3. Comprised primarily of PRRT and income taxes.
4. Includes shipping, direct sales costs, general administrative and other costs.

- Favourable LNG realised prices increasing sales revenue
- Pluto LNG turnaround impact on sales volume and production costs
- Reduced exploration and evaluation expenditure
FINANCIAL UPDATE

Increased cash flow generation

Reduced breakeven cost

1. Dated Brent price at which H1 2019 cash flow from operating activities would have equaled cash flow from investing activities (pre-dividend). Excludes acquisitions.
2. Effective percentage increase, adjusted for the impact of AASB 16 on H1 2019 free cash flow.

+ 123% increase in free cash flow
+ Prudent expenditure management
+ Strong underlying business with capacity to fund growth
Favourable realised prices

LNG realised price

- Increased realised prices for LNG in line with higher lagged JCC\(^1\)
- Average increase of >5% across the LNG portfolio
- Higher contract prices partially offset by increased H1 spot market exposure
  - Planned Pluto LNG turnaround
  - Strong LNG production performance

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1. Japan Customs-cleared Crude (JCC) is the average price of customs-cleared crude oil imports into Japan and is used as a reference price for some LNG contracts.
Unit production costs

Production costs

+ Unit production cost impacted by
  + NWS Project maintenance activities
  + Planned Pluto LNG turnaround
+ Full H1 2019 production from Wheatstone Train 2

<table>
<thead>
<tr>
<th></th>
<th>NWS Project</th>
<th>Pluto LNG</th>
<th>Wheatstone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit production cost (/boe)</td>
<td>3.6</td>
<td>3.9</td>
<td>4.4</td>
</tr>
<tr>
<td>H1 2018 total ($ million)</td>
<td>60</td>
<td>77</td>
<td>145</td>
</tr>
<tr>
<td>H1 2019 total ($ million)</td>
<td>65</td>
<td>10.3</td>
<td>9.7</td>
</tr>
<tr>
<td>Turnaround cost</td>
<td></td>
<td></td>
<td>30</td>
</tr>
</tbody>
</table>
Strong gross margin from portfolio

GROSS MARGIN
22.2 $/boe

DEPRECIATION AND AMORTISATION
19.6 $/boe

PRODUCTION AND OTHER COSTS
16.2 $/boe

38% 28% 34%
Liquidity and debt for growth

+ Prudent management of debt:
  - Raised $1,500 million Rule 144A/Reg S senior unsecured bond
  - Competitive portfolio cost of debt of 3.9%
  - Portfolio average term to maturity of 5.3 years
  - Credit ratings re-affirmed with stable outlook
    - S&P: BBB+
    - Moody’s: Baa1

AASB 16 lease impacts

**BALANCE SHEET**
- Recognition of lease assets $987m
- Recognition of lease liabilities $1,194m

**PROFIT & LOSS**
- Depreciation of lease assets $43m
- Interest on lease liabilities $45m

**CASH FLOW**
- Financing activities outflow $59m

+ Adopted AASB 16 on 1 January 2019
+ Accounting change only; no net cash impact
+ Lease payments shift from operating expenses to depreciation and interest expenses
+ Leases predominantly relate to property and LNG vessels
+ Gearing remains within target range of 15-35% following adoption of AASB 16
Woodside’s revised investment expenditure guidance for 2019 is $1,450 million to $1,550 million.
Compelling investment proposition

SUMMARY

BASE BUSINESS

- Pluto LNG major turnaround complete
- Strong production performance from NWS Project and Wheatstone
- Low operating cost
- Excellent cash generation

NEAR-TERM PRODUCTION GROWTH

- Delivering projects on budget and schedule
- On track to deliver approximately 100 MMboe in 2020

MATERIAL GROWTH OPPORTUNITIES ADVANCED

- Scarborough and Pluto Train 2
- Browse to NWS Project
- SNE-Phase 1

1. Targeted production is not guidance. Based on current project schedules.
Upcoming milestones

**SCARBOROUGH AND PLUTO TRAIN 2**
- Execute Scarborough gas tolling agreement
- Complete Scarborough FEED H2 2019
- Complete Pluto Train 2 FEED H2 2019
- FID 2020
- Upstream RFSU 2023
- Downstream RFSU 2024

**BROWSE TO NWS PROJECT**
- Execute gas processing agreement
- Reserve NWS capacity
- Commence FEED H2 2019
- FID late 2020

**SNE PHASE 1**
- FID H2 2019
- First oil 2022

1. All dates and milestones are Woodside targets and remain subject to joint venture approvals, regulatory approvals and relevant commercial arrangements.
## Realised price

<table>
<thead>
<tr>
<th>Products</th>
<th>H1 2019 ($/boe)</th>
<th>H1 2018 ($/boe)</th>
<th>Variance (%)</th>
<th>Revenue impact ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWS LNG</td>
<td>48</td>
<td>45</td>
<td>5</td>
<td>27</td>
</tr>
<tr>
<td>Pluto LNG</td>
<td>57</td>
<td>53</td>
<td>7</td>
<td>52</td>
</tr>
<tr>
<td>Wheatstone LNG</td>
<td>54</td>
<td>51</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Pipeline gas</td>
<td>14</td>
<td>16</td>
<td>(14)</td>
<td>(4)</td>
</tr>
<tr>
<td>Condensate</td>
<td>61</td>
<td>72</td>
<td>(15)</td>
<td>(52)</td>
</tr>
<tr>
<td>Oil</td>
<td>69</td>
<td>70</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td>LPG</td>
<td>63</td>
<td>69</td>
<td>(9)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Volume-weighted average</strong></td>
<td><strong>51</strong></td>
<td><strong>51</strong></td>
<td><strong>(1)</strong></td>
<td><strong>31</strong></td>
</tr>
<tr>
<td>Average Dated Brent</td>
<td>66</td>
<td>71</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Average 3-month lagged JCC</td>
<td>70</td>
<td>62</td>
<td>8</td>
<td></td>
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</tbody>
</table>
### Corporate performance

#### H1 2019 vs H1 2018

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production volume</td>
<td>39.0</td>
<td>44.3</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>2,260</td>
<td>2,388</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,462</td>
<td>1,718</td>
</tr>
<tr>
<td>EBIT</td>
<td>699</td>
<td>987</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>105</td>
<td>117</td>
</tr>
<tr>
<td>Taxes</td>
<td>168</td>
<td>277</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>7</td>
<td>52</td>
</tr>
<tr>
<td>NPAT</td>
<td>419</td>
<td>541</td>
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</table>
### Segment performance

<table>
<thead>
<tr>
<th></th>
<th>NWS</th>
<th>Pluto</th>
<th>Aus Oil</th>
<th>Wheatstone</th>
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</thead>
<tbody>
<tr>
<td>Production volume</td>
<td>17</td>
<td>14</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>MMboe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>789</td>
<td>967</td>
<td>36</td>
<td>332</td>
</tr>
<tr>
<td>$ million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>562</td>
<td>719</td>
<td>10</td>
<td>235</td>
</tr>
<tr>
<td>$ million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>424</td>
<td>310</td>
<td>-</td>
<td>82</td>
</tr>
<tr>
<td>$ million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash margin</td>
<td>74</td>
<td>80</td>
<td>(22)</td>
<td>83</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>54</td>
<td>33</td>
<td>(50)</td>
<td>23</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
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</table>
Creating the Burrup Hub

+ Delivering into the expected LNG supply gap

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