

ASX Announcement

Thursday, 17 October 2013

THIRD QUARTER REPORT FOR PERIOD ENDED 30 SEPTEMBER 2013

Quarter highlights

- Quarterly production of 21.9 million barrels of oil equivalent (MMboe), up 9.5% on Q2.
- Sales revenue for the quarter was US\$1,338 million.
- Browse basis of design (BOD) agreed during the quarter on floating LNG (FLNG) development.
- Xena final investment decision (FID) achieved during the quarter.
- North Rankin Redevelopment Project achieved start-up subsequent to the end of the quarter.

During the quarter the Browse Joint Venture participants agreed to progress BOD work in relation to the FLNG development concept to commercialise the Browse gas fields. The Pluto Joint Venture participants also approved the expenditure required for Phase 1 of the Xena field tie-in project.

Subsequent to the end of the quarter, the Woodside-operated North Rankin Redevelopment Project achieved start-up as planned and on budget.

Woodside CEO Peter Coleman said the past three months had seen milestones achieved on major projects within Woodside's base business and growth portfolio.

"These milestones further demonstrate the progress we are making on our growth strategy," Mr Coleman said.

"At the same time, our production team continues to deliver the results that make it possible for us to take forward value-creating opportunities."

Comparative performance at a glance

Previous quarter		Q3 2013	Q2 2013	Change %
Production	MMboe	21.9	20.0	+9.5
Sales	MMboe	20.9	20.2	+3.5
Revenue	\$ million	1,338	1,345	-0.5
Corresponding quarter, prior year		Q3 2013	Q3 2012	Change %
Production	MMboe	21.9	26.5	-17.4
Sales	MMboe	20.9	24.8	-15.7
Revenue	\$ million	1,338	1,828	-26.8

All dollar amounts are in US dollars unless otherwise stated

Key production and sales points

- Production volumes were 9.5% higher than the previous quarter, largely due to increased production at the North West Shelf following the completion of planned maintenance on LNG Train 2 during the second quarter.
- Production volumes were 17.4% lower than the corresponding period. Sales revenue decreased 26.8% predominantly due to:
 - lower oil sales as a result of the Vincent FPSO being off station for planned shipyard maintenance;
 - lower LNG sales from Pluto due to the unplanned outage at the beginning of the quarter; and
 - lower condensate sales from the North West Shelf due to the timing of shipments.
- The higher proportion of gas volumes sold resulted in lower average realised prices. The average Brent price for the quarter was \$109.65/bbl, slightly above the \$109.42/bbl in the corresponding period.

Production Summary

Woodside's share of production and sales for the quarter ended 30 September 2013 with appropriate comparatives:

		Q3 2013	Q2 2013	Q3 2012	Year to date 2013	Year to date 2012
NWS PIPELINE NATURAL GAS ^{1,2}	Production (TJ)	24,564	20,359	23,066	64,908	63,694
	Sales (TJ)	24,564	20,359	23,066	64,908	63,629
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	645,302	547,303	670,833	1,805,254	1,800,719
	Sales Delivered (t)	626,012	571,152	677,654	1,788,097	1,763,583
	Cargoes Delivered	64	59	69	183	180
NWS CONDENSATE	Production (bbl)	1,975,508	1,685,174	1,991,861	5,305,249	5,561,465
	Sales (bbl)	1,806,308	1,814,601	2,424,886	5,384,462	5,736,656
NWS OIL	Production (bbl)	997,183	992,928	1,031,773	2,684,751	2,456,093
	Sales (bbl)	879,591	1,046,311	567,956	2,555,569	1,973,845
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	32,430	27,549	34,225	87,746	99,335
	Sales (t)	27,972	35,483	34,872	84,919	99,200
PLUTO LIQUEFIED NATURAL GAS (LNG)	Production (t)	784,163	770,888	1,000,961	2,527,152	1,540,569
	Sales Delivered (t)	719,210	798,913	868,105	2,414,610	1,360,089
	Cargoes Delivered	12	13	14	40	22
PLUTO CONDENSATE	Production (bbl)	585,773	553,066	765,992	1,856,843	1,227,726
	Sales (bbl)	730,103	360,253	636,707	1,975,663	636,707
LAMINARIA-CORALLINA OIL	Production (bbl)	210,149	325,643	334,438	843,136	1,071,336
	Sales (bbl)	294,495	160,755	387,138	712,046	1,555,890
MUTINEER-EXETER OIL ³	Production (bbl)	0	0	41,867	0	120,904
	Sales (bbl)	0	0	50,646	0	99,686
ENFIELD OIL	Production (bbl)	556,144	508,857	678,813	1,396,011	2,098,847
	Sales (bbl)	446,818	445,910	434,537	1,310,557	1,956,147
STYBARROW OIL	Production (bbl)	346,433	405,172	538,803	1,079,762	1,782,394
	Sales (bbl)	274,501	287,286	550,304	1,114,531	1,953,217
VINCENT OIL	Production (bbl)	0	0	1,969,885	0	4,783,518
	Sales (bbl)	0	0	1,701,271	221,051	4,353,712
GULF OF MEXICO PIPELINE NATURAL GAS ⁴	Production (MMBtu)	193,674	249,346	92,772	680,779	354,179
	Sales (MMBtu)	193,674	249,346	92,772	680,779	354,179
GULF OF MEXICO CONDENSATE ⁴	Production (bbl)	301	587	318	1,107	618
	Sales (bbl)	301	587	318	1,107	618
GULF OF MEXICO OIL ⁴	Production (bbl)	179,135	186,373	172,820	567,196	506,392
	Sales (bbl)	179,135	186,373	172,820	567,196	506,392
Total	Production (boe) #	21,898,313	19,996,233	26,484,545	63,771,050	60,659,852
	Sales (boe) #	20,872,240	20,167,407	24,767,451	62,700,998	57,873,712

1 Woodside's equity share is 50% of the first 414 TJ per day and 16.67% for all gas produced above this amount.

2 Sales volumes exclude sales of natural pipeline gas to the Woodside-operated Pluto LNG Plant during the Pluto commissioning phase.

3 Woodside signed a sale and purchase agreement with Santos on 21 December 2012 to sell its 8.2% interest in the Santos-operated Mutineer-Exeter oil project with effect from 1 July 2012. The agreement completed on 26 February 2013.

4 Production and sales volumes are reported net of royalties.

Conversion Factors are identified on page 7.

Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 30 September 2013, with appropriate comparatives:

<i>Amounts in US\$ million</i>		Q3 2013	Q2 2013	Q3 2012	Year to date 2013	Year to date 2012
Sales Revenue						
North West Shelf	Pipeline Natural Gas ¹	94.2	87.6	102.3	270.9	275.1
	LNG	428.9	394.7	500.2	1,234.7	1,247.5
	Condensate	190.5	176.7	237.4	559.1	601.5
	Oil	99.8	109.2	63.8	282.8	219.6
	LPG	23.7	26.8	25.6	71.5	90.3
Pluto	LNG	288.3	400.2	452.9	1,060.2	756.6
	Condensate	75.4	35.5	65.6	208.1	65.6
Laminaria-Corallina	Oil	31.3	15.9	40.6	74.0	169.3
Mutineer-Exeter²	Oil	0.0	0.0	4.3	0.2	11.4
Enfield	Oil	53.0	46.7	52.6	147.5	234.6
Stybarrow	Oil	32.6	31.0	66.0	130.3	233.0
Vincent	Oil	0.0	0.0	198.8	24.9	496.6
Gulf of Mexico³	Pipeline Natural Gas	1.1	1.4	0.5	3.7	1.7
	Condensate	0.0	0.1	0.1	0.1	0.1
	Oil	19.0	19.1	17.3	59.6	52.6
	Total	1,337.8	1,344.9	1,828.0	4,127.6	4,455.5
Exploration and Evaluation Expense						
	Exploration Expensed	43.1	85.4	46.1	212.5	159.0
	Permit Amortisation	8.0	6.8	6.8	21.9	20.3
	Evaluation Expensed	10.5	11.1	0.3	23.8	3.8
	Total	61.6	103.3	53.2	258.2	183.1
Capital Expenditure						
	Exploration Capitalised ^{4,5}	10.3	(33.7) ⁶	0.1	7.7	36.7
	Evaluation Capitalised ⁵	16.5	38.8	64.8	106.0	263.8
	Oil and Gas Properties ⁵	81.9	118.3	141.4	311.1	903.3
	Other Property, Plant and Equipment	8.2	6.0	2.3	18.3	3.0
	Total	116.9	129.4	208.6	443.1	1,208.8

1 NWS sales revenue excludes sales of natural pipeline gas to the Woodside-operated Pluto LNG Plant, during the Pluto commissioning phase.

2 Woodside signed a sale and purchase agreement with Santos on 21 December 2012 to sell its 8.2% interest in the Santos-operated Mutineer-Exeter oil project with effect from 1 July 2012. The agreement completed on 26 February 2013.

3 Gulf of Mexico revenue is reported net of royalties.

4 Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.

5 Project Final Investment Decisions (FID) result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil & Gas Properties. The table above does not reflect the impact of such transfers.

6 The negative capitalised exploration amount primarily reflects a well previously capitalised during drilling which has subsequently been expensed.

Production Activities

Field	Woodside share		Full field		Remarks
	Q3 2013	Q2 2013	Q3 2013	Q2 2013	
Australia NWS - Average daily production					
Pipeline gas (TJ)	267	224	567	514	Production was driven by customer demand for the quarter.
LNG (t)	7,014	6,014	44,550	38,665	Production was higher due to higher availability of the gas system relative to Q2, which was impacted by planned maintenance activities conducted on LNG Train 2.
Condensate (bbl)	21,473	18,518	100,312	88,496	Production was higher in line with associated increase in gas production for the quarter.
Oil (bbl)	10,839	10,911	32,517	32,734	Production was stable due to continued high system utilisation.
LPG (t)	352	303	2,216	1,920	Production was higher in line with associated increase in gas production for the quarter.
Australia Pluto - Average daily production					
LNG (t)	8,524	8,471	9,471	9,413	Production was in line with the previous quarter due to maintenance activities impacting both Q2 and Q3.
Condensate (bbl)	6,367	6,078	7,075	6,753	Production was higher due to increased gas throughput.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	2,284	3,579	3,595	5,659	Production was lower due to a scheduled maintenance shut down and natural reservoir decline. At the end of the quarter production was approximately 4,690 bbl/day (Woodside share 2,980 bbl/day).
Enfield Oil (bbl)	6,045	5,592	10,075	9,320	Production was higher due to higher facility uptime offsetting natural reservoir decline. At the end of the quarter production was approximately 10,330 bbl/day (Woodside share 6,200 bbl/day).
Stybarrow Oil (bbl)	3,766	4,452	7,531	8,905	Production was lower due to lower facility uptime and natural reservoir decline. At the end of the quarter, production was approximately 7,860 bbl/day (Woodside share 3,930 bbl/day).
Vincent Oil (bbl)	0	0	0	0	During the quarter the Ngujima-Yin FPSO was in Singapore for planned shipyard maintenance. Production is currently scheduled to recommence in Q4 2013.
United States - Woodside share average daily production					
	Q3 2013	Q2 2013			
Gas (MMBtu)	2,105	2,740			Production for the period decreased due to downstream transportation facility maintenance and natural field decline.
Oil and Condensate (bbl)	1,950	2,055			Production for the period decreased due to downstream transportation facility maintenance and natural field decline.

Development and International Activities

Australia

Browse LNG

On 2 August 2013, the Commonwealth – Western Australia Offshore Petroleum Joint Authority approved amendments sought by the Browse Joint Venture participants to Browse Basin retention leases WA-28-R, WA-29-R, WA-30-R, WA-31-R and WA-32-R.

On 2 September 2013, the Browse Joint Venture participants selected an FLNG development concept to commercialise the Browse gas fields. The concept involves using Shell's FLNG technology and Woodside's offshore development expertise.

The Browse Joint Venture participants agreed to progress BOD work in relation to the selected development concept. The BOD phase will be executed by Woodside as operator of the Browse Joint Venture, with support from Shell as the FLNG technology provider. The BOD phase will involve undertaking all of the necessary studies and work required to place the Browse Joint Venture participants in a position to consider the commencement of FEED in 2014.

On 10 September 2013, Woodside issued formal notice of withdrawal from the Native Title Agreement (Browse LNG Precinct Project Agreement). Woodside has made a total of A\$25.6 million in payments in accordance with the Agreement.

Pluto LNG

During the quarter, the Pluto Joint Venture participants approved the expenditure required for Phase 1 of the Xena field tie-in project. Tie-in of Xena is expected in 2015. Phase 1 is a one well tie back development which is expected to cost approximately \$370 million (100% project), and access 250 billion cubic feet of reserves.

North West Shelf

North Rankin Redevelopment Project

Subsequent to the end of the quarter, the North Rankin Redevelopment Project achieved start-up as planned and on budget and is exporting gas to the Karratha Gas Plant. The project enables the recovery of approximately 5 trillion cubic feet (100% project) of discovered, low pressure reserves from the North Rankin and Perseus fields.

Greater Western Flank Phase 1 Project

Engineering, procurement and fabrication activities are progressing to plan. The project remains on budget and on schedule for start-up in early 2016.

International

Sunrise LNG

During the quarter the Timor-Leste and Australian Governments remained engaged in a dispute resolution process in accordance with the Timor Sea Treaty. Woodside remains committed to developing the Greater Sunrise fields.

Leviathan

Woodside and the Leviathan Joint Venture participants continued discussions to convert the in-principle agreement for the company to take 30% equity in the Leviathan field into a fully termed agreement.

The Israeli Government's natural gas export policy announced in June 2013 provided a basis for a commercially viable export project for Leviathan. Implementation of the policy has been delayed due to a challenge on the legality of the decision process. The Israeli Supreme Court meets on 20 October to consider the challenge; the timeframe for the case to be heard and a decision handed down is uncertain.

Exploration and Appraisal Activities

Myanmar

Final conditions including government approvals have been satisfied for the acquisition of the AD-7 and A-6 interests.

- Block AD-7: Woodside and its joint venture participant (Daewoo) plan to acquire up to 1,200 km² of 3D seismic in deepwater block AD-7 during Q4.
- Block A-6: Seismic processing of the Padauk 3D survey continues with joint venture participant MPRL E&P Pte Ltd.

Ireland

During the quarter Woodside received government approval to acquire an interest in the three licensing options in the Porcupine Basin.

During Q4, work programs for the first exploration phase will be proposed to the relevant regulator, as part of the application for Frontier Exploration Licenses, the issue of which is a condition to the completion of the acquisitions.

Australia

The Fortuna 3D marine seismic survey over the North West Shelf is scheduled to commence in Q4 2013. This survey will provide multi-component data and will be the first application of Isometrix™ technology in Australia.

Active portfolio management continued through the quarter with the award of WA-495-P in the Browse Basin and the withdrawal from four permits in the Browse Basin and Exmouth Plateau which do not fit with Woodside's current portfolio strategy.

Exploration or appraisal wells drilled during Q3 2013

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Minarelli-1	Carnarvon Basin, WA-28-L	Oil	60.00	6/08/2013	427	2,295	Exploration, dry hole

Notes:

- Water depth measured at lowest astronomical tide (LAT).
- Reported depths referenced to the rig rotary table.

Permits and Licences

Key changes to permit and licence holdings during the quarter are noted below (some transactions may be subject to government and regulatory approval).

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
AUSTRALIA				
Browse Basin	WA-495-P	75.00	75.00	Licence award
Browse Basin	WA-415-P	(100.00)	0.00	Equity disposal
Browse Basin	WA-416-P	(100.00)	0.00	Equity disposal
Browse Basin	WA-417-P	(100.00)	0.00	Equity disposal
Exmouth Plateau	WA-389-P	(25.00)	0.00	Equity disposal
UNITED STATES				
GOM	KC 471/26750; KC 514/26753; KC 515/26754	(10)	0.00	Equity Transfer
GOM	AT 573/8034; AT 617/8037	(20)	0.00	Lease Expiry

No geophysical surveys were conducted during Q3 2013

Exploration or appraisal wells planned to commence in Q4 2013

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres) ¹	Proposed Total Depth (metres) ²	Remarks
AUSTRALIA						
Stybarrow East-1	Carnarvon Basin, WA-32-L	Oil	50.00	675	2,474	Exploration
Rydal-1	Carnarvon Basin, WA-255-P	Oil	50.00	755	3,210	Exploration

Notes:

- 1 Water depth measured at lowest astronomical tide (LAT).
- 2 Reported depths referenced to the rig rotary table.

Corporate Activities

2014 investment expenditure and production guidance

Guidance for Woodside's 2014 capital and exploration expenditure and a production target range will be released to the ASX on 10 December 2013.

United States

On 27 September 2013, Woodside entered into a purchase and sale agreement to divest its entire equity interest in Power Play effective 1 August 2013.

Marketing and shipping

Woodside recently opened a Singapore office seeking to originate third party LNG trades from outside Australia to markets in South America or north Asia.

Woodside has also secured its first non-project LNG trading vessel on a long term charter. The vessel is a 160,000m³ sister ship to the Woodside Rogers and is scheduled to be delivered at the end of October 2013. The vessel will provide LNG shipping capacity to assist originating new spot or short term LNG trades.

LNG price negotiations continued during the quarter, with a significant portion of re-pricing outcomes to apply from 1 April 2014.

Governance

Anti-Bribery and Corruption processes have been reinforced during the quarter with the implementation of new policies and control programs. In addition, Woodside has appointed an Anti-Bribery and Corruption Lawyer to complement existing Anti-Fraud and Corruption resources.

Production Guidance

Woodside advises that its 2013 production target range remains unchanged at 85 to 89 million barrels of oil equivalent (MMboe).

CONVERSION FACTORS

(boe) = barrel of oil equivalent (TJ) = Terajoules (t) = tonne (bbl) = barrel (MMBtu) = Million British Thermal Units

(MMcft) = million cubic feet of gas (Bcf) = billion cubic feet of gas (kt) = thousand tonnes

Product	Factor	Conversion Factors*
Australian Pipeline Natural Gas	1TJ =	163.6 boe
Liquefied Natural Gas (LNG)	1 tonne =	8.9055 boe
Condensate	1 bbl =	1.000 boe
Oil	1 bbl =	1.000 boe
Liquefied Petroleum Gas (LPG)	1 tonne =	8.1876 boe
Gulf of Mexico Pipeline Natural Gas	1 MMBtu =	0.1724 boe

* minor changes to some conversion factors can occur over time due to gradual changes in the process stream

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