

ASX Announcement

Tuesday, 19 April 2011

FIRST QUARTER REPORT FOR PERIOD ENDED 31 MARCH 2011

Comparative performance at a glance					
Previous quarter		Q1 2011	Q4 2010	Difference	Change %
Production	<i>MMboe</i>	15.6	17.7	(2.1)	(12%)
Sales	<i>MMboe</i>	15.3	17.7	(2.4)	(14%)
Revenue	<i>US\$ million</i>	998	1,058	(60)	(6%)
Corresponding quarter, prior year		Q1 2011	Q1 2010	Difference	Change %
Production	<i>MMboe</i>	15.6	19.2	(3.6)	(19%)
Sales	<i>MMboe</i>	15.3	18.7	(3.4)	(18%)
Revenue	<i>US\$ million</i>	998	1,028	(30)	(3%)

Production volumes down 12% and sales revenues down 6% compared to Q4 2010

- Higher than normal tropical cyclone activity in the North West was a key driver to the 12% lower production volumes when compared to the previous quarter. Other drivers include the planned maintenance outage at Vincent and the planned North West Shelf (NWS) FPSO changeover from the Cossack Pioneer to the Okha.
- Sales revenue was down 6%, primarily as a result of reduced sales volumes, partially offset by higher commodity prices.

Production volumes down 19% and sales revenues down 3% compared to Q1 2010

- Production volumes were down 19% compared to the corresponding quarter due to tropical cyclone activity in the North West, the sale of Woodside's interest in the Otway Gas Project in March 2010, planned outages at Vincent and NWS Oil and oil-field natural decline. This was partially offset by increased volumes from Stybarrow following the Stybarrow North infill well commencing in late Q4 2010.
- Sales revenue was down 3%, primarily as a result of reduced sales volumes, partially offset by improved commodity prices.

Production volumes at quarter end

- Average daily production rates from the Australia oil assets during Q1 were materially lower than normal due to the increased tropical cyclone activity in the North West. With the approaching end to the cyclone season, at the end of the quarter production rates have returned to typical levels. The volumes impacted by the tropical cyclones have not been lost but rather deferred into future production schedules.

Activities

- Pluto LNG Foundation Project – has transitioned to an 'operating' site with the introduction of natural gas into the plant in early March. Mitigation plans are in place as we endeavour to recover four weeks of weather related delays and retain our start-up target of August, with LNG one month later.
- Pluto Expansion – progress continues with a gas discovery at Martin-1 in permit WA-404-P.
- Browse LNG Project – Woodside's Board approved Browse moving into front-end engineering and design (FEED) during the quarter, and has appointed FEED contractors who have now been mobilised.
- Sunrise LNG – In accordance with international treaties, Woodside is continuing to advocate for the approval of the proposed Floating LNG development with Australian and Timor-Leste governments.
- NWS North Rankin Redevelopment Project – project remains on schedule and budget for 2013 completion.
- NWS Oil Redevelopment Project – overall works are nearing completion with production shut-in on 7 March and resumption of production expected in late Q2 2011.

Production Summary

Woodside's share of production and sales for the quarter ended 31 March 2011 with appropriate comparatives:

		Q1 2011	Q4 2010	Q1 2010	Year to date 2011	Year to date 2010
NWS PIPELINE NATURAL GAS ¹	Production(TJ)	21,158	21,358	21,160	21,158	21,160
	Sales (TJ)	21,158	21,358	21,160	21,158	21,160
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	654,336	691,874	661,875	654,336	661,875
	Sales Delivered (t)	663,617	647,367	644,715	663,617	644,715
	Cargoes Delivered	66	66	66	66	66
NWS CONDENSATE	Production (bbl)	2,078,061	2,230,397	2,342,277	2,078,061	2,342,277
	Sales (bbl)	2,032,639	2,251,402	2,249,191	2,032,639	2,249,191
NWS OIL	Production (bbl)	372,039	1,080,699	1,218,462	372,039	1,218,462
	Sales (bbl)	545,203	985,916	1,309,415	545,203	1,309,415
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	37,275	37,992	40,299	37,275	40,299
	Sales (t)	36,398	35,145	42,611	36,398	42,611
LAMINARIA-CORALLINA OIL	Production (bbl)	483,044	559,904	692,971	483,044	692,971
	Sales (bbl)	0	888,998	563,989	0	563,989
MUTINEER-EXETER OIL	Production (bbl)	12,649	39,217	30,723	12,649	30,723
	Sales (bbl)	0	59,494	0	0	0
ENFIELD OIL	Production (bbl)	919,541	1,204,115	1,703,971	919,541	1,703,971
	Sales (bbl)	747,594	1,404,942	1,901,992	747,594	1,901,992
STYBARROW OIL	Production (bbl)	861,942	359,302	411,808	861,942	411,808
	Sales (bbl)	949,398	284,608	373,972	949,398	373,972
VINCENT OIL	Production (bbl)	330,806	1,200,884	1,061,571	330,806	1,061,571
	Sales (bbl)	389,947	1,230,033	705,820	389,947	705,820
OTWAY PIPELINE NATURAL GAS ²	Production (TJ)	0	0	4,974	0	4,974
	Sales (TJ)	0	0	4,970	0	4,970
OTWAY CONDENSATE ²	Production (bbl)	0	0	58,161	0	58,161
	Sales (bbl)	0	0	58,287	0	58,287
OTWAY LPG ²	Production (t)	0	0	7,018	0	7,018
	Sales (t)	0	0	7,229	0	7,229
OHANET CONDENSATE ENTITLEMENT (RSC) ³	Production (bbl)	336,104	339,244	327,087	336,104	327,087
	Sales (bbl)	336,104	339,244	327,087	336,104	327,087
OHANET LPG ENTITLEMENT (RSC) ³	Production (t)	27,367	27,623	26,633	27,367	26,633
	Sales (t)	27,367	27,623	26,633	27,367	26,633
GULF OF MEXICO PIPELINE NATURAL GAS ⁴	Production (MMBtu)	769,318	1,111,658	1,782,445	769,318	1,782,445
	Sales (MMBtu)	769,318	1,111,658	1,782,445	769,318	1,782,445
GULF OF MEXICO CONDENSATE ⁴	Production (bbl)	5,824	5,400	14,933	5,824	14,933
	Sales (bbl)	5,824	5,400	14,933	5,824	14,933
GULF OF MEXICO OIL ⁴	Production (bbl)	246,210	284,730	279,417	246,210	279,417
	Sales (bbl)	246,210	284,730	279,417	246,210	279,417
Total	Production (boe) #	15,596,762	17,688,439	19,224,022	15,596,762	19,224,022
	Sales (boe) #	15,278,932	17,699,647	18,733,928	15,278,932	18,733,928

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 Sale of Woodside's interest in the Otway Gas project was completed on 16 March 2010.

3 Risk Sharing Contract (RSC) derived volumes have been calculated using the 10 year oil price prevailing at the time of initial production.

4 Gulf of Mexico production and sales volumes are 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 31 March 2011, with appropriate comparatives:

<i>Amounts in US\$ million</i>		Q1 2011	Q4 2010	Q1 2010	Year to date 2011	Year to date 2010
Sales Revenue						
NWS and Otway^{1,2}	Pipeline Natural Gas	111.6 ²	80.9	83.3	111.6 ²	83.3
NWS	LNG	335.3	304.3	314.5 ³	335.3	314.5
	Condensate	213.5	191.3	166.1	213.5	166.1
	Oil	53.4	86.7	100.9	53.5	100.9
	LPG	33.5	28.2	31.0	33.5	31.0
Laminaria-Corallina	Oil	0.0	77.7	44.4	0.0	44.4
Mutineer-Exeter	Oil	(7.0) ⁴	0.8	2.1	(7.0) ⁴	2.1
Enfield	Oil ⁵	81.6	124.5	150.4	81.6	150.4
Stybarrow	Oil ⁵	97.5	21.3	30.0	97.5	30.0
Vincent	Oil ⁵	37.8	105.7	54.4	37.8	54.4
Otway¹	Condensate	0	0	3.5	0	3.5
	LPG	0	0	5.4	0	5.4
Ohanet	Condensate	8.1	8.2	7.9	8.1	7.9
	LPG	5.4	5.5	5.2	5.4	5.2
Gulf of Mexico	Pipeline Natural Gas ⁶	4.0	5.2	10.8	4.0	10.8
	Condensate ⁶	0.5	0.5	1.1	0.5	1.1
	Oil ⁶	23.2	23.0	20.9	23.2	20.9
Crude Oil Hedging	Gain / (Loss) ⁵	0.0	(6.3)	(3.7)	0.0	(3.7)
	Total	998.4	1,057.5	1,028.2	998.4	1,028.2
Exploration and Evaluation Expense						
	Exploration Expensed	34.6	93.3	35.4	34.6	35.4
	Permit Amortisation	6.7	6.9	5.3	6.7	5.3
	Evaluation Expensed	0.5	3.4	0.7	0.5	0.7
	Total	41.8	103.6	41.4	41.8	41.4
Capital Expenditure						
	Exploration Capitalised ^{7,8}	60.0	158.3	68.2	60.0	68.2
	Evaluation Capitalised ⁸	117.2	112.4	54.3	117.2	54.3
	Oil and Gas Properties ⁸	510.6	743.8	829.9	510.6	829.9
	Other Property, Plant and Equipment	0.6	1.6	0.1	0.6	0.1
	Total	688.4	1,016.1	952.5	688.4	952.5

1 Sale of Woodside's interest in the Otway Gas Project was completed on 16 March 2010.

2 NWS Pipeline Natural Gas Revenue includes the revenue from a negotiated confidential settlement between the North West Shelf Domestic Gas Joint Venture and Alinta Sales Pty Ltd following the conclusion of the restructure of Alinta Energy Limited.

3 NWS LNG revenue includes the revenue from the settlement of some LNG price negotiations which are held commercial in confidence.

4 The negative sales revenue is due to impact of higher oil price on Woodside's entitlement accounting during the quarter.

5 The Greater Exmouth area zero cost collars (established at Vincent project FID) commenced settling from June 2008 and expired December 2010.

6 Gulf of Mexico revenue is reported net of royalties.

7 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.

8 Project Final Investment Decisions 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.

Production Activities

Field	Woodside share		Full field		Remarks
	Q1 2011	Q4 2010	Q1 2011	Q4 2010	
Australia NWS - Average daily production					
Pipeline gas (TJ)	235	232	583	565	Gas demand was at normal seasonal levels.
LNG (t)	7,270	7,520	44,634	47,776	Lower gas production due to the adverse impact of increased levels of tropical cyclone activity. During Q2, LNG3 will be shut-down for planned maintenance for around 12 days. Offshore, the Goodwyn A platform will be shut-down for planned maintenance over a period of approximately 31 days.
Condensate (bbl)	23,090	24,243	110,657	120,278	Condensate rates were lower due to natural reservoir decline and in line with lower gas production.
Oil (bbl)	4,134	11,747	12,401	35,240	Cossack Pioneer production lower than in the previous quarter due to the production shut in associated with the NWS Oil Redevelopment project on 7 March. Up to this date, production was significantly impacted by high levels of tropical cyclone activity. At the end of the quarter there was no NWS oil production, as redevelopment shutdown activity continued towards achievement of stable oil production from the Okha in late Q2 2011.
LPG (t)	414	413	2,535	2,598	LPG production in line with lower gas production.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	5,367	6,086	8,291	9,399	Production was lower due to planned maintenance and gas lift compressor outages. At the end of the quarter, production was approximately 9,000 bbl/day (Woodside share 5,827 bbl/day).
Mutineer-Exeter Oil (bbl)	141	426	1,720	5,195	Production was lower due to an unplanned shutdown for FPSO maintenance. At the end of the quarter, production was approximately 5,100 bbl/day (Woodside share 418 bbl/day).
Enfield Oil (bbl)	10,217	13,088	17,028	21,813	Production was adversely impacted by high levels of cyclone activity. At the end of the quarter, the field was producing approximately 29,000 bbl/day (Woodside share 17,400 bbl/day).
Stybarrow Oil (bbl)	9,577	3,905	19,154	7,810	Production was higher than the previous quarter due to the Stybarrow North infill well coming online at the end of 2010. This was partially offset by shutdowns due to high cyclone activity. At the end of the quarter, the field was producing approximately 26,000 bbl/day (Woodside share 13,000 bbl/day).
Vincent Oil (bbl)	3,676	13,053	6,127	21,755	Production was lower than the previous quarter due to the planned FPSO shutdown during January and February to reinstate the gas compression system. In addition there were further interruptions due to high cyclone activity in the quarter. Production recommenced in March along with gas compression commissioning, which will continue into April. Two infill wells are currently being drilled and are expected to come online in August 2011. Production from the facility at the end of the quarter was approximately 28,000 bbl/day (Woodside Share 16,800 bbl/day).
Africa					
	Q1 2011	Q4 2010			
Algeria – Ohanet	\$13.5 million	\$13.7million	Woodside's share of the revenue entitlement received by the Ohanet Joint Venture was \$13.5 million for the three months from January to March 2011 which equates to 336,104 bbl of condensate and 27,367 tonnes of LPG. These derived volumes were calculated using the 10 year oil price at the time of initial production.		
United States - Woodside share average daily production					
	Q1 2011	Q4 2010			
Gulf of Mexico Gas (GOM) (MMBtu)	8,547	12,083	Gas production was lower than the previous quarter due largely to expected natural field decline and shut-in of the BS-41 facility due to a temporary export downstream pipeline constraint.		
Condensate (bbl)	65	59	Woodside net production at the end of the quarter was approximately 8,000 MMBtu/day of gas and 56 bbl/day of condensate.		
Gulf of Mexico Oil (GOM) (bbl)	2,738	3,095	Oil production was slightly lower than the previous quarter due largely to expected natural field decline. At the end of the quarter, the Neptune field was producing approximately 11,400 bbl/day (Woodside share approximately 2,000 bbl/day), and Powerplay was producing approximately 1,900 bbl/day (Woodside share 305 bbl/day). Woodside net oil production at the end of the quarter was approximately 2,570 bbl/day.		

Development Activities

Australia

Pluto

Pluto LNG Foundation Project: has transitioned to an 'operating' site with the introduction of natural gas into the plant in early March. Start up is targeted for August 2011 and LNG one month later.

As noted in our 21 February full-year results briefing, the site has been impacted by the high level of cyclone activity this year. Cyclones and heavy rains have continued to impact construction, resulting in what is now approximately four weeks of weather-related delays since November 2010. The end of the cyclone season is approaching and will result in a better work environment. Mitigation plans are in place but it may be hard to recover weather-related delays at this late stage in the project.

In early March, gas from the Dampier to Bunbury Natural Gas Pipeline was introduced to the Pluto LNG Plant. The gas is being used to power up the gas turbine generators, which provide permanent power to the process facility and site in general. The diesel-powered generators have been returned to backup service as originally intended.

From late April 2011, gas from the pipeline will also be used to pressurise the 240 km of offshore pipelines out to the Pluto gas field, prior to the wells being opened for production.

Pluto Expansion: exploration drilling at Martin-1 in permit WA-404-P discovered gas during the quarter.

The exploration campaign to support Pluto equity gas expansion will continue in 2011. Further exploration wells are planned this year. This is in addition to undertaking appraisal of gas discoveries in WA-404-P in the second half of the year.

Subject to successful drilling results Woodside plans to order long-lead items (LLIs) around mid-2011 to maintain the earliest start up for an expansion train.

Discussions continue with third parties regarding the potential to process Carnarvon Basin gas through additional trains at Pluto.

Browse LNG Project

Woodside's Board approved Browse moving into FEED. FEED contractors were appointed and mobilised for the onshore gas plant and associated infrastructure, offshore platforms and subsea pipelines.

The public comment period for the Browse LNG Precinct Strategic Assessment Report concluded and we continue to progress our other environmental approvals. Discussions continued with Traditional Owners over land access at James Price Point.

Woodside also commenced drilling an exploration well at the Omar Prospect in the Browse Basin.

Sunrise LNG

In 2010 Woodside and the Sunrise Joint Venture participants unanimously selected Floating LNG as the preferred development concept. Woodside is advocating for the approval of the proposed Floating LNG development of the Greater Sunrise fields with Australian and Timor-Leste governments. This is being undertaken in accordance with the obligations of the international treaties.

North West Shelf

North Rankin Redevelopment Project: Commissioning has commenced on the North Rankin B (NRB) jacket in Indonesia and the NRB topsides in Korea. Work continues on the NRB piles and bridges fabrication in Indonesia. Modifications on North Rankin A for process tie-ins and the south bridge-link support structure continued to plan. The project remains on schedule and on budget for completion in 2013.

North West Shelf Oil Redevelopment Project: The Cossack Pioneer FPSO ceased production and moved off station on 7 March 2011. Subsea refurbishment activities have commenced and are forecast for completion late Q2 2011. The replacement FPSO Okha is in the final stages of in-shore commissioning and will arrive at the field, coinciding with conclusion of the project's subsea campaign. Following initial connection and offshore commissioning, first oil from the new facility is planned for late Q2 2011.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q1 2011

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Martin-1	Greater Pluto, WA-404-P	Gas	100.00	15/12/2010	1,343	4,778	Exploration, gas discovery
Omar-1	Browse basin, WA-397-P	Gas	50.00	18/03/2011	378	5,375	Exploration, currently drilling

Notes:

1 Water depth measured at lowest astronomical tide (LAT).

2 Reported depths referenced to the rig rotary table.

Exploration or appraisal wells planned to commence in Q2 2011

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth ¹ (metres)	Proposed Total Depth ² (metres)	Remarks
AUSTRALIA						
Opel-1	Exmouth sub-basin, WA-36-R	Oil	60.00	840	2,050	Exploration, bottom hole section ³
Laverda North-1	Exmouth sub-basin, WA-36-R	Oil	60.00	809	2,282	Appraisal, bottom hole section ³
Argus-2	Browse basin, AC/RL8	Gas	60.00	542	5,060	Appraisal
Xeres-1	Greater Pluto, WA-34-L	Gas	90.00	190	3,244	Exploration

Notes:

1 Water depth measured at lowest astronomical tide (LAT).

2 Reported depths referenced to the rig rotary table.

3 Top hole drilled in Q4 2010.

Geophysical surveys conducted during Q1 2011

Location	Survey name	Type	2D (line km full fold) 3D (km ² full fold) 4D (km ² full fold)
AUSTRALIA			
WA-28-L	Enfield M5 4D MSS	4D	135 km of 170km in Q1 (completed)
WA-389-P	Movida 3D MSS	3D	1,597 km of 1,617 km in Q1 (incomplete)

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				
Pluto	WA-369-P	(80.00)	0.00	Government approval received for permit withdrawal.

Corporate Activities

Outlook

As previously advised, Woodside's underlying production target for 2011 (ex-Pluto) is anticipated to range from 63 to 66 MMboe. Additional production from Pluto in 2011 is expected to be in the range of 5 to 9 MMboe (Woodside share).

Laminaria Corallina

As part of Woodside's ongoing business of reviewing various assets, Woodside tested the market to see if a suitable buyer might be found for the Laminaria-Corallina assets. We have decided to retain these assets, especially in view of the current high oil price environment.

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

Contacts:

MEDIA

Laura Hammer

W: +61 8 9348 6874

M: +61 418 917 609

E: laura.hammer@woodside.com.au

INVESTORS

Mike Lynn

W: +61 8 9348 4283

M: +61 439 691 592

E: investor@woodside.com.au