



2011 Half-Year Results Briefing

Peter Coleman
CEO and Managing Director

17 August 2011



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

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



Woodside strategy

Delivery of sustained growth in shareholder value through operation and development of our portfolio of world class assets.

1) Foundation Business:

- **NWS:** Reliable operation of multiple assets provides capacity for growth
- **Australian Oil:** Actively pursuing growth options with exploration and potential tie-backs to existing infrastructure

2) Growth:

- **Pluto LNG Train 1:** cargoes estimated to commence in March 2012
- **Pluto expansion:** leveraging Pluto footprint for growth
- **Browse and Sunrise:** world class projects being advanced

3) Opportunities:

- Select new opportunities that leverage our capabilities
- World leading operator and partner for safety, reliability and efficiency



Current environment

Despite recent fluctuations in global markets, one thing is clear - there is long-term demand for Woodside's products.

Recent volatility in global financial markets may have short-term pricing impacts, but long-term structural growth in the market remains:

- New supply is needed to meet long-term global demand
- In particular, demand from the Asian LNG market is expected to significantly increase in the medium-term
- Woodside is well placed to capture this growth



Executing on deliverables

Woodside continues to advance the development of its assets

Foundation business:

- Performing well with record 1H operating cash flow, providing platform for growth
- Capital management plans well executed

LNG Growth:

- Pluto T1 LNG – provides a cash-flow step change in 2012
- Pluto Expansion – building the business case
- Browse – meeting development milestones
- Sunrise – active engagement with government stakeholders

Opportunities:

- Greater Enfield – potential tiebacks e.g. Laverda, Cimatti
- GOM deepwater exploration
- Leveraging our capabilities

1H 2011 financial headlines

All amounts are in US dollars unless otherwise stated

Revenue:	\$2,253 million	▲
Underlying NPAT:	\$842 million	▲
Dividend per share (HY):	55 cps	▲
Operating cash flow:	\$1.4 billion	▲
Capex#:	\$1.5 billion	
Gearing*:	27%	Balance sheet well positioned for growth
Cash and undrawn facilities	\$2.9 billion	

#Excluding capitalised exploration

*Gearing = net debt/(net debt + equity), excluding non-controlling interests



1H 2011 operational performance

Safety improving:

- 4.82 TRCF* (4.89 1H 2010)
- 0.77 HPIF** (1.59 1H 2010)

NWS reliability increasing:

- Achieved 97.6% LNG reliability (well above target of 94.6%)
- 1H 2011 LNG production = 8.59 million tonnes (8.11 mt 1H 2010)^

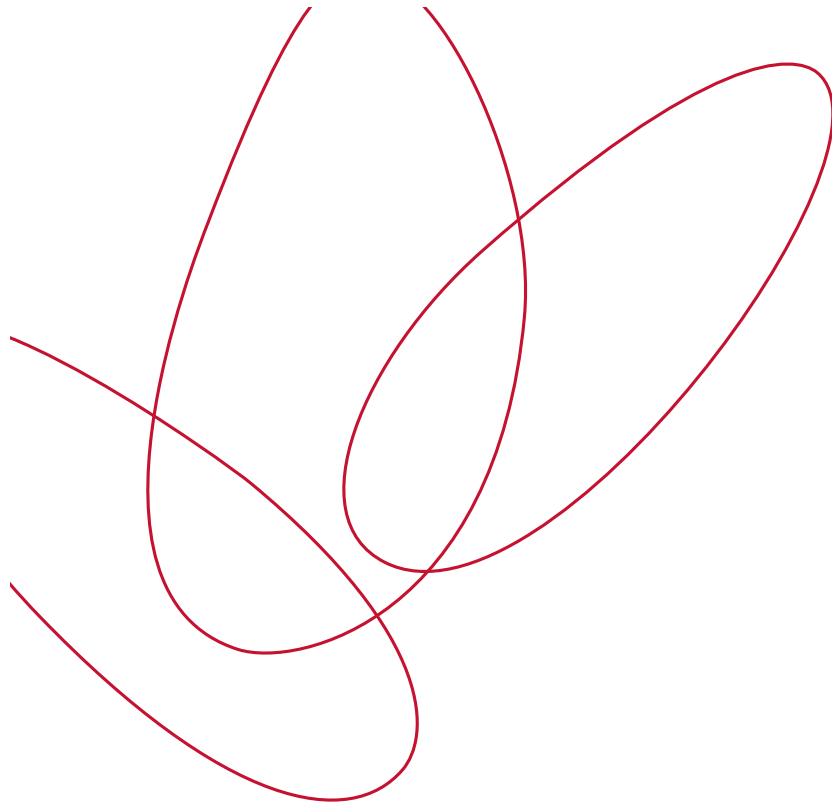
Production on track:

- 31.9 MMboe in 1H 2011 (36.7 1H 2010)
 - One-off factors contributed to lower production
- On track for FY 2011 range of 62-64 MMboe

* TRCF = Total recordable case frequency per million hours worked

** HPIF = High potential incident frequency per million hours worked

^ These are gross numbers (100% Project)



Financial Results

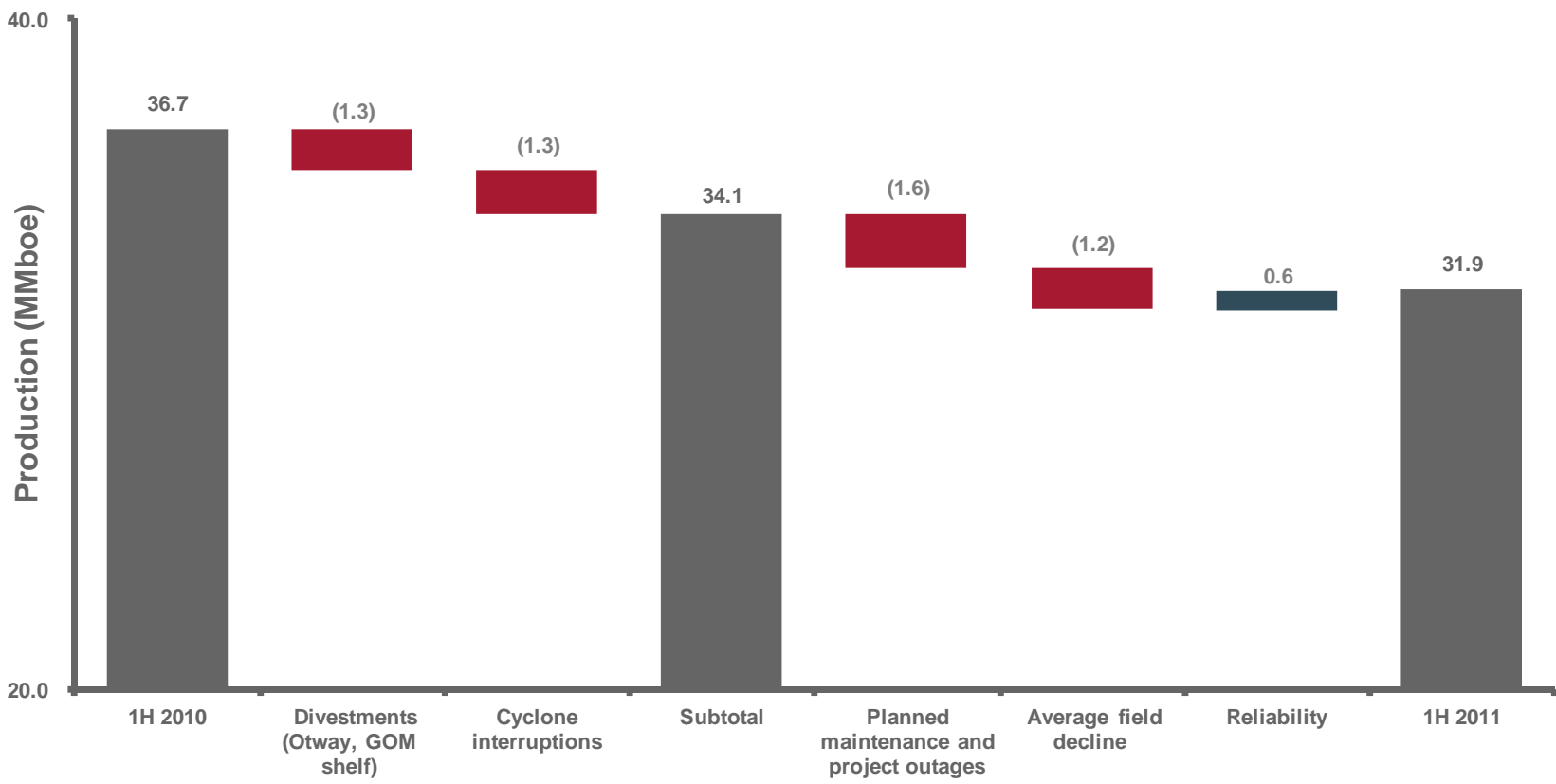
Lawrie Tremaine
Executive VP Finance and CFO

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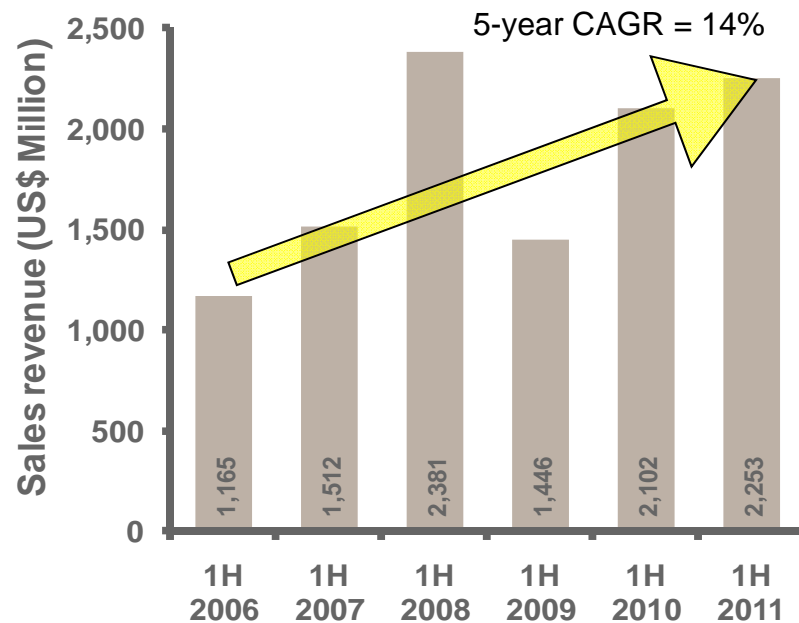
Production

- One-off factors contributed to reduced production in 1H 2011
- Full-year 2011 production target of 62-64 MMboe

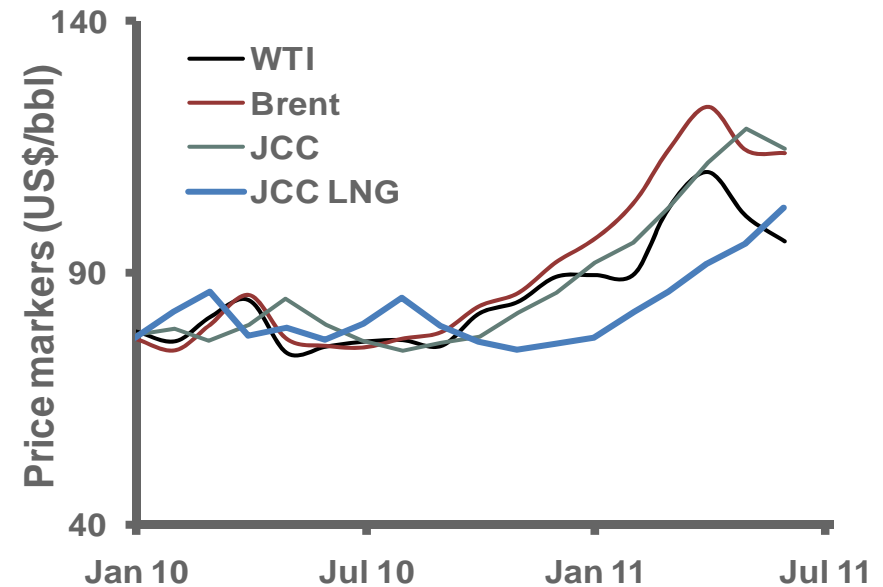


Sales revenue

- Regional factors driving stronger Brent pricing
- Greater Enfield Area crudes achieving record premiums to Brent
- Brent drives JCC price
- LNG contracts reflect the 3 month lagged JCC price and will benefit from current high Brent price well into 2H 2011



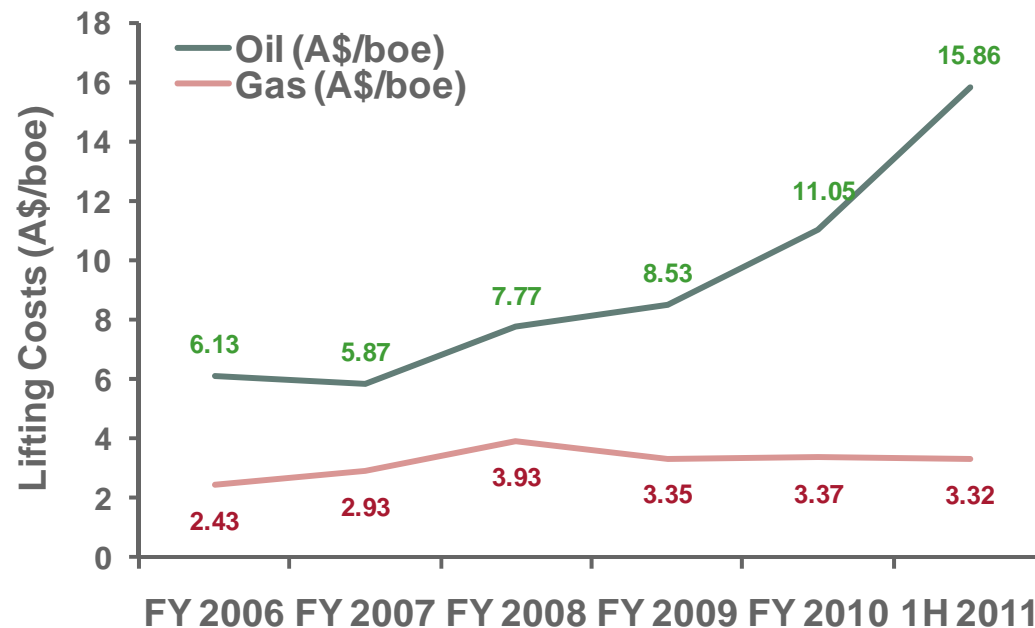
- Prior period sales revenue were converted at average AUD:USD exchange rate for period
 - CAGR – Compound Annual Growth Rate $((\text{end value}/\text{start value})^{(1/\# \text{ years})} - 1)$



JCC – Japanese Custom Cleared basket of crude oil used in pricing LNG

Lifting costs

	1H 2011	1H 2010
Total Lifting costs (A\$ millions)	193	193
Gas Lifting costs (A\$ millions)	78	84
Oil Lifting costs (A\$ millions)	115	109



Oil lifting costs

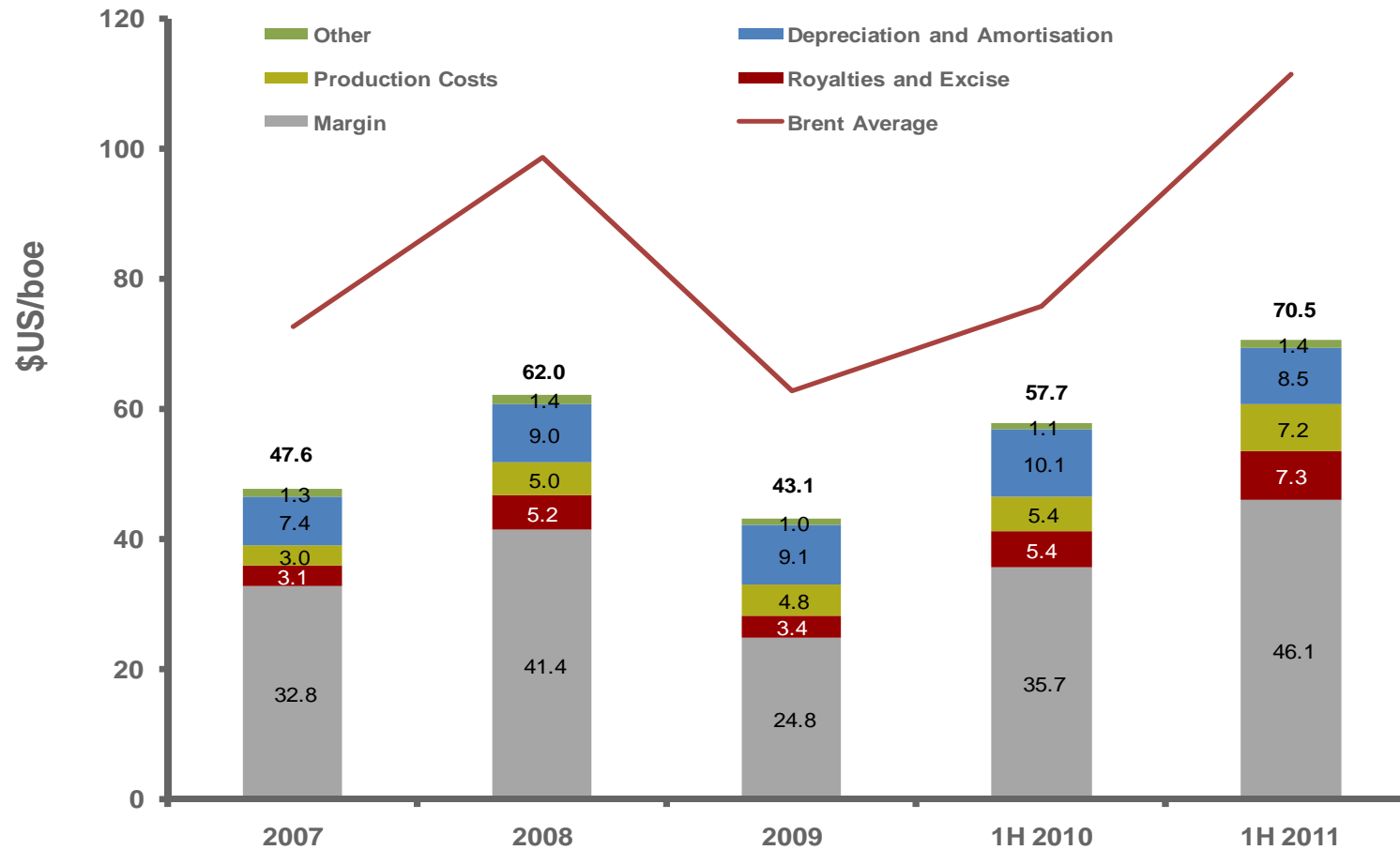
- Cost increase of A\$6 million together with lower volumes (planned maintenance, cyclones and field decline) raised per unit cost to A\$15.86/boe

Gas lifting costs

- Cost decrease of A\$6 million together with higher reliability (which lifted production) has driven per unit cost lower to A\$3.32/boe

Unit gross margin

- Column height equates to realised price for all products
- Grey portion shows margin prior to finance costs, income tax and PRRT



Underlying profit

- 1H 2010 profit was boosted by the Otway asset sale and a lower effective tax rate
- After adjusting for significant items, the 1H 2011 underlying profit was 3.6% higher than the prior year

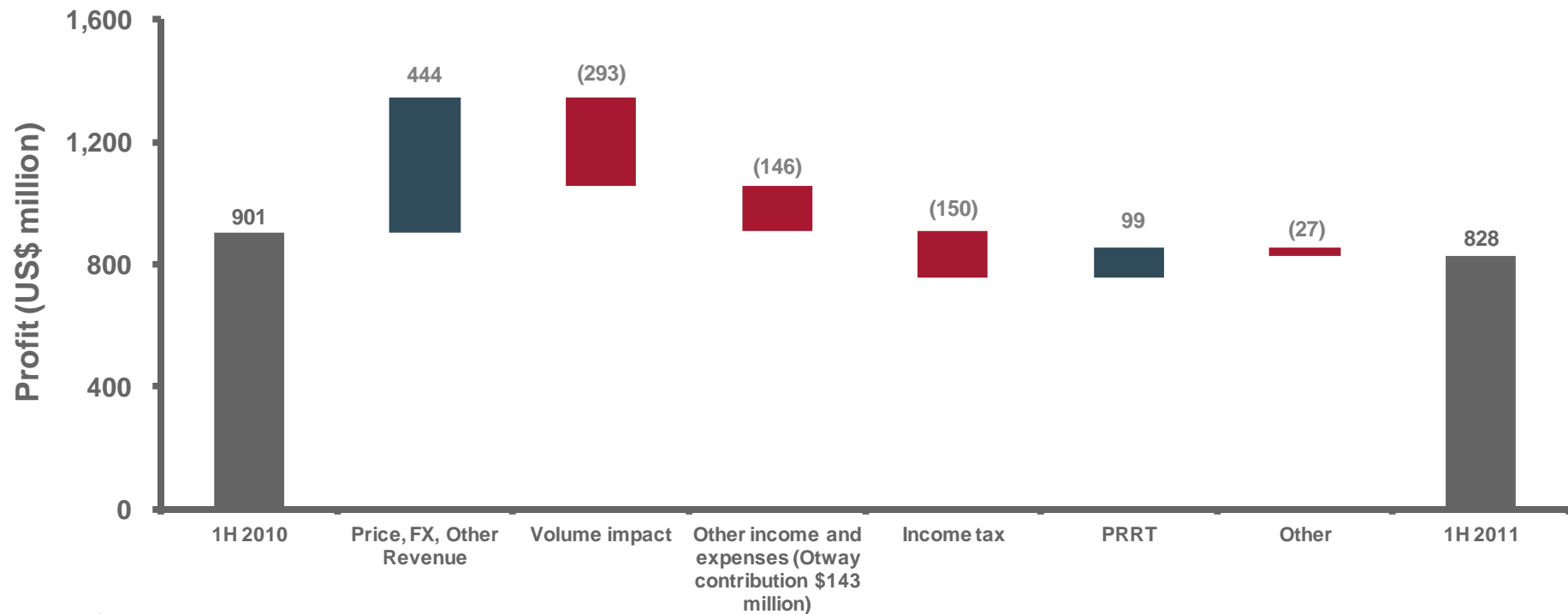
	1H 2011	1H 2010
	\$M	\$M
Reported NPAT	828	901
Significant items after tax:		
Coniston impairment	(14)	-
Gain on sale of Otway	-	149
Gain on adoption of US functional currency*	-	71
Neptune impairment	-	(92)
USA deferred tax asset write down	-	(40)
Deduct subtotal of significant items after tax	(14)	88
Underlying NPAT (before significant items)	842	813

*Functional currency impact due to restatement of deferred tax balances

Reported profit

Reported profit down 8.1%, driven by:

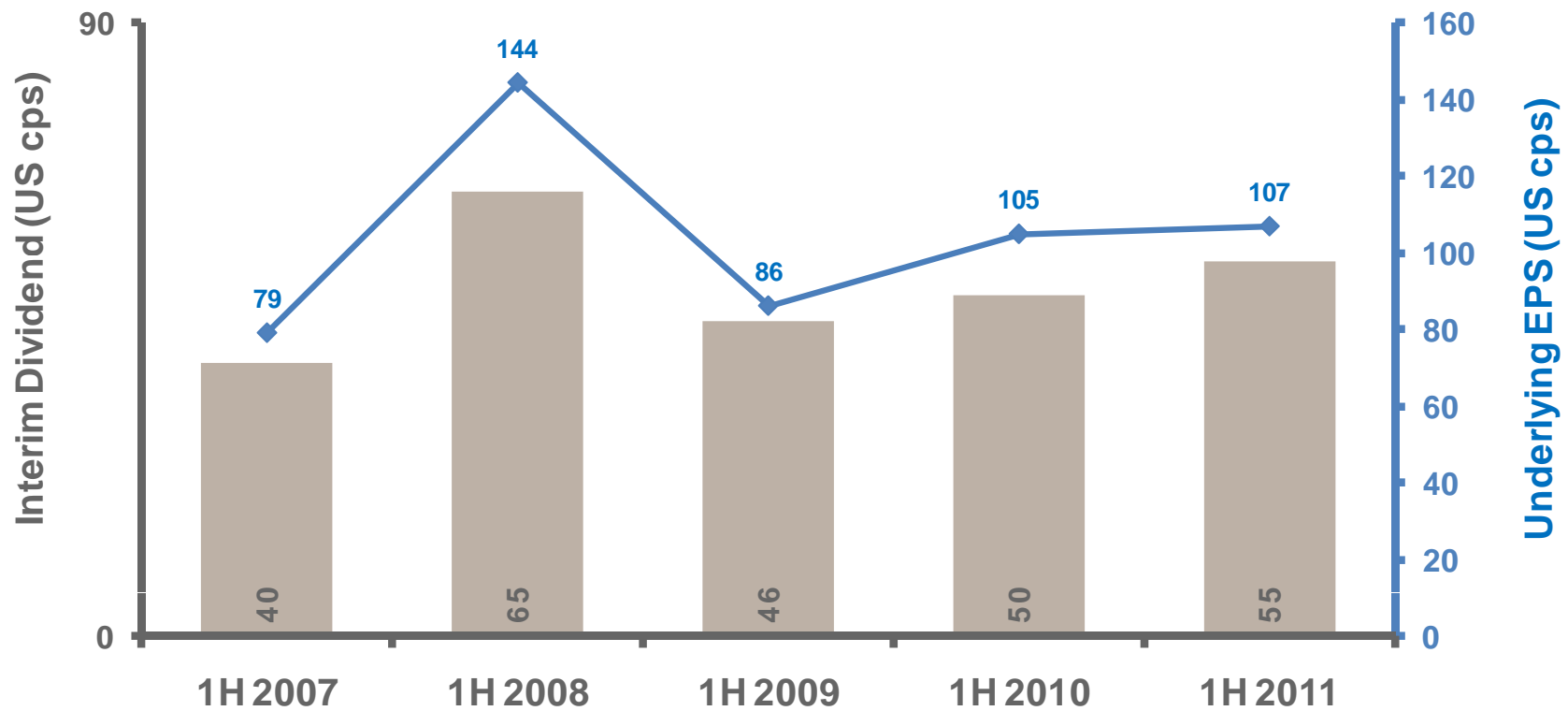
- Increased realised prices across all products, which more than offsets lower sales volumes, less
- the impact of the Otway sale and functional currency related tax adjustments recognised in 1H 2010



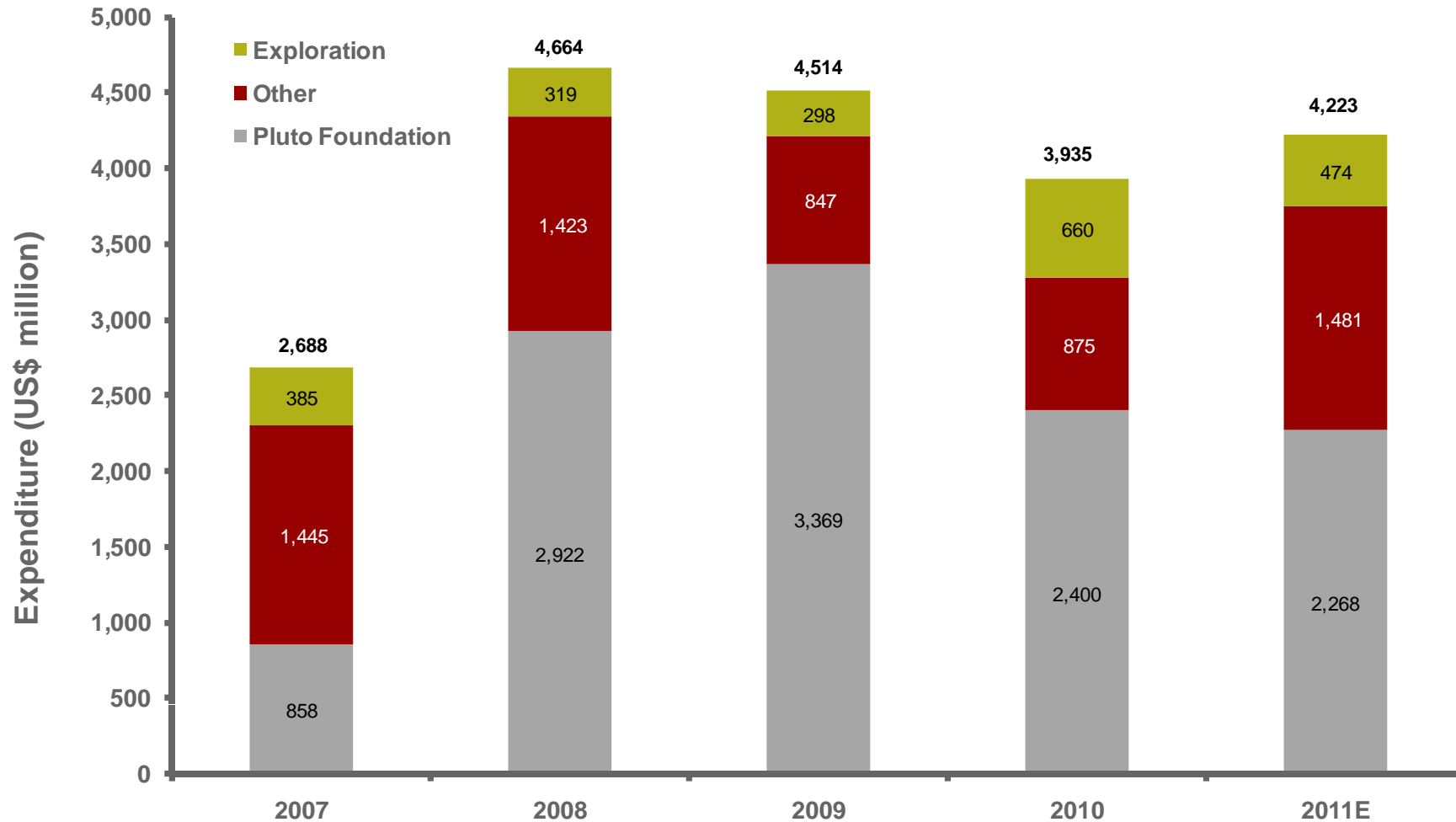


Interim dividend

- Interim dividend of US55 cps – fully franked
- A fully underwritten dividend reinvestment plan to be offered



Investment expenditure

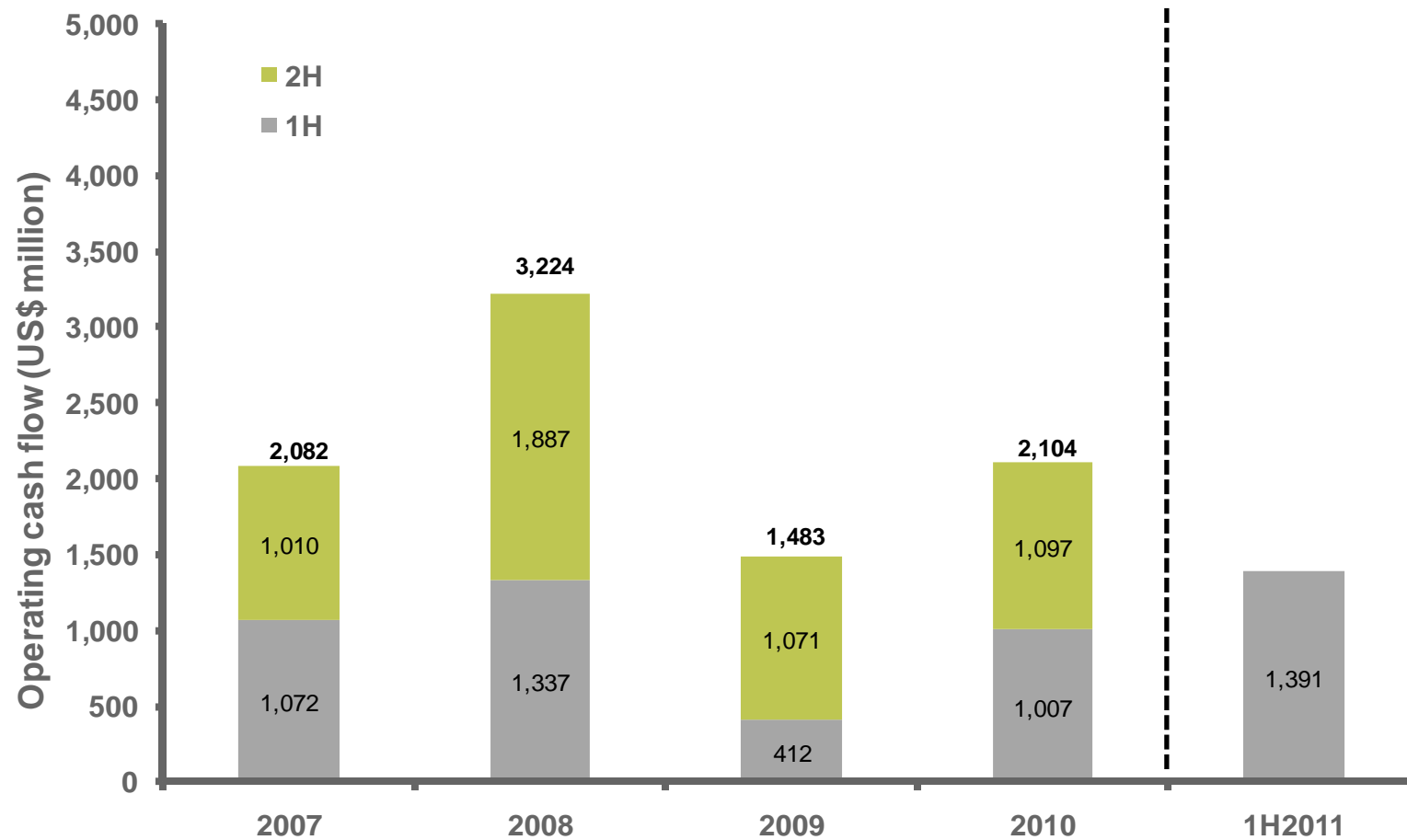


Notes:

- 1) 2007-2009 data has been converted from AUD to USD at the average annual AUD/USD exchange rate
- 2) Other includes NWS, Australia Oil, Pluto Expansion, Browse, Sunrise, International and Corporate
- 3) Chart includes capital and all exploration expenditure less capitalised interest

Operating cash flow

- Record first-half operating cash flow
- Step change in 2012 – 2013 with ramp up of Pluto LNG



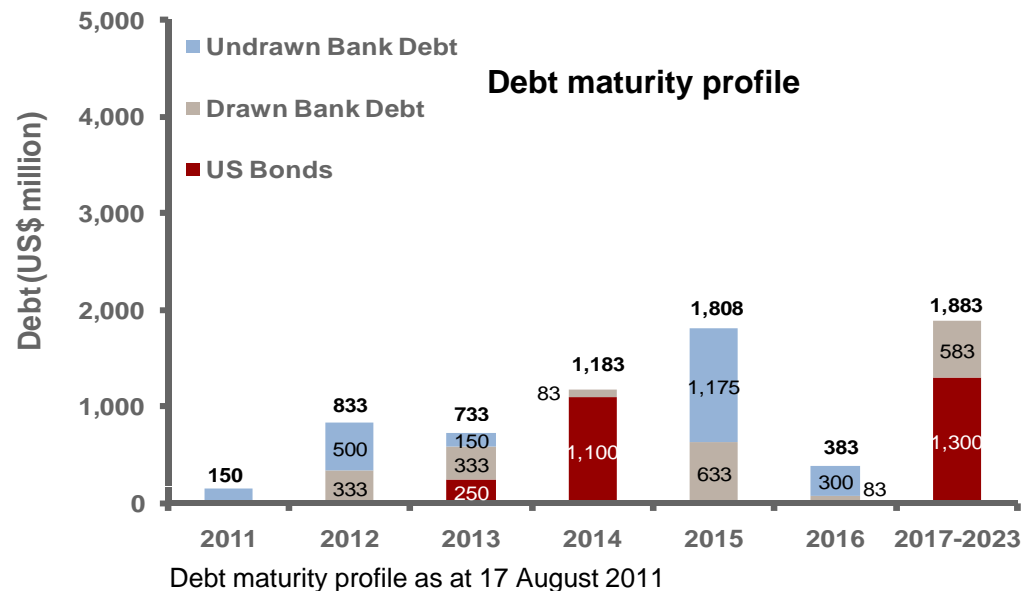
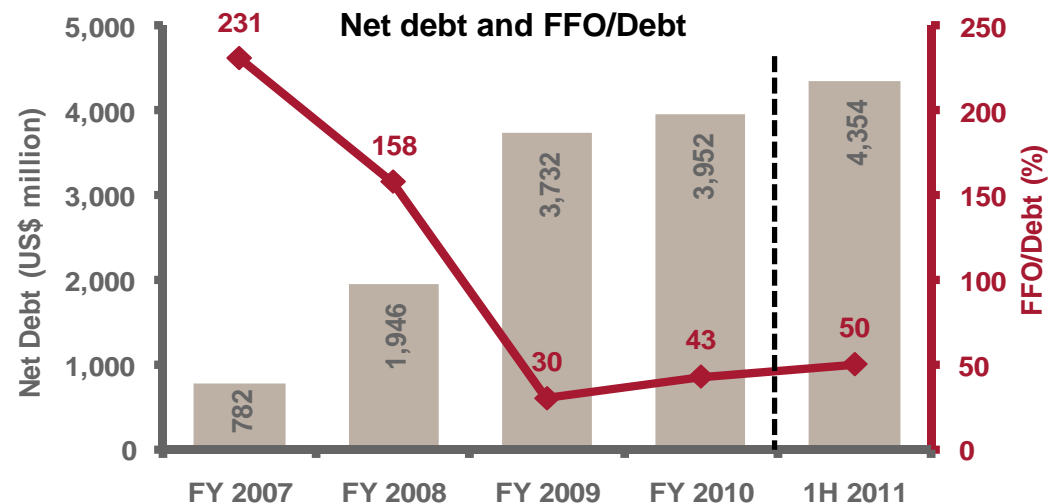
Funding and debt maturity profile

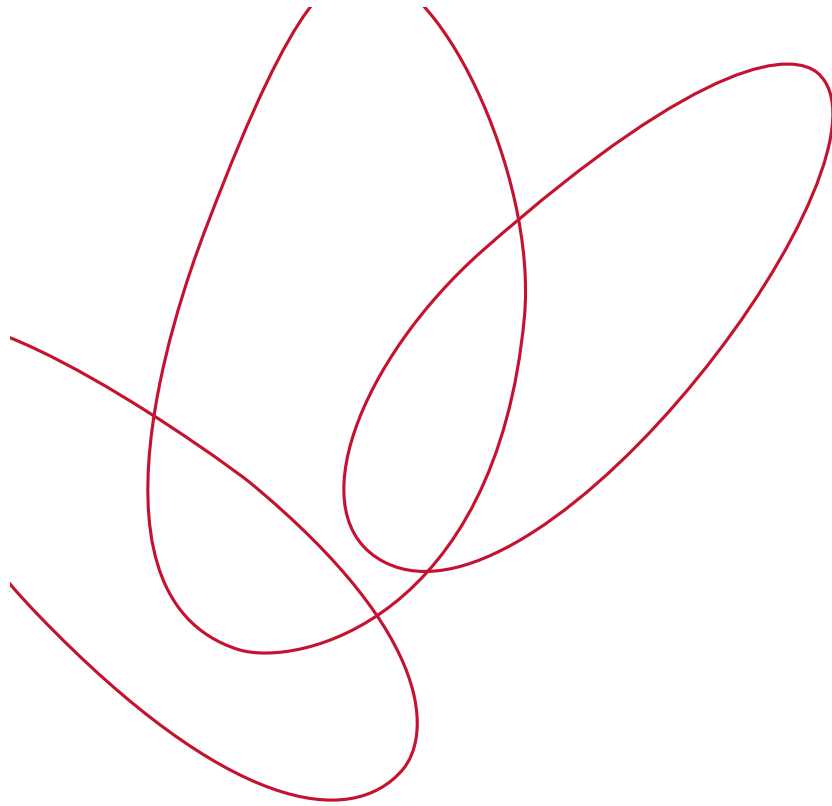
During 1H 2011

- \$700 million 10 year Bond issued at low coupon rate of 4.6%
- Accessed growing debt investor base
- Standardisation of debt terms post-2008 GFC

Looking ahead 2H 2011 / 2012

- Cash and undrawn facilities of \$2.9 billion at 30 June 2011
- Remaining 2011 maturities are being repaid or renewed Q3
- Well funded to meet committed activities



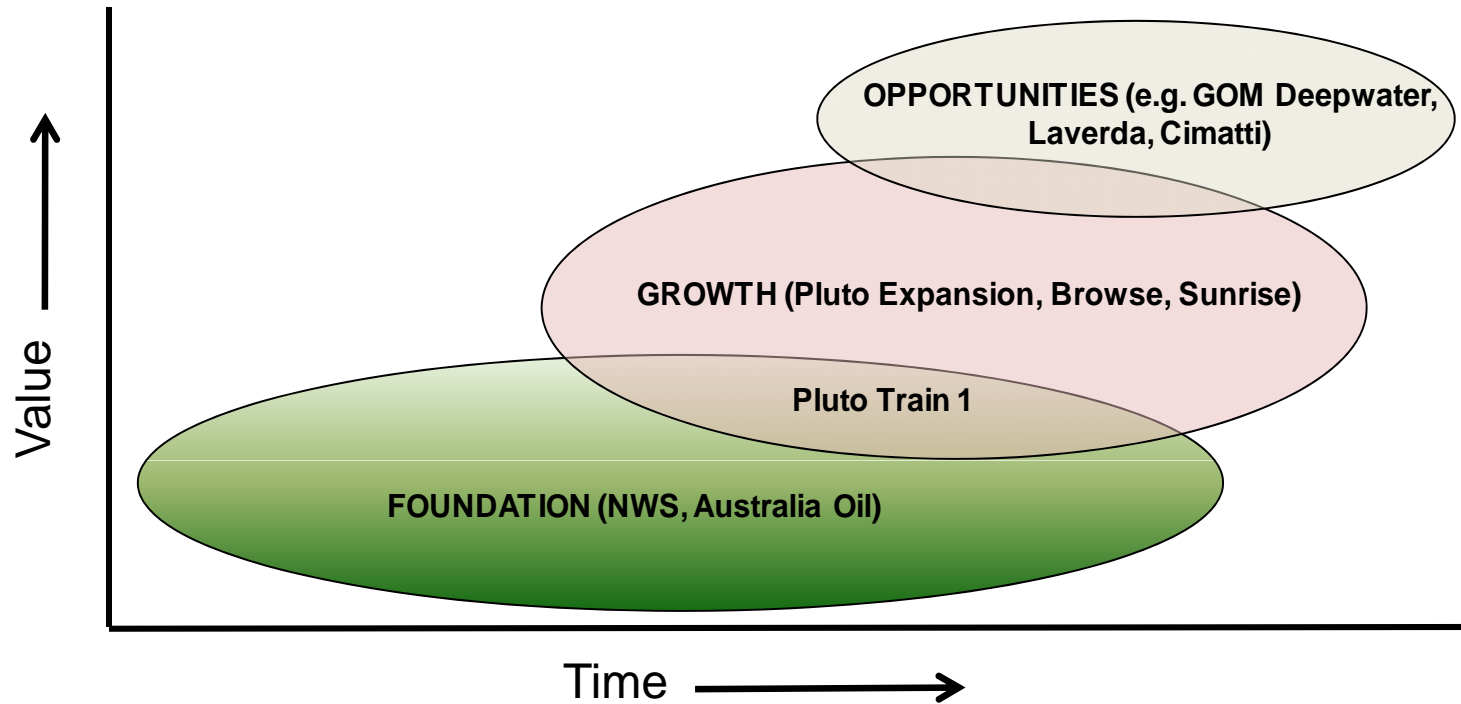


Projects Update and Operational Performance

Peter Coleman
CEO and Managing Director

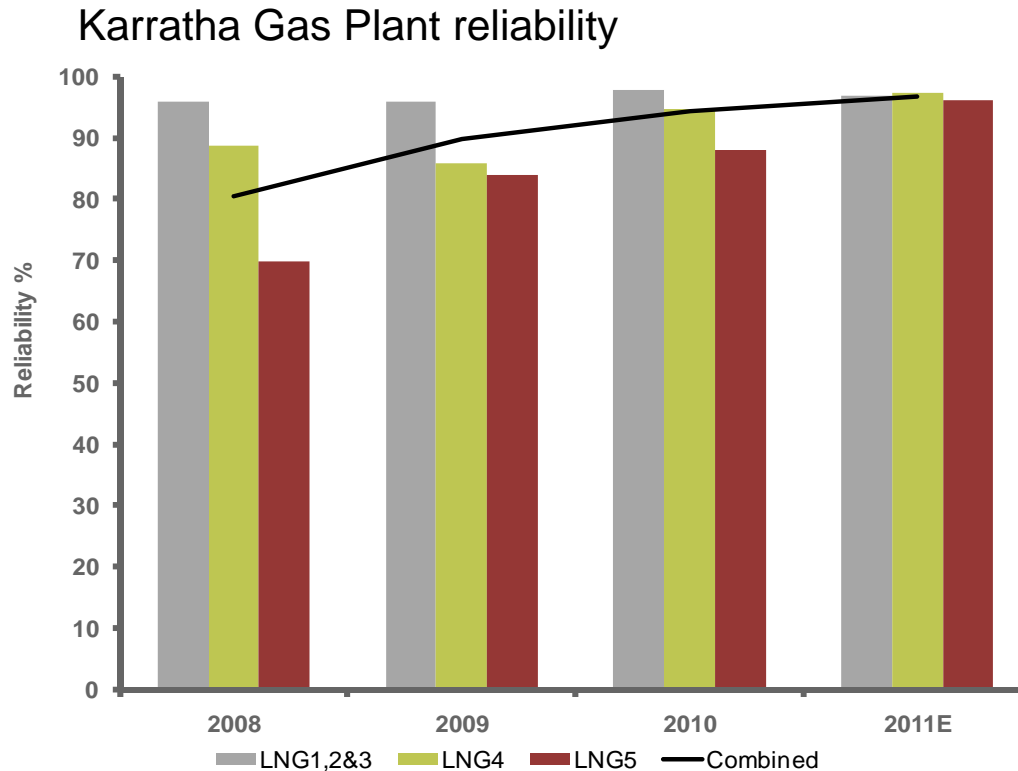
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Growth path to enhance shareholder value



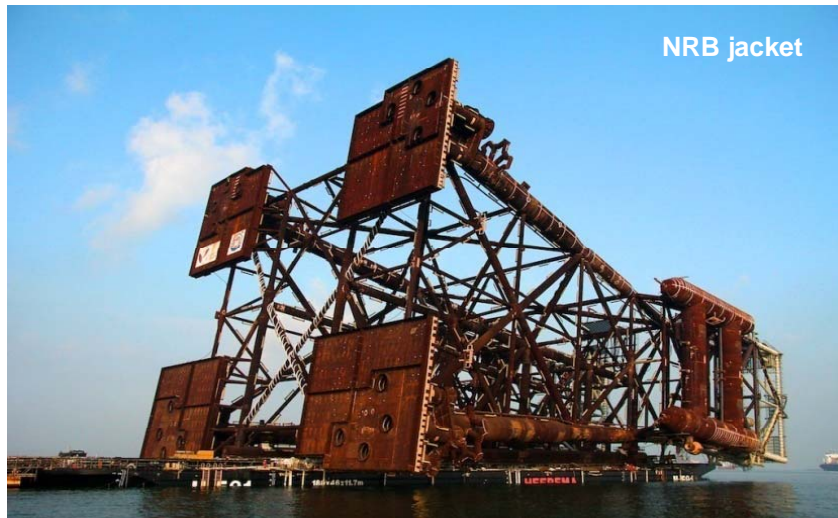
- Maximising value from existing foundation business
- Delivering value from growth options
- Capturing value from select opportunities, leveraging on our capabilities

Foundation projects performing well – NWS



- Excellent reliability and system utilisation achieves strong 1H 2011 LNG production of 8.59 million tonnes (1.33 mt Woodside share)
- Production combined with higher product prices resulted in a record first half revenue of \$1.5 billion*

Maximising value by extending NWS production



North Rankin Redevelopment Project

- Extends North Rankin and Perseus supply
- Compression enables recovery of 5 Tcf gas (100% project)
- Utilises existing NWS infrastructure hub
- On budget and schedule for completion 2013

NWS Oil Redevelopment Project

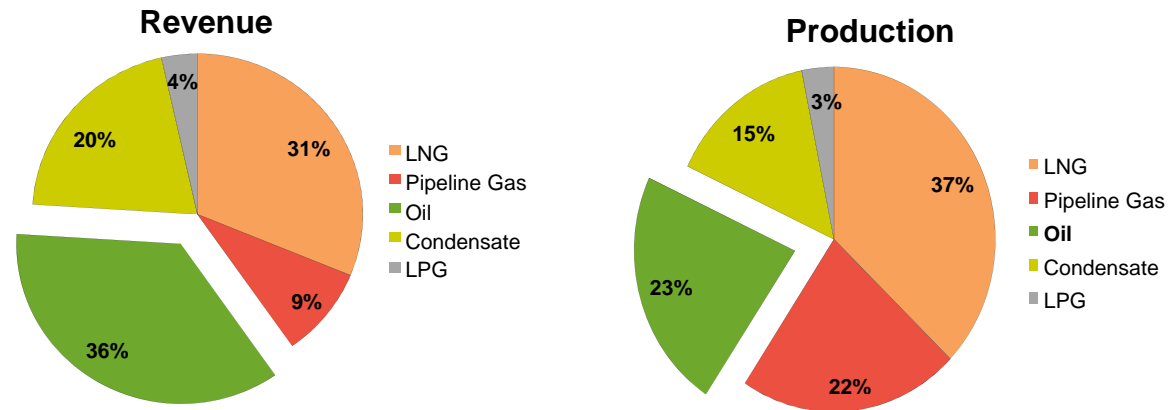
- Okha FPSO first oil estimated for Oct' 2011
- Extends NWS oil production beyond 2020
- Remaining 2P reserves of around 90 MMbbl (100% project)

Greater Western Flank

- Maintaining gas supply into the next decade
- Phased development with first phase a subsea tieback to the Goodwyn platform
- FID targeted for 2012

Foundation projects performing well – Australian oil

Oil provided a material 36%* revenue contribution



Greater Enfield area: Realising premiums to Brent

- Average realised oil price \$114.32/bbl versus Brent \$111.30/bbl
- Maximising value from positive infill drilling

Actively pursuing growth options with successful exploration and tie-backs

- Cimatti – potential development with start-up possible by 2014-15
- Greater Laverda – 100MMboe+ resource potential, up to 3 wells planned 2H 2011

LNG growth - Pluto LNG Train 1

Onshore

- Commissioning gas safely introduced to onshore plant
- Gas turbine generators started up, providing electrical power to site

Offshore

- Trunkline, pipelines and flowlines pressurised with commissioning gas
- Commissioning gas safely flared through the platform

First LNG cargo estimated March 2012



Pluto commissioning progressing

PROJECT ELEMENT	2007	Current
Pluto and Xena reserves (dry gas)*	3.89 Tcf	4.84 Tcf
Estimated total investment**	A\$12 billion	A\$14.9 billion
OFFSHORE COMMISSIONING		COMPLETION DATE
Trunkline, pipelines and flowlines pressurised with commissioning gas		May 2011 ✓
ONSHORE COMMISSIONING		COMPLETION DATE
Commissioning gas enters plant		March 2011 ✓
1st gas turbine generator provides power to site		March 2011 ✓
Central control room handed over to production team		June 2011 ✓
Replacement flare towers in-place with risers		July 2011 ✓
Jetty, storage and loading		Q4 2011
Common user facilities, ready for use		Q4 2011
Liquefaction train		Q1 2012
First LNG cargo		March 2012



Leveraging Pluto footprint for growth

Building business case for LNG expansion

▪ Equity gas

- Building volumes, but additional work required
- Forward program includes additional exploration and appraisal work
- Focused on delivering value

▪ Other Resource Owner gas

- Discussions are active and maturing

LNG growth - Browse

Browse

- Front-end engineering and design studies progressing
- Native Title Agreement signed June 2011, enables James Price Point land access
- Approvals, including the field development plan and environmental, are on track for completion prior to FID

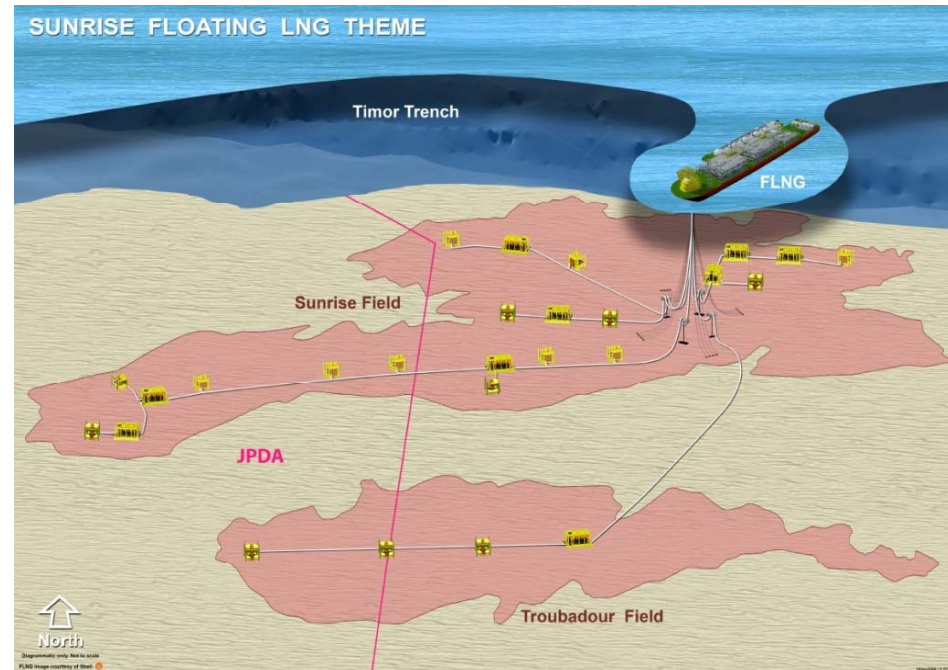
FID = final investment decision



LNG growth - Sunrise

Sunrise

- Actively re-engaging with Timor-Leste and Australian governments
- Potential to provide Timor-Leste with significant revenue and opportunities for training, jobs, social investment and local content

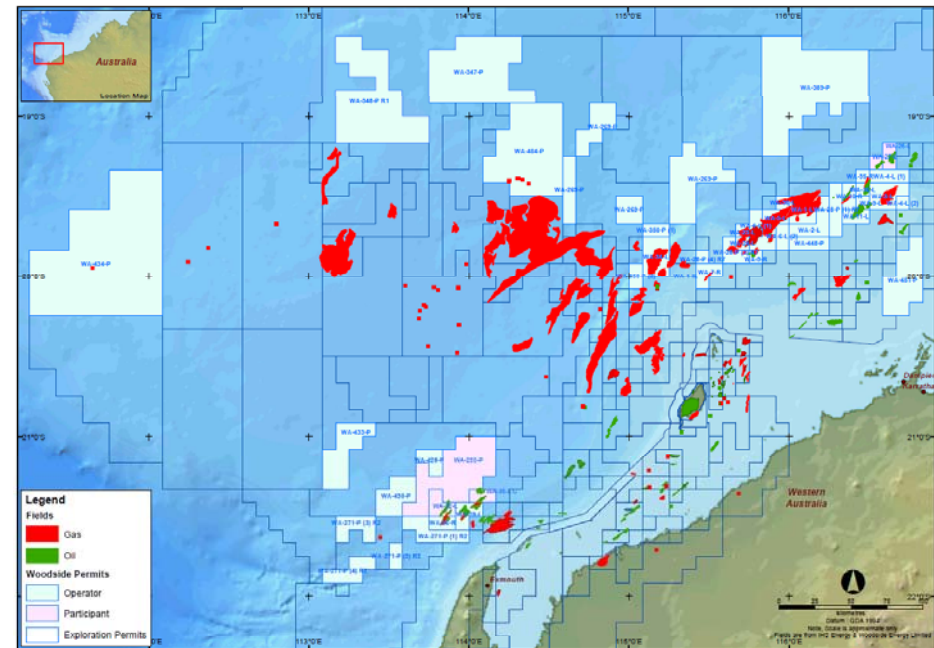


Hydrocarbon volumes apportioned to
Australia 81.9%, Timor-Leste 18.1%

Pursuing opportunities with active exploration campaign

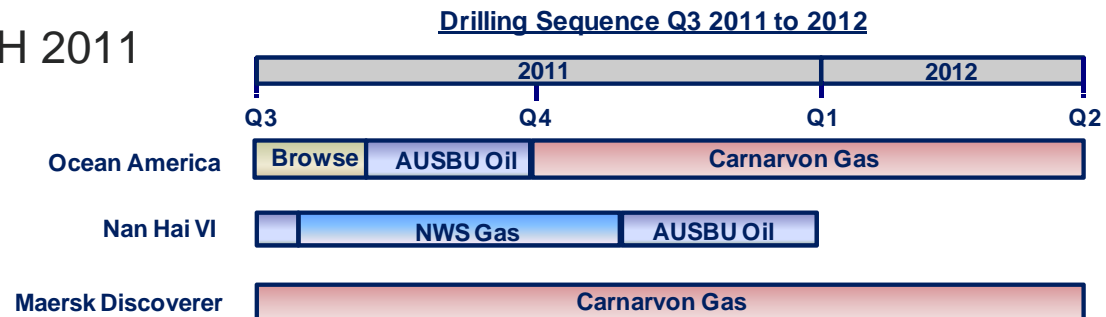
In total, 11 Australian exploration wells are planned to be drilled through to end Q1 2012:

- Seven* Carnarvon Basin gas wells to support Pluto gas equity expansion
- Two NWS gas wells to maximise value around Angel Field and Greater Western Flank
- Two Greater Enfield area oil wells to support Laverda FID and maximise value



Two international exploration wells:

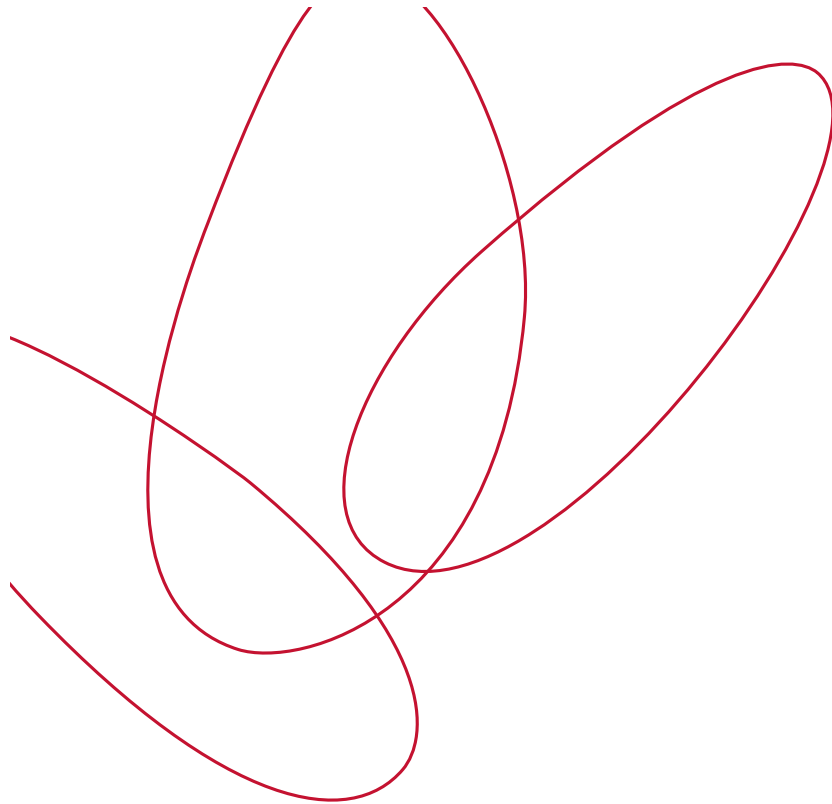
- GOM deepwater: Innsbruck-1, 2H 2011
- South Korea: Jujak-1, 2H 2011





Summary

- **NWS** – strong production continues, driven by excellent system utilisation
- **Australia Oil** – progressing growth opportunities, material revenue
- **Pluto Train 1** – step change in cash flow in 2012 – 2013
- **Pluto Expansion** – building the business case
- **Browse** – meeting development milestones
- **Sunrise** – actively re-engaging with governments
- **Opportunities** – active exploration campaign



Appendix

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Profit and loss: pre- and post-significant items

	1H 2011	1H 2010	Variance %
	\$M ⁽¹⁾	\$M ⁽¹⁾	-
Oil and gas revenues	2,253	2,102	7.2%
EBITDAX⁽²⁾	1,739	1,691	2.8%
Exploration and evaluation expensed	(213)	(145)	-
Depreciation and amortisation	(279)	(379)	-
EBIT⁽³⁾	1,247	1,167	6.9%
Net finance income/(costs)	(15)	22	-
Income tax expense	(374)	(261)	-
Petroleum resource rent tax expense	(16)	(115)	-
Total taxes	(390)	(376)	-
Underlying profit NPAT (before significant items)	842	813	3.6%
Significant items:			
<i>Coniston impairment</i>	(14)	-	
<i>Gain on sale of Otway assets</i>	-	149	
<i>Gain on adoption of US Functional Currency</i>	-	71	
<i>Neptune impairment</i>	-	(92)	
<i>USA deferred tax asset write down</i>	-	(40)	
Deduct sub-total of significant items after tax	(14)	88	-
Reported profit	828	901	-8.1%

(1) All amounts are in US\$M and exclude non-controlling interests, unless otherwise stated.

(2) EBITDAX = earnings before interest, tax, depreciation, amortisation and exploration (excludes significant items).

(3) EBIT = earnings before interest and tax (includes significant items).



NPAT sensitivities

Oil price, US\$1/bbl increase	Increase by US\$8 million
Exchange rate, 1 cent increase	Decrease by US\$2 million

Numbers provided are for remainder 2011