

# ASX Announcement

Thursday, 21 July 2016

ASX: WPL  
 OTC: WOPEY

## SECOND QUARTER REPORT FOR PERIOD ENDED 30 JUNE 2016

- Approved the US\$1.9 billion Greater Enfield Project, developing gross (100%) 2P oil reserves of 69 MMbbl as a tie-back to the Ngujima-Yin FPSO.
- Increased contingent resource (2C) by 83 MMboe through two gas discoveries offshore Myanmar.
- Achieved an annualised loaded LNG production rate equivalent of 5.0 mtpa at Pluto LNG (100% project).
- Successfully executed a major planned onshore and offshore turnaround ahead of schedule at the North West Shelf (NWS) Project.
- Signed a Heads of Agreement for long term supply of LNG to Pertamina.
- Expanded acreage position offshore Gabon by acquiring a 40% interest in the Luna Muetse Block.<sup>1</sup>
- Subsequent to the quarter, Woodside agreed to acquire ConocoPhillips Senegal B.V. that holds a 35% interest in the 560 MMbbl SNE deep water oil discovery (100%, at the 2C confidence level).<sup>1</sup>

Woodside CEO Peter Coleman said that the business was performing well in a challenging external environment.

“We continue to deliver world-class operational excellence across our assets. This includes completing the North West Shelf Train 4 turnaround eight days ahead of schedule and making further improvements to annualised loaded LNG production at Pluto.

“On Greater Enfield we revamped the development concept and took advantage of market conditions to take an FID and estimate incremental cash costs of less than US\$6 per barrel on average for the first five years of production.

“Lower sales revenue for the quarter largely reflects the three month lag in oil-linked LNG contract pricing structures. We will see higher realised LNG contract prices reflected in Q3. Our strong operating cash flow and balance sheet will continue to support business growth opportunities,” he said.

### Comparative performance at a glance

Previous quarter		Q2 2016	Q1 2016	Change %
Production	MMboe	22.2	23.7	-6.3
Sales	MMboe	21.1	24.2	-12.8
Sales Revenue	\$ million	825	982	-16.0
Corresponding quarter, prior year		Q2 2016	Q2 2015	Change %
Production	MMboe	22.2	20.1	10.4
Sales	MMboe	21.1	19.5	8.2
Sales Revenue	\$ million	825	898	-8.1

All dollar amounts are in US dollars unless otherwise stated.

### Key production and sales points for the quarter:

#### Relative to previous quarter (Q1 2016)

- Production and sales volumes were lower primarily due to reduced NWS LNG production resulting from the planned major turnaround campaign across the NWS facilities. Building on recent learnings, the NWS turnaround was delivered ahead of schedule. Lower volumes were partially offset by higher Pluto LNG production due to high plant reliability and higher capacity during the cooler autumn/winter months.
- Sales revenue was lower primarily due to the lagging impact of Q1 oil prices on Q2 LNG contract prices. Higher oil prices in Q2 will result in higher realised LNG contract prices in Q3.

#### Relative to corresponding period (Q2 2015)

- Production and sales volumes were higher primarily due to the impact of the turnaround at Pluto in Q2 2015.
- Sales revenue was lower due to the impact of a lower oil price.

1. Transactions subject to satisfaction of conditions precedent.

## Production Summary

Woodside's share of production and sales for the quarter ended 30 June 2016 with appropriate comparatives:

		Q2 2016	Q1 2016	Q2 2015	Year to date 2016	Year to date 2015
NWS	Production(TJ)	19,912	20,129	19,794	40,041	39,403
PIPELINE NATURAL GAS <sup>1</sup>	Sales (TJ)	19,912	20,129	19,794	40,041	39,403
NWS	Production (t)	526,488	646,879	558,877	1,173,367	1,220,038
LIQUEFIED NATURAL GAS (LNG)	Sales Delivered (t)	523,457	619,713	583,701	1,143,170	1,263,552
	Cargoes Delivered <sup>2</sup>	52	60	57	112	122
NWS	Production (bbl)	1,396,775	1,454,249	1,273,222	2,851,024	2,718,107
CONDENSATE	Sales (bbl)	1,227,364	1,492,534	1,305,826	2,719,898	2,872,986
NWS	Production (bbl)	-	171,617	640,883	171,617	1,233,363
OIL	Sales (bbl)	-	257,871	562,584	257,871	1,205,545
NWS	Production (t)	21,264	22,443	16,537	43,707	39,711
LIQUEFIED PETROLEUM GAS (LPG)	Sales (t)	21,017	21,673	14,207	42,690	43,459
PLUTO	Production (t)	1,130,650	1,092,742	741,361	2,223,392	1,649,877
LIQUEFIED NATURAL GAS (LNG)	Sales Delivered (t)	1,093,867	1,122,451	729,919	2,216,318	1,781,412
	Cargoes Delivered <sup>2</sup>	17	18	11	35	28
PLUTO	Production (bbl)	782,052	755,869	534,942	1,537,921	1,174,928
CONDENSATE	Sales (bbl)	271,544	965,321	297,741	1,236,865	937,704
LAMINARIA-CORALLINA <sup>3</sup>	Production (bbl)	46,219	170,467	201,640	216,686	448,345
OIL	Sales (bbl)	-	365,593	214,054	365,593	603,152
ENFIELD	Production (bbl)	262,256	299,412	221,184	561,668	490,142
OIL	Sales (bbl)	327,157	100,699	101,231	427,856	533,026
STYBARROW <sup>4</sup>	Production (bbl)	-	-	124,424	-	280,841
OIL	Sales (bbl)	-	-	-	-	275,336
VINCENT	Production (bbl)	1,050,922	1,059,504	1,340,397	2,110,426	2,422,680
OIL	Sales (bbl)	1,018,953	1,010,328	1,293,093	2,029,281	2,357,965
BALNAVES <sup>5</sup>	Production (bbl)	-	291,131	827,248	291,131	827,248
OIL	Sales (bbl)	8,798	548,551	668,331	557,349	668,331
CANADA PIPELINE	Production (TJ)	2,783	3,096	179	5,879	179
NATURAL GAS	Sales (TJ)	2,783	3,096	179	5,879	179
<b>Total</b>	<b>Production (boe)<sup>6</sup></b>	<b>22,182,870</b>	<b>23,677,808</b>	<b>20,147,694</b>	<b>45,860,678</b>	<b>41,955,938</b>
	<b>Sales (boe)<sup>6</sup></b>	<b>21,141,876</b>	<b>24,232,798</b>	<b>19,526,711</b>	<b>45,374,674</b>	<b>43,403,916</b>

1 Woodside's equity share is 50% of the first 414 TJ per day (contract flexibilities allow Woodside to receive 50% up to 517.5 TJ per day) and 16.67% for all gas produced above this amount.

2 Cargoes delivered are total venture cargoes, not Woodside share.

3 Woodside completed the sale of its interests in the Laminaria-Corallina asset on 29 April 2016. Woodside has recognised its share of production (bbl) and sales (bbl) up to, and including, 29 April 2016.

4 Production ceased in June 2015. The final cargo was shipped in August 2015.

5 Production ceased 20 March 2016.

6 Conversion factors are identified on page 10.

## Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 30 June 2016, with appropriate comparatives:

<i>Amounts in US\$ million</i>		<b>Q2 2016</b>	<b>Q1 2016</b>	<b>Q2 2015</b>	<b>Year to date 2016</b>	<b>Year to date 2015</b>
<b>Sales Revenue</b>						
	Pipeline Natural Gas	73.4	72.3	72.3	145.7	145.6
	LNG	152.8	211.4	200.3	364.2	543.1
<b>North West Shelf</b>	Condensate	62.7	54.4	79.4	117.1	155.2
	Oil <sup>1</sup>	(1.1)	9.3	33.2	8.2	71.1
	LPG	8.6	7.3	6.6	15.9	20.0
<b>Pluto</b>	LNG	449.0	516.1	346.0	965.1	1,058.0
	Condensate	13.5	36.8	17.3	50.3	48.4
<b>Laminaria-Corallina</b> <sup>2</sup>	Oil	-	13.6	12.6	13.6	31.6
<b>Enfield</b>	Oil	16.0	4.1	6.5	20.1	33.8
<b>Stybarrow</b>	Oil	-	-	-	-	17.8
<b>Vincent</b>	Oil	46.3	34.8	82.1	81.1	139.4
<b>Balnaves</b>	Oil	0.5	19.8	40.8	20.3	40.8
<b>Canada</b>	Pipeline Natural Gas	2.9	2.5	0.4	5.4	0.4
	<b>Total Sales Revenue</b>	<b>824.6</b>	<b>982.4</b>	<b>897.5</b>	<b>1,807.0</b>	<b>2,305.2</b>
	<b>LNG Processing Revenue</b>	50.5	48.9	34.2	99.4	79.2
	<b>Gross Trading Revenue</b>	29.9	1.6	90.6	31.5	172.0
	<b>Total Operating Revenue</b>	<b>905.0</b>	<b>1,032.9</b>	<b>1,022.3</b>	<b>1,937.9</b>	<b>2,556.4</b>
<b>Exploration and Evaluation Expense</b>						
	Exploration Expensed	49.5	121.5	70.5	171.0	175.5
	Permit Amortisation	12.7	5.8	6.3	18.5	10.5
	Evaluation Expensed <sup>3</sup>	0.6	1.3	0.3	1.9	(1.2)
	<b>Total</b>	<b>62.8</b>	<b>128.6</b>	<b>77.1</b>	<b>191.4</b>	<b>184.8</b>
<b>Capital Expenditure</b>						
	Exploration Capitalised <sup>4,5</sup>	1.2	36.3	34.5	37.5	98.6
	Evaluation Capitalised <sup>5</sup>	39.2	81.1	972.1	120.3	993.5
	Oil and Gas Properties <sup>5</sup>	300.3	326.6	3,258.4	626.9	3,364.6
	Other Property, Plant and Equipment	3.3	1.6	5.2	4.9	8.7
	<b>Total</b>	<b>344.0</b>	<b>445.6</b>	<b>4,270.2</b>	<b>789.6</b>	<b>4,465.4</b>

- 1 North West Shelf oil is sold on an entitlement basis. The negative revenue in the Q2 2016 reflects the revaluation of oil entitlements during the period.
- 2 Woodside completed the sale of its interests in the Laminaria-Corallina asset on 29 April 2016. Woodside has recognised its share of sales (bb) and revenue (US\$ million) up to, and including, 29 April 2016.
- 3 2015 Evaluation Expensed credit primarily due to inventory sold from drilling campaign.
- 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 result in amounts of previously capitalised Exploration and Evaluation expense (from current and prior years) being transferred to Oil and Gas Properties. The table above does not reflect the impact of such transfers.

## Production Activities

Field	Woodside share		Full field		Remarks
	Q2 2016	Q1 2016	Q2 2016	Q1 2016	
<b>Australia NWS - Average daily production</b>					
Pipeline gas (TJ)	219	221	485	499	Production was as per customer demand.
LNG (t)	5,786	7,109	37,285	44,425	Production was lower due to execution of a major planned turnaround campaign in May/June 2016 across the North Rankin Complex, Goodwyn-A platform and Karratha Gas Plant. Building on recent learnings, the NWS Train 4 turnaround was delivered in 23 days, 8 days ahead of plan. Major turnaround work completed on 29 June 2016.
Condensate (bbl)	15,349	15,981	72,415	77,013	Production was slightly lower in line with reduced LNG production, offset by higher offtake from liquids rich fields.
Oil (bbl)	-	1,886	-	5,658	There was no oil production due to the extension of a planned facility turnaround and vessel dry-docking in Singapore to address additional maintenance scopes. Production recommenced mid-July 2016.
LPG (t)	234	247	1,486	1,531	Production was slightly lower in line with reduced LNG production, offset by higher offtake from LPG rich fields.
<b>Australia Pluto - Average daily production</b>					
LNG (t)	12,425	12,008	13,805	13,342	Production was higher due to high plant reliability and higher capacity during the cooler autumn/winter months. Annualised loaded LNG production rate of 5.0 mtpa (100% Project).
Condensate (bbl)	8,594	8,306	9,549	9,229	Production was higher in line with LNG production.
<b>Other Australia - Average daily production</b>					
Laminaria-Corallina Oil (bbl) <sup>1</sup>	508	1,873	786	2,944	Production was lower due to completion of the asset sale on 29 April 2016.
Enfield Oil (bbl)	2,882	3,290	4,803	5,484	Production was lower due to natural reservoir decline.
Vincent Oil (bbl)	11,549	11,643	19,248	19,405	Production was lower due to reduced facility utilisation and natural reservoir decline. In early July 2016 production was approximately 23,000 bbl/d (Woodside share 13,800 bbl/d).
Balnaves Oil (bbl)	-	3,199	-	4,922	On 4 March 2016, Woodside terminated the FPSO Services Agreement with Bumi Armada for contractor performance-related issues. As a result of the contract termination, production ceased on 20 March 2016.
<b>Canada - Average daily production</b>					
Pipeline gas (TJ)	31	34	61	68	Production was slightly lower due to natural decline of the D-A28-B and B-B03-K appraisal wells, combined with lower facilities uptime.

<sup>1</sup> Woodside completed the sale of its interests in the Laminaria-Corallina asset on 29 April 2016. Woodside has recognised its share of production (bbl) up to, and including, 29 April 2016.

## Development Activities

### Australia

#### Greater Enfield

On 27 June 2016, Woodside announced the US\$1.9 billion Greater Enfield Project (approximately US\$1.1 billion Woodside share) had been approved for development. The project will develop the Laverda Canyon (WA-59-L), Norton over Laverda (WA-59-L) and Cimatti (WA-28-L) oil accumulations via a 31 km subsea tieback to the Ngujima-Yin Floating Production Storage and Offloading (FPSO) facility.

The project is targeting development of gross (100%) 2P reserves of 69 MMbbl (net Woodside share of 41 MMbbl) from the oil accumulations.

Both the Vincent Project and the Greater Enfield Project are being undertaken by joint ventures between Woodside Energy Ltd (Operator, 60%) and Mitsui E&P Australia Pty Ltd (40%). The Ngujima-Yin FPSO facility is planned to produce oil concurrently until approximately 2028 from the Vincent oil field located in WA-28-L and the three Greater Enfield oil accumulations. Field life extension would be dependent on reservoir performance, asset condition and regulatory approvals.

The Greater Enfield Project's estimated production costs, incremental to Vincent operations, are US\$30-40 million per annum on average for the life of the project. Sustaining capital and other cash costs<sup>1</sup>, incremental to Vincent operations, are estimated to be negligible.

Initial oil production rates are estimated as being greater than 40,000 bbl/d (24,000 bbl/d Woodside share). Woodside is targeting first oil mid-2019.

Based on the above, the Greater Enfield Project's incremental cash costs<sup>2</sup> are estimated to be less than US\$6 per barrel on average for the first five years of production.

#### Wheatstone

The Wheatstone Project operator is targeting first LNG in mid-2017.

During the quarter, subsea installation activities at the Woodside-operated Brunello field were completed. The Julimar Project remains on budget and on schedule to be ready for start-up in 2H 2016.

#### Browse Development

Woodside remains committed to the earliest commercial development of the Browse resources and has entered the concept select phase together with the other Browse Joint Venture participants.

Activities continue in accordance with satisfying work program commitments under the Browse retention leases.

### North West Shelf

#### Persephone Project

Persephone brownfield tie-in work on the North Rankin Complex was safely completed during the recent integrated turnaround and the project has installed key subsea infrastructure. The project remains on budget and is targeting an earlier start-up in 2H 2017.

#### Greater Western Flank Phase 2 Project

The project remains on budget and schedule and is continuing the manufacture and fabrication of key project infrastructure.

#### Lambert Deep

Following the completion of front-end engineering and design (FEED), the NWS Project participants have decided to defer the development of the proposed Lambert Deep project. Further consideration will now be given to exploration prospectivity in the region and integration of Lambert Deep with the portfolio of future supply opportunities. Subject to a final investment decision, first production from Lambert Deep is targeted in the early 2020s.

#### Third party gas processing

The NWS Project participants and Hess Exploration Australia continue to progress FEED activities associated with the proposed development of resources from Hess' permits in the Carnarvon Basin. This phase will inform a proposed final investment decision in 2017.

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1. Other cash costs include estimated insurance, shipping and direct sales, general, administrative and other costs.

2. Cash costs include both production costs and other cash costs

## International

### Kitimat LNG

Appraisal work on the Liard Basin continued during the quarter. Exceptional results from the two proof of concept horizontal wells is increasing the confidence in the world-class deliverability of the basin. This reinforces that fewer wells will be required for a full-scale development.

Woodside continues to work with the operator to reduce LNG costs through best-in-class execution and technology advances.

## Exploration and Appraisal Activities

### Australia

Several permits in the Greater Enfield Area (Exmouth sub-basin WA-271-P, WA-428-P and WA-430-P) were renewed for a further five-year term of exploration. Renewal of these permits represents an opportunity to explore for additional hydrocarbon volumes close to existing infrastructure at low cost.

Interpretation of the North West Shelf Fortuna 3D seismic survey continues to mature a portfolio of drilling candidates. Seismic reprocessing in WA-271-P and other permits in the Exmouth sub-basin will be completed in Q3.

### Myanmar

All seismic field activities across Woodside's six blocks in the Rakhine Basin, which commenced in November 2015, were completed during the quarter. Processing of more than 31,500 km<sup>2</sup> of high quality 3D seismic data is continuing.

Seabed coring operations in Blocks A-7 and A-4 were completed.

Following the Thalin-1A and Shwe Yee Htun-1 discoveries, planning continues for a minimum of two firm appraisal and two firm exploration wells in 2017 in Blocks AD-7 and A-6.

### AGC (Senegal – Guinea-Bissau)

Woodside's entry into the AGC Profond Block remains subject to satisfaction of conditions precedent. Planning is underway for the first exploration well in 2017, subject to joint venture and government approval.

### Gabon

Woodside has farmed-in to the Luna Muetse No G4-246 Block, acquiring a 40% interest from operator Repsol Libreville S.A. avec A.G. The Block is in its First Exploration Phase with the current work focused on the processing of 3D seismic data. Planning continues for drilling of an exploration well in 2017/18. The transaction remains subject to satisfaction of conditions precedent.

A 3D multi-client seismic survey was completed in Block (F15) Doukou Dak. Data is currently being processed with interpretation to follow thereafter.

### Morocco

The joint venture has agreed to enter the First Extension Period of the Rabat Deep Offshore exploration permits I-VI, thereby committing to a firm well. Planning is underway to drill an exploration well tentatively in 2017. ENI Maroc B.V. is in the process of farming-in to the acreage and will acquire a 40% equity and operatorship from the current operator.

### Ireland

Acquisition of the 1,584 km<sup>2</sup> Granuaile survey in LO 16/14 was completed in the quarter. This was followed by the start-up of the 2,392 km<sup>2</sup> Bréanann survey in FELs 3/14 and 5/14. Completion of operations is expected in early August 2016.

### Canada (Nova Scotia)

Planning is underway to drill up to two exploration wells in 2018.

### New Zealand

Interpretation of the newly processed pre-stack depth migrated seismic data in the Taranaki Basin and Great South Basin is currently in progress.

## Permits and Licences

Key changes to permit and licence holdings during the quarter are noted below.

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
<b>AUSTRALIA</b>				
Bonaparte Basin	WA-522-P	100.00	100.00	Awarded
Browse Basin	WA-396-P/WA-397-P	(60.00)	0.00	Relinquished
Browse Basin	WA-447-P/WA-449-P/WA-495-P	(75.00)	0.00	Relinquished
<b>CAMEROON</b>				
Douala Basin	Tilapia Block	(30.00)	0.00	Relinquished <sup>1</sup>
<b>GABON</b>				
Gabon Coastal Basin	Luna Muetse No. G4-246 Block	40.00	40.00	Farm-in <sup>2</sup>

Notes:

- 1 Subject to government approval
- 2 Subject to satisfaction of conditions precedent.

## Exploration or appraisal wells drilled during Q2 2016

Well Name	Basin/Area	Target	Woodside Interest (%)	Spud Date	Water Depth <sup>1</sup> (metres)	Total Depth <sup>2</sup> (metres)	Remarks
<b>CANADA<sup>3</sup></b>							
ACL LA JOLIE B-A03-K/94-O-12	Liard Basin	Gas	50.0	15/01/15	N/A	7040	Appraisal, reached TD and rig released.
ACL LA JOLIE B-E03-K/94-O-12	Liard Basin	Gas	50.0	21/03/14	N/A	7216	Appraisal in progress.
ACL LA JOLIE B-03-K/94-O-12	Liard Basin	Gas	50.0	05/01/15	N/A	7045	Appraisal in progress.

Notes:

- 1 Water depth measured at lowest astronomical tide.
- 2 Well depths referenced to the rig rotary table.
- 3 Liard wells are dual appraisal and production wells.

## Geophysical surveys conducted during Q2 2016

Location	Survey name	Progress
<b>IRELAND</b>		
Irish Continental Shelf – LO 16/14	Granuaile 3D MSS	1,584 km <sup>2</sup> acquired. Survey complete.
Irish Continental Shelf – FELs 3/14 & 5/14	Bréanann 3D MSS	145 km <sup>2</sup> of 2,392 km <sup>2</sup> planned (incomplete).
<b>MYANMAR</b>		
Rakhine Basin – Blocks A-7 & AD-5	Thazin 3D MSS	14,771 km <sup>2</sup> acquired in total <sup>1</sup> . Survey complete.
Rakhine Basin – Blocks A-4 & AD-2	BG15MY 3D MSS	14,797 km <sup>2</sup> acquired in total <sup>1</sup> . Survey complete.
Rakhine Basin – Block AD-7	2016 AD-7 3D MSS	1,152 km <sup>2</sup> acquired in total <sup>2</sup> . Survey complete.
Rakhine Basin – Block A-6	Thazin 3D MSS Extension	1,835 km <sup>2</sup> acquired. Survey complete.
Rakhine Basin – Block A-7	Sabae 2D MSS	1,295 km <sup>2</sup> acquired. Survey complete.

Notes:

- 1 Acquisition occurred across Q4/2015 and Q1&2/2016.
- 2 Acquisition occurred across Q1&Q2/2016.

## Exploration or appraisal wells planned to commence in Q3 2016

Well Name	Basin/Area	Target	Woodside Interest (%)	Water Depth <sup>1</sup> (metres)	Proposed Total Depth <sup>2</sup> (metres)	Remarks
<b>CANADA<sup>3</sup></b>						
ACL LA JOLIE B-E03-K/94-O-12	Liard Basin	Gas	50.0	N/A	7045	Appraisal well, will drill the final two well sections to the proposed total depth.
ACL LA JOLIE B-E03-K/94-O-12	Liard Basin	Gas	50.0	N/A	7216	Appraisal well, will mobilise rig and drill reservoir section to proposed total depth.

Notes:

1 Water depth measured at lowest astronomical tide.

2 Well depths referenced to the rig rotary table.

3 Liard wells are dual appraisal and production wells.

## Corporate Activities

### Business Development

#### Agreement to acquire ConocoPhillips' interests in Senegal

On 14 July 2016, Woodside announced that it had entered into a binding Purchase and Sale Agreement (PSA) with ConocoPhillips to acquire all of ConocoPhillips' interests in Senegal for the purchase price of US\$350 million, based on an effective date of 1 January 2016, plus a completion adjustment of approximately US\$80 million.

Under the PSA, Woodside will acquire 100% of the shares in ConocoPhillips Senegal B.V. which holds a 35% working interest in a Production Sharing Contract (PSC) with the Government of Senegal covering three offshore exploration blocks, Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore. The acquisition includes the option for Woodside to operate the future development of any resource.

The PSC includes the SNE and FAN deep water oil discoveries. SNE is one of the largest global deep water oil discoveries since 2014. Woodside estimates that the SNE discovery contains 560 MMbbl of recoverable oil (at the 2C confidence level, 100%).

Woodside's net working interest of 196 MMbbls<sup>1</sup> in SNE will be acquired at the attractive price of approximately US\$2.20/bbl<sup>2</sup>.

Completion of the PSA is subject to satisfaction of customary conditions, including Government of Senegal approval and pre-emption and is targeting close by year-end 2016.

#### Sempra

Woodside and Sempra continue assessment of a potential 10 mtpa natural gas liquefaction facility in Port Arthur, Texas. Further due diligence and approvals are required to progress to a binding arrangement.

#### Grassy Point LNG

In June 2016, the British Columbian Environmental Assessment Office approved Woodside's Grassy Point LNG Application Information Requirements, the final major obligation under the Sole Proponent Agreement.

### Marketing, Trading & Shipping

During the quarter, Woodside Energy Trading Singapore Pte Ltd signed a Heads of Agreement (HOA) with PT Pertamina (Persero) for the supply of 0.5 to 1.0 million tonnes of LNG per annum from Woodside's LNG portfolio for a period of 15 to 20 years (commencing in 2019). This HOA remains conditional upon the negotiation and execution of a fully termed LNG sales and purchase agreement and obtaining all necessary approvals (including the relevant Woodside and Pertamina board approvals).

In 1H 2016, the agreements necessary to enable equity lifting of any NWS uncommitted LNG and domestic gas volumes were executed. From 1 July 2016 uncommitted volumes will be equity lifted, providing Woodside with additional portfolio scale and flexibility.

1. Refer to ASX dated 14 July 2016, "Woodside agrees to acquire ConocoPhillips' interests in Senegal". Net economic interest estimated at approximately 150 MMbbls.

2. Based on acquisition price (including completion adjustment of approximately US\$80 million) and a net working interest of 196 MMbbls.



### Finance facilities

On 11 July 2016, Woodside issued CHF 175 million (US\$179 million) in senior unsecured notes under its Global Medium Term Notes (GMTN) programme. The bonds have a coupon of 1% and mature in December 2023. The proceeds have been swapped into USD and fixed interest coupon payments have been exchanged for floating rate USD obligations. The funds will be used for general corporate purposes.

On 15 July 2016, Woodside completed a private placement of US\$200 million in senior unsecured floating rate notes under its GMTN programme. The notes have a tenor of six years and a margin of 2.21% over three-month US LIBOR.

### Laminaria-Corallina Sale

Woodside completed the sale of its interest in the Laminaria-Corallina Joint Venture, including the Northern Endeavour FPSO, to Northern Oil and Gas Australia (NOGA) on 29 April 2016 resulting in a \$2 million post tax profit. The effective date of the sale was 1 July 2015. As part of the agreed transition arrangements, Woodside is providing interim transition services to NOGA.

### Balnaves Decommissioning

Woodside is working with regulatory bodies to progress approvals for the safe and environmentally acceptable decommissioning of subsea infrastructure in accordance with all applicable laws and regulations.

### Preliminary 2016 income statement, line item guidance

The following numbers are provided as an indicative guide and are subject to external audit processes and Woodside Board approval of the 2016 Half-Year Financial Statements.

- **Petroleum Resource Rent Tax (PRRT)**

PRRT for the 2016 Half-Year is anticipated to be in the range of \$100 million to \$120 million benefit on a pre-income tax basis. This primarily reflects the positive impact of augmentation on remaining deductions for Pluto general expenditure.

- **Non-controlling interest (NCI)**

The NCI component of 2016 Half-Year net profit after tax is anticipated to be in the range of \$50 million to \$60 million. The NCI represents the minority interests' profit in Pluto LNG processing, which has increased due to higher Pluto LNG throughput.

### Half-Year Results

Woodside advises that on 19 August 2016 the Half-Year report (incorporating the Appendix 4D) for the period ending 30 June 2016 and the associated investor presentation will be available on Woodside's website at [www.woodside.com.au](http://www.woodside.com.au). A teleconference providing an overview of the results and a question and answer session will be held at 7.30am AWST (9.30am AEST) on 19 August 2016.

## Notes on petroleum resource estimates

1. Unless otherwise stated, all petroleum resource estimates are quoted as at the balance date (i.e. 31 December) of the Reserves Statement in Woodside's most recent Annual Report released to ASX and available at <http://www.woodside.com.au/Investors-Media/Announcements>, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius). Woodside is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.
2. Subsequent to the Reserves Statement dated 31 December 2015, by ASX Announcements dated 20 May 2016, Woodside: (i) increased its estimate of contingent resource (2C) by 83 MMboe as a result of the ShweYee Htun and Thalin fields and (ii) reduced its estimate of contingent resource (2C) by 1 MMboe as a result of a revision of its estimate of contingent resource (2C) relating to the Laverda and Cimatti fields. By ASX Announcement dated 27 June 2016, Woodside increased its reserves (2P) by 41 MMboe (and decreased its estimate of contingent resource (2C) by 41 MMboe) in conjunction with the final investment decision to proceed with the Greater Enfield Oil Development.
3. Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects, the reference point is defined as the outlet of the floating production storage and offloading (FPSO) vessel, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.
4. Woodside uses both deterministic and probabilistic methods for estimation of petroleum resources at the field and project levels. Unless otherwise stated, all petroleum estimates reported at the company or region level are aggregated by arithmetic summation by category. Note that the aggregated Proved level may be a very conservative estimate due to the portfolio effects of arithmetic summation.
5. 'MMboe' means millions (106) of barrels of oil equivalent. Dry gas volumes, defined as 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product, are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5.7 Bcf of dry gas per 1 MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbl to MMboe on a 1:1 ratio.
6. The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The estimates have been approved by Mr Ian F. Sylvester, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 20 years of relevant experience.

## CONVERSION FACTORS

(boe) = barrel of oil equivalent

(TJ) = terajoules

(bbl) = barrel

(MMBtu) = million British thermal units

(MMcfcg) = million cubic feet of gas

(t) = tonne

(Bcf) = billion cubic feet of gas

(kt) = thousand tonnes

Product	Factor	Conversion Factors <sup>1</sup>
Pipeline Natural Gas <sup>2</sup>	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

1. Minor changes to some conversion factors can occur over time due to gradual changes in the process stream

2. Includes both Canadian and Australian product

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