WOODSIDE AGREES TO ACQUIRE HALF OF BHP BILLITON’S SCARBOROUGH AREA ASSETS

Woodside advises that it has entered into binding Sale and Purchase Agreements to acquire half of BHP Billiton’s Scarborough area assets in the Carnarvon Basin, located offshore Western Australia.

The acquisition includes a 25% interest in WA-1-R and a 50% interest in WA-62-R, which together contain the Scarborough gas field. Woodside will also acquire a 50% interest in WA-61-R and WA-63-R which contain the Jupiter and Thebe gas fields.

Woodside will operate WA-61-R, WA-62-R and WA-63-R. ExxonMobil is the operator of WA-1-R.

Woodside will pay BHP Billiton US$250 million on completion of the transaction and a contingent payment of US$150 million upon a positive final investment decision to develop the Scarborough field. The effective date of the transaction is 1 July 2016.

The Scarborough area assets include the Scarborough, Thebe and Jupiter fields, which are estimated to contain gross 8.7 trillion cubic feet of gas resources at the 2C confidence level. Woodside’s net share of the resources is estimated to be 2.6 trillion cubic feet of gas.

Woodside CEO Peter Coleman said that adding Carnarvon Basin volumes to the Australian portfolio would complement Woodside’s growth strategy and leverage the company’s deep water and LNG capabilities.

“We look forward to working with ExxonMobil and BHP Billiton following completion of the transaction to progress commercialisation of these world-class resources,” he said.

Completion is subject to pre-emption rights and customary regulatory approvals and is targeted by year-end 2016.

Transaction details and notes
An investor pack containing notes on petroleum resource estimates forms part of this announcement.

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Woodside agrees to acquire half of BHP Billiton’s Scarborough area assets
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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.
Summary

Acquiring world-class gas resources in the Carnarvon Basin

- Woodside agrees to acquire half of BHP Billiton’s Scarborough area assets, which include the Scarborough, Thebe and Jupiter gas fields.

- Consideration of **US$250 million** on completion and a contingent payment of **US$150 million** upon FID of the Scarborough gas field.

- **2.6 Tcf** (Woodside share, 2C)\(^1\) acquired at **price of US$0.15/mcf**\(^2\)

- **8.7 Tcf** (gross, 2C) of uncommitted contingent gas resources

- Well delineated resources with **no further appraisal expected**

- **Leverages our capabilities** in deep water production and LNG development and operations

- **Builds on existing position** in the Carnarvon Basin

- **Fully funded** within existing US$2.0 billion liquidity buffer\(^3\)

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1. Refer to slide 7, “Woodside contingent resource estimate for Scarborough area resources”. Contingent resource estimates are reported following deduction of non-hydrocarbon and fuel and flare.

2. Based on acquisition price (including the US$150 million contingent payment upon FID) and estimated Woodside net share of Scarborough area resources.

3. As at 30 June 2016.
1. Refer to slide 7, “Woodside contingent resource estimate for Scarborough area resources”. Contingent resource estimates are reported following deduction of non-hydrocarbon and fuel and flare.

2. WA-1-R and WA-62-R together contain the Scarborough gas field.

3. For the purposes of Net 2C estimate, Woodside interest in the Scarborough gas field is based on WA-1-R interest only.

Post completion, Woodside interests in acquired permits will be:

- 25% of WA-1-R which contains the majority of the Scarborough gas field
- 50% of WA-61-R (Jupiter), WA-62-R and WA-63-R (Thebe). Woodside to become operator of these permits

<table>
<thead>
<tr>
<th>Gas field</th>
<th>Woodside Interest</th>
<th>Operator</th>
<th>Gross 2C¹ (Tcf)</th>
<th>Net 2C¹ (Tcf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scarborough²</td>
<td>25%³</td>
<td>ExxonMobil</td>
<td>6.9</td>
<td>1.7³</td>
</tr>
<tr>
<td>Thebe and Jupiter</td>
<td>50%</td>
<td>Woodside</td>
<td>1.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>8.7</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Source: IHS and ENCOM

Woodside agrees to acquire half of BHP Billiton’s Scarborough area assets

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1. Refer to slide 7, “Woodside contingent resource estimate for Scarborough area resources”. Contingent resource estimates are reported following deduction of non-hydrocarbon and fuel and flare.
2. WA-1-R and WA-62-R together contain the Scarborough gas field.
3. For the purposes of Net 2C estimate, Woodside interest in the Scarborough gas field is based on WA-1-R interest only.
Next steps

Targeting completion by year-end 2016

- Acquisition subject to pre-emption rights, FIRB clearance and NOPTA approval and registration
- Resources to be booked by Woodside as contingent resource following completion
1. Unless otherwise stated, all petroleum resource estimates are net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius).

2. Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects and floating LNG (FLNG) projects, the reference point is defined as the outlet of the floating production storage and offloading (FPSO) facility or FLNG facility respectively, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.

3. 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.

4. ‘MMboe’ means millions (10^6) 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.

5. 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.
The Woodside contingent resource estimate for the Scarborough area resources is based on SPE-PRMS.

1. As at the date of this release, the Woodside contingent resource estimate for the Scarborough area resources, being the Scarborough, Thebe and Jupiter gas fields, is gross (100%) 8.7 Tcf of dry gas (at the 2C confidence level). Upon completion of the sale and purchase agreements, Woodside’s net share is estimated to be 2.6 Tcf of dry gas.

2. The Woodside contingent resource estimate for the Scarborough area resources has been calculated using deterministic methods and has been based on a potential development scenario involving FLNG offshore technology.

3. The fields covered by the contingent resource estimate, being the Scarborough, Thebe and Jupiter gas fields, are contained within Retention Leases WA-1-R, WA-61-R, WA-62-R and WA-63-R.

4. Subject to completion of the sale and purchase agreements with BHP Billiton, Woodside will acquire a 25% interest in Retention Lease WA-1-R and a 50% interest in Retention Leases WA-61-R, WA-62-R and WA-63-R.

5. The Woodside contingent resource estimate is based on Woodside’s technical evaluation of subsurface and seismic data made available to Woodside as part of the transaction with BHP Billiton. There is no requirement for further appraisal to confirm the estimate. There is no identified requirement for the development of new technology.

6. Any booking by Woodside of the Scarborough area resources as contingent resource is subject to the completion of the sale and purchase agreements and will be made as part of separate reporting. Following any booking of the Scarborough area resources as contingent resource, technical and commercial maturation of a development concept would be required to later book any contingent resources as reserves.