

OUR PEOPLE

FACT SHEET | November 2009

Making Pluto a Sure Thing

The Pluto LNG Project has been subject to a high level of assurance prior to Woodside's investment decision in July 2007 and during project execution. A specially designed framework has greatly assisted the assurance process, resulting in strong and independent due diligence of the project.

The foundation for this framework has been built on involvement, respect and trust across the many functional areas of Woodside that have been involved in Pluto, from exploration to development and construction to operation.

The Challenge

Pluto has set global records for the fastest LNG project, from gas discovery through to development and project build. It has set new industry expectations in terms of how quickly a large scale project can be approved and delivered, particularly during the world's worst economic crisis in decades.

At the time of Woodside's financial commitment to Pluto, the \$12 billion project represented close to 40% of the company's market value.

As the company's largest ever single investment decision, the Board needed to have absolute confidence in the veracity of literally hundreds of technical, financial and commercial reviews.

This level of assurance was not just necessary for Woodside approval but also to demonstrate to stakeholders that the project remained on budget and on schedule. This demonstration will be required through to the first full year of production in 2011.

The Project

Three guiding principles were used in developing the assurance framework for the Pluto LNG Project – accountability, simplicity and independence.



Pluto LNG Project

Once sanctioned the Pluto assurance framework project respected and recognised the role and accountabilities of the many functional areas of Woodside involved in the project by seeking their regular involvement, challenge and endorsement of the investment deliverables.

The framework was based on Woodside's OPREP framework, which is a process designed to assure quality decision making. This process helps ensure that the right opportunities and projects are selected, and that they are delivered effectively.

For Pluto, the OPREP process was revised and enhanced in key areas. Standard assurance checks from the OPREP process fed through to the final investment proposal, delivering a clear understanding and ownership of the outcome.

The team providing the final assurance activity before the financial investment decision was supplemented by a number of independent reviews carried out by external firms and consultants. Following the investment decision, the Pluto team has continued to provide assurance against the investment deliverables.



Demonstrating good governance

Achievements

The Pluto assurance framework has resulted in strong and independent due diligence, enabling Woodside to confidently present information to stakeholders about project cost and schedule.

This framework is founded upon a transparency of information and regular engagement across the company that effectively musters all of Woodside's capability and experience in actively supporting the project.

This initiative has allowed Woodside for the first time to independently demonstrate effective governance of a major project. It reflects the emergence of the company as a truly independent LNG company that is no longer reliant on partnering with major E&P companies to deliver technical and business excellence.

More Information

All stakeholders are invited to contact Woodside for additional information at:

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