

Risk Management Policy

OBJECTIVES

Woodside recognises that risk is inherent to its business and that effective management of risk is vital to delivering on our objectives, our success and our continued growth. We are committed to managing all risk in a proactive and effective manner.

Our approach to risk enhances opportunities, reduces threats and sustains Woodside's competitive advantage.

The objective of our risk management system is to provide a consistent process for the recognition and management of risks across Woodside's business. The success of our risk management system lies in the responsibility placed on everyone at all levels to proactively identify, manage, review and report on risks relating to the objectives they are accountable for delivering.

PRINCIPLES

Woodside achieves these objectives by:

- Applying a structured and comprehensive risk management system across Woodside which establishes common risk management understanding, language and methodology
- Identifying, assessing, monitoring and reporting risks to provide management and the Board with the assurance that risks are being effectively identified and managed
- Ensuring risks consider impacts across the following key areas of exposure: health and safety, environment, finance, reputation and brand, legal and compliance, and social and cultural
- Understanding our exposure to risk and applying this to our decision making
- Embedding risk management into our critical business activities and processes
- Assuring the effectiveness of risk controls and of the risk management process
- Building our internal resilience to the effects of adverse business impacts in order to sustain performance.

APPLICATION

The Managing Director of Woodside is accountable to the Board of Directors for ensuring this policy is effectively implemented.

Managers are responsible for promoting and applying the Risk Management Policy. Responsibility for the effective application of this policy rests with all Woodside employees, contractors and joint venturers engaged in activities under Woodside operational control.

This policy will be reviewed regularly and updated as required.

December 2012