

ASX Announcement

Thursday, 20 January 2022

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NON-CASH IMPAIRMENT REVERSAL AND OTHER ITEMS

Woodside has undertaken a review as of 31 December 2021 of the carrying values of its assets in accordance with the Group's accounting policies and the accounting standards.

As a result, the financial statements for the full-year ended 31 December 2021 (Financial Statements) are expected to recognise a non-cash, post-tax impairment reversal related to oil and gas properties of US\$582 million comprising:

- \$319 million related to Pluto-Scarborough
- \$263 million related to NWS Gas.¹

The impairment reversal for Pluto-Scarborough is due to the additional value generated by Scarborough and Pluto Train 2, which have been combined with Pluto into a new Pluto-Scarborough cash generating unit for the purposes of impairment assessment, following the final investment decisions for Scarborough and Pluto Train 2 in November 2021.

The impairment reversal for NWS Gas is due to updated cost and production profiles including the incorporation of the impact of third-party processing agreements, and improved short-term pricing assumptions.

Both impairment reversals represent the maximum reversal values allowable under relevant accounting standards. Impairment reversals are limited to historical impairment losses recognised, net of depreciation and amortisation that would have been incurred had no impairment taken place.

Corpus Christi onerous contract provision revaluation

The Financial Statements are also expected to include a non-cash, post-tax revaluation benefit for the onerous contract provision for the Corpus Christi LNG sale and purchase agreement, resulting in a further reduction of this provision by \$95 million. The revaluation of the provision reflects the improved global gas market pricing and Woodside's view of likely increased margins available between North American and other gas markets.

The onerous contract provision for the Corpus Christi LNG sale and purchase agreement as at 31 December 2021 is expected to be \$214 million, including the impact of the revaluation.

The outcome of the asset value review and the Corpus Christi onerous contract provision revaluation is subject to finalisation of the Financial Statements including completion of external audit and Board approval. The Financial Statements will be published in the Annual Report 2021 which is scheduled for release on 17 February 2022.

¹ The pre-tax impairment reversal is \$1,058 million comprising \$682 million for Pluto-Scarborough and \$376 million for NWS Gas. The tax impact is a Petroleum Rent Resource Tax deferred expense of \$226 million and a deferred income tax expense of \$250 million.

Dividend implications

Calculation of the 2021 final dividend, to be announced on 17 February 2022, will exclude the impact of the impairment reversal on net profit after tax.

The onerous contract provision revaluation for the Corpus Christi LNG sale and purchase agreement will be incorporated in net profit after tax for the purposes of determining the 2021 final dividend.

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This ASX announcement was approved and authorised for release by Woodside's Disclosure Committee.