ASX Announcement

Thursday, 18 July 2019

ASX: WPL
OTC: WOPEY

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SECOND QUARTER REPORT FOR PERIOD ENDED 30 JUNE 2019

Performance highlights

- Delivered sales revenue of $738 million and production of 17.3 MMboe.
- Achieved strong LNG production performance from North West Shelf.

Delivering a clear plan across three horizons

- Commenced offshore commissioning for the Greater Enfield project.
- Approved the Browse to NWS Project basis of design with the Browse Joint Venture.

Woodside CEO Peter Coleman said delivery of the Greater Enfield Project is on track following the commencement of offshore commissioning during the quarter.

"The team has done an outstanding job delivering the project, which is on schedule and budget. We restarted production from the Vincent wells in July and are working towards startup of the Greater Enfield wells within the coming weeks.

"Additionally, the Browse Joint Venture approved the basis of design for the Browse to NWS Project in May 2019, and we have recently taken further steps towards securing key regulatory and environmental approvals for both the Browse to NWS Project and the proposed Scarborough development.

"These two projects underpin our growth strategy to unlock the future value of the North West Shelf and Pluto LNG facilities, as part of our vision for the Burrup Hub.

"Production and sales revenue were lower compared with the previous quarter due to the major turnaround at Pluto LNG. We delivered strong LNG production from both North West Shelf, where we have optimised performance of the LNG trains, and Wheatstone LNG which achieved record daily LNG production. Our exploration drilling activities for 2019 are complete," he said.

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SECOND QUARTER 2019 REPORT

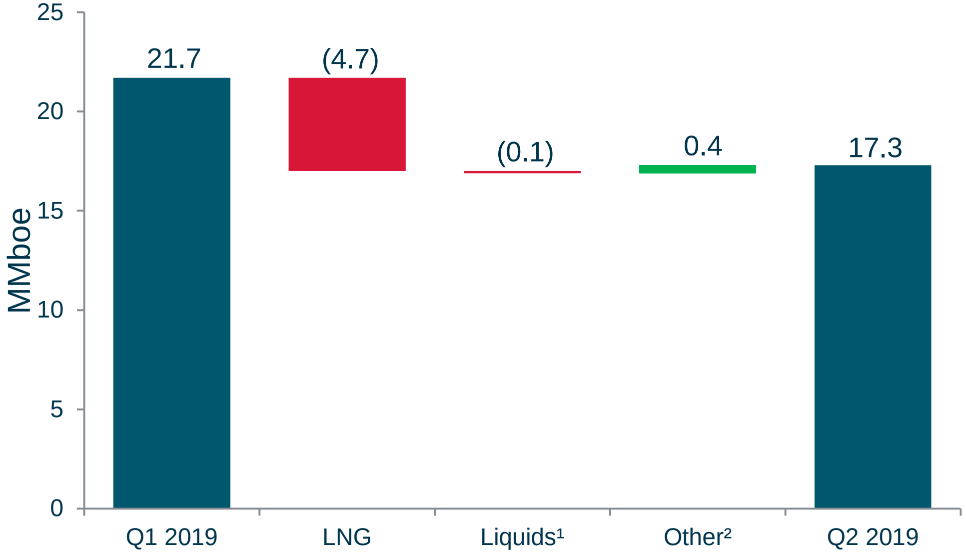
18 July 2019

Woodside

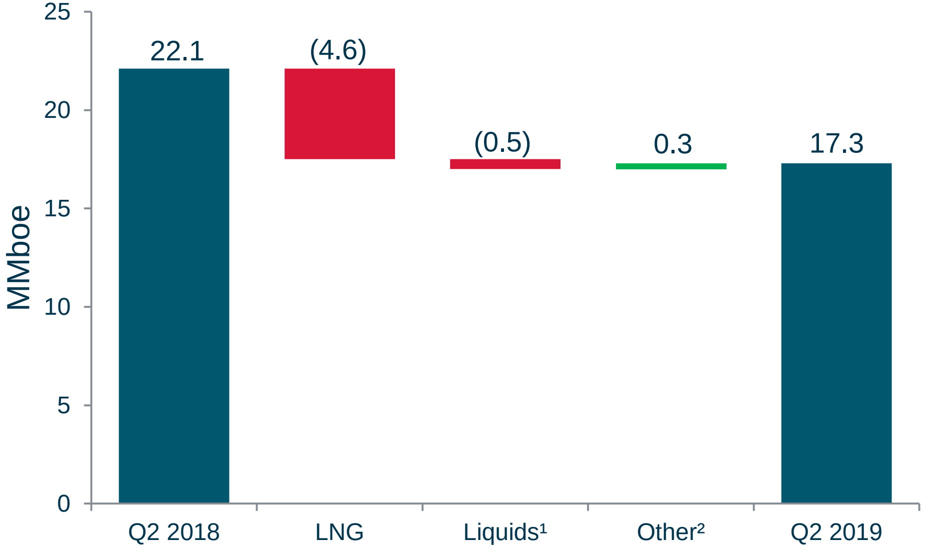
Production

Affected by Pluto LNG turnaround

Previous Quarter
(Q1 2019 to Q2 2019)



Corresponding Period
(Q2 2018 to Q2 2019)

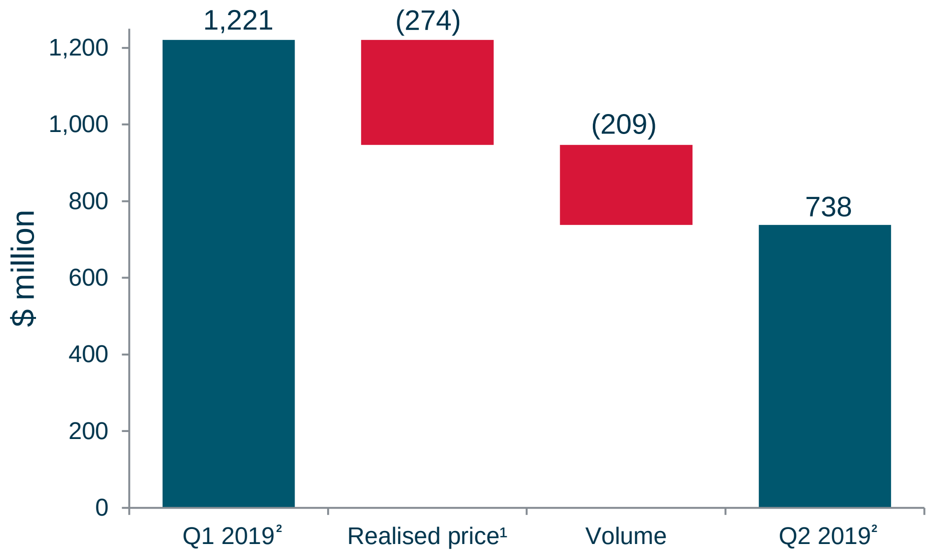


1. Liquids includes oil and condensate.
2. Other includes domestic gas and LPG.

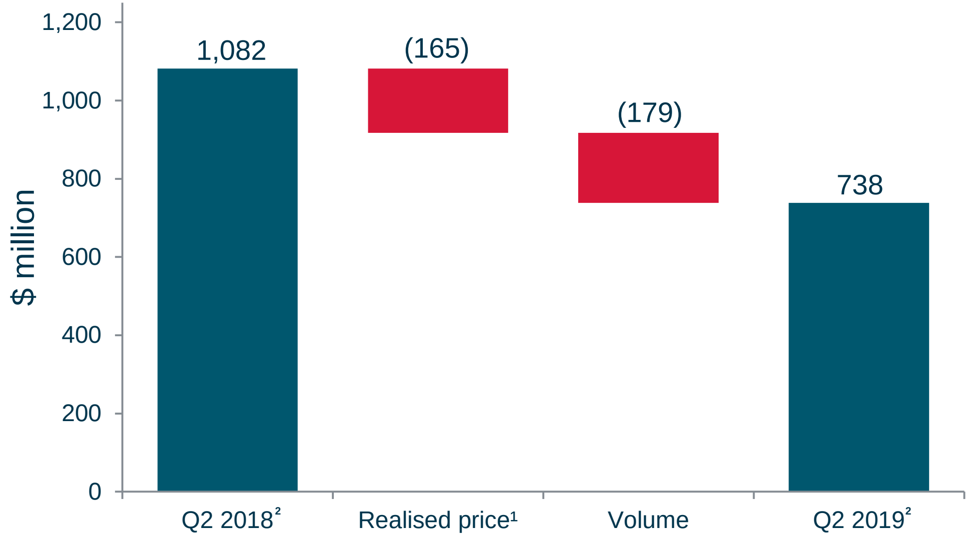
Sales revenue

Impacted by LNG pricing lag and Pluto LNG turnaround

Previous Quarter
(Q1 2019 to Q2 2019)



Corresponding Period
(Q2 2018 to Q2 2019)



1. Realised price includes exchange rate impact.
2. Revenue from the sale of produced hydrocarbons only. Excludes processing and services revenue, trading revenue and other hydrocarbon revenue.

Developments

Greater Enfield offshore commissioning commenced

GREATER ENFIELD

- The project remains on schedule and budget and at the end of the quarter was 95% complete.
- All subsea infrastructure has been installed, with 10 of the 12 development wells now complete.
- More than five million work hours were completed during the major refit of the Ngujima-Yin FPSO at Keppel Tuas Shipyard in Singapore, without any recordable injuries.
- The Ngujima-Yin FPSO returned to waters off the North West Cape on 5 May 2019.
- Offshore commissioning has commenced, with first oil production from the Greater Enfield reservoirs targeted in the coming weeks.
- Subsequent to the period, production from the existing Vincent wells recommenced on 4 July 2019.

PLUTO

- The PLA07 infill well spudded in May 2019 and the project is on budget and schedule.
- The Pluto water handling project is on budget and schedule and at the end of the quarter was 48% complete. Offshore modifications for the project were completed during the Pluto LNG turnaround.

JULIMAR-BRUNELLO PHASE 2

- Julimar-Brunello Phase 2 will develop gas from the Julimar reservoir as a subsea tieback to the existing Brunello infrastructure.
- Final investment decision is targeted for H2 2019.

GREATER WESTERN FLANK PHASE 3 (GWF-3)

- Concept definition was completed and front-end engineering design (FEED) activities have commenced. Completion of FEED is targeted for Q1 2020, subject to joint venture approvals.
- GWF-3 (including Lambert Deep) will target the recovery of 435 Bcf (P50, 100%, Woodside share 66 Bcf) of gas.

Developments

Senegal drilling contract awarded

SNE FIELD DEVELOPMENT PHASE 1 (SENEGAL)

- Diamond Offshore was awarded a contract in April 2019, with phased drilling targeted to commence in Q1 2021. The work scope includes 18 development wells with an option for up to eight additional wells. The contract is conditional on a notice to proceed being issued by the joint venture.
- The subsea and FPSO FEED activities are progressing with key process, design and operability reviews completed. Final subsea and FPSO FEED scopes are on schedule for completion in Q3 2019.
- The joint venture is targeting FID in H2 2019, and is currently pursuing project financing as part of the total project funding solution. A hearing on preliminary matters for the arbitration initiated by FAR Limited was held at the International Court of Arbitration of the International Chamber of Commerce in Paris last week. The Tribunal's ruling on the preliminary matters heard is not expected until the end of the year at the earliest.
- The high-definition 3D marine seismic survey is scheduled to commence in July.

SCARBOROUGH

- The Scarborough Joint Venture awarded a contract to Marubeni-Itochu Tubulars Oceania Pty Ltd which includes an option for line pipe supply for the Scarborough export pipeline.
- The National Offshore Petroleum Safety and Environment Management Authority released the Scarborough Offshore Project Proposal on 5 July 2019 for an eight week public comment period.

PLUTO-NWS INTERCONNECTOR

- The WA Environmental Protection Authority report and recommendations for the environmental approval application by Australian Gas Infrastructure Group to construct the Interconnector pipeline was published on 4 June 2019.
- On 24 May 2019, the Commonwealth Department of Energy and Environment issued its referral decision of 'not a controlled action', which means no further assessment and approval is required under the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth).
- Tie-ins for the Pluto end of the Interconnector were installed during the Pluto LNG turnaround.
- Woodside is targeting RFSU in H1 2022.

BROWSE TO NORTH WEST SHELF PROJECT

- The Browse Joint Venture (BJV) approved the Browse to NWS Project basis of design in May 2019.
- The geotechnical and environmental elements of the proposed trunkline route survey were completed in June 2019.
- The BJV is aligned on being ready to commence FEED by the end of 2019.

Corporate

Mid-term sales agreement executed

MARKETING, TRADING & SHIPPING

- Subsequent to the quarter, Woodside signed an agreement for the mid-term supply of approximately 1.5 million tonnes of LNG in the period to 2024. The LNG will be sourced from Woodside’s global portfolio.

TECHNOLOGY

- Subsequent to the period, Woodside and Monash University have extended their FutureLab collaboration focusing on exploring various opportunities including hydrogen and carbon abatement.

HALF-YEAR RESULTS

- Woodside’s half-year report 2019 (incorporating Appendix 4D) for the period ending 30 June 2019 and the associated investor briefing will be available on Woodside’s website at www.woodside.com.au on Thursday, 15 August 2019.
- A teleconference providing an overview of the results and a question and answer session will take place at 7.30am AWST (9:30am AEST) on 15 August 2019.

INVESTOR ENGAGEMENT

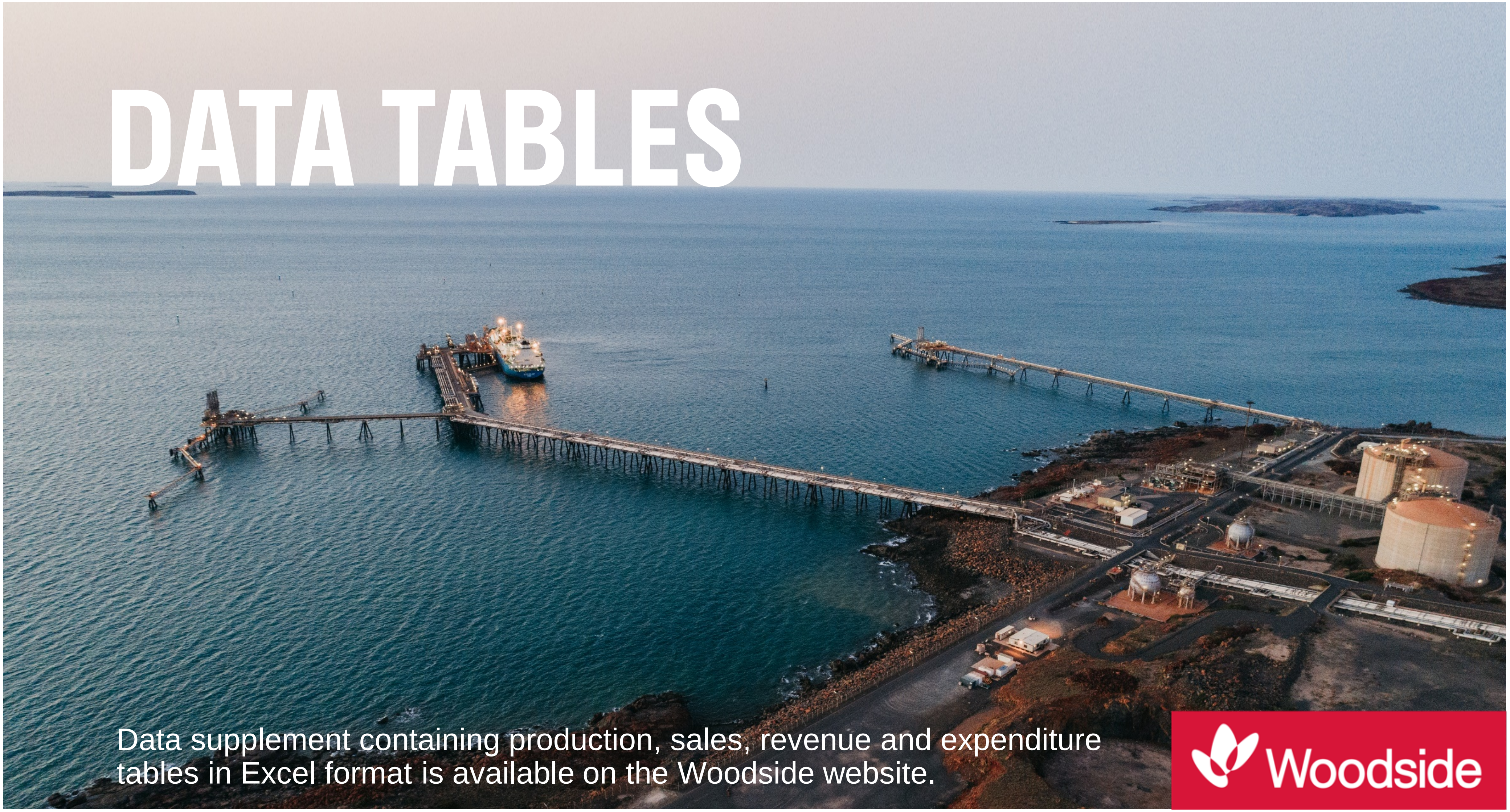
- The webcast of the question and answer session at Woodside’s investor site visit on 24 June 2019 can be viewed at https://youtu.be/gDVjf1lMYbY.
- Woodside’s Investor Briefing Day will be held in Sydney on Tuesday, 19 November 2019.

Guidance

2019 half-year line item guidance:

Item	Half-year guidance		Remarks
Production costs		$260 – 300 million	
Depreciation and amortisation	Oil & gas properties	$680 – 720 million	Effective depreciation rate of $17.5 – 18.5/boe
	Lease assets	$20 – 60 million	Due to adoption of AASB 16 *Leases*
Net finance cost		$90 – 130 million	Due to adoption of AASB 16 *Leases* and finance expense resulting from Rule 144A/Reg S bond issued in March 2019
Taxes	Royalties and excise	$95 – 135 million	
	PRRT benefit	$30 – 70 million	
	Income tax	$200 – 240 million	

DATA TABLES



Data supplement containing production, sales, revenue and expenditure tables in Excel format is available on the Woodside website.

Production summary

Woodside’s share of production for the quarter ended 30 June 2019 with appropriate comparatives:

Production			Three months ended			Year to date	
			30 Jun 2019	31 Mar 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
North West Shelf	LNG	tonne	704,438	617,164	632,878	1,321,602	1,300,210
	Condensate	bbl	1,297,378	1,150,979	1,090,348	2,448,357	2,239,941
	LPG	tonne	17,880	15,129	17,129	33,009	35,354
Pluto	LNG	tonne	393,254	1,079,716	1,157,940	1,472,970	2,258,868
	Condensate	bbl	285,515	725,727	776,406	1,011,242	1,514,142
Wheatstone	LNG	tonne	340,479	271,826	169,087	612,305	289,362
	Condensate	bbl	628,040	439,865	277,319	1,067,905	477,154
Enfield[4]	Oil	bbl	-	-	193,821	-	393,856
Vincent	Oil	bbl	-	-	305,428	-	1,302,670
Okha	Oil	bbl	365,714	349,541	424,097	715,255	806,529
Australia	Domestic gas[1]	TJ	9,680	6,514	6,682	16,194	14,423
Canada	Domestic gas[2]	TJ	1,114	1,924	1,961	3,038	3,657
Total[3]		boe	**17,296,436**	**21,702,688**	**22,075,529**	**38,999,124**	**44,253,942**

1. Includes jointly and independently marketed gas sales.
2. Produced into the Canadian gas network for distribution in North America.
3. Conversion factors are identified on slide 16.
4. The Nganhurra FPSO ceased production in November 2018.

Product sales

Woodside's sales for the quarter ended 30 June 2019 with appropriate comparatives:

Sales			Three months ended			Year to date	
			30 Jun 2019	31 Mar 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
North West Shelf	LNG[1]	tonne	715,284	652,246	554,780	1,367,530	1,236,660
	Condensate	bbl	1,332,490	1,299,911	649,670	2,632,401	2,001,923
	LPG	tonne	-	45,604	44,497	45,604	44,497
Pluto	LNG[2]	tonne	448,092	1,107,131	1,111,467	1,555,223	2,269,503
	Condensate	bbl	-	1,080,503	613,940	1,080,503	1,798,190
Wheatstone	LNG[3]	tonne	259,290	175,932	213,424	435,222	305,133
	Condensate	bbl	723,162	338,417	345,074	1,061,579	345,074
Enfield	Oil	bbl	-	-	174,704	-	456,905
Vincent	Oil	bbl	-	-	695,301	-	1,443,200
Okha	Oil	bbl	517,586	-	-	517,586	648,675
Australia	Domestic gas	TJ	9,523	6,505	6,893	16,028	14,634
Canada	Domestic gas	TJ	1,114	1,924	1,961	3,038	3,657
Total[4]		boe	**16,982,869**	**21,706,180**	**21,030,932**	**38,689,049**	**43,992,292**

1. NWS Project delivered 66 cargoes in the quarter (total project).
2. Pluto LNG delivered 9 cargoes in the quarter (total project).
3. Wheatstone LNG delivered 36 cargoes in the quarter (total project).
4. Conversion factors are identified on slide 16.

Revenue

Woodside's sales and operating revenue for the quarter ended 30 June 2019 with appropriate comparatives:

Revenue (US$ million)		Three months ended			Year to date	
Sales revenue		**30 Jun 2019**	**31 Mar 2019**	**30 Jun 2018**	**30 Jun 2019**	**30 Jun 2018**
North West Shelf	LNG[1]	249	318	211	567	487
	Condensate	86	78	51	164	143
	LPG	-	23	25	23	25
Pluto	LNG	199	591	541	790	1,077
	Condensate	-	63	46	63	128
Wheatstone	LNG	100	108	97	208	139
	Condensate	45	21	26	66	26
Enfield	Oil	-	-	13	-	34
Vincent	Oil	-	-	49	-	101
Okha	Oil	36	-	-	36	43
Australia	Domestic gas	23	17	21	40	45
Canada	Domestic gas	-	2	2	2	3
	Total sales revenue	**738**	**1,221**	**1,082**	**1,959**	**2,251**
LNG processing revenue[2]		(3)	49	52	46	101
Gross trading revenue		51	100	12	151	35
Other hydrocarbon revenue[3]		50	54	-	104	1
	Total revenue	**836**	**1,424**	**1,146**	**2,260**	**2,388**

1. Includes the impact of price reviews completed during the quarter.
2. LNG processing revenue impacted by Pluto turnaround and changes to LNG processing agreements, effective 1 January 2019.
3. Revenue from sale of non-produced hydrocarbons.

Expenditure

Woodside's share of exploration, evaluation and capital expenditure for the quarter ended 30 June 2019 with appropriate comparatives:

Expenditure (US$ million)		Three months ended			Year to date	
		30 Jun 2019	31 Mar 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
Exploration and evaluation expense	Exploration expensed[1]	62	39	116	101	151
	Permit amortisation	4	4	20	8	26
	Evaluation expensed	1	1	2	2	3
	Total	**67**	**44**	**138**	**111**	**180**
Capital expenditure	Exploration capitalised[2,3]	(5)	8	32	3	69
	Evaluation capitalised[3]	113	67	40	180	518
	Oil and gas properties[3]	189	171	234	360	460
	Other property, plant and equipment	2	3	41	5	91
	Total	**299**	**249**	**347**	**548**	**1,138**

1. Exploration expense includes the impact of reclassification of well results during the period.
2. 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.
3. 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. There were no such transfers during the quarter.

Production rates

Average daily production rates (100% project) for the quarter ended 30 June 2019 with appropriate comparatives:

Production rates	Woodside share	100% project		Remarks
		Q2 2019	Q1 2019	
Australia NWS				
LNG (t/d)	15.7%	49,175	42,096	Production was higher due to improved weather conditions and higher reliability. A major turnaround for LNG train 1 is planned for July 2019, and an integrated NWS Project turnaround is planned for September 2019.
Condensate (bbl/d)	15.9%	89,898	78,209	
LPG (t/d)	15.8%	1,239	1,028	
Australia Pluto				
LNG (t/d)	90.0%	4,802	13,330	Production was lower due to the planned Pluto LNG turnaround.
Condensate (bbl/d)	90.0%	3,486	8,960	
Australia Wheatstone				
LNG (t/d)	12.8%	29,233	23,290	Production was higher due to improved weather conditions and higher reliability.
Condensate (bbl/d)	21.1%	32,740	29,451	
Other Australia				
Vincent Oil (bbl/d)	60.0%	-	-	Production from the existing Vincent wells recommenced on 4 July 2019, with first oil from the Greater Enfield wells targeted in the coming weeks.
Okha Oil (bbl/d)	33.3%	12,056	11,651	Production was higher due to improved weather conditions.
Australia Domestic Gas				
Domestic gas (TJ/d)[1]		106	72	Production was higher due to increased customer demand.
Canada				
Domestic gas (TJ/d)	50.0%	24	43	Liard Basin production ceased June 2019.

1. Australian domestic gas includes the aggregate Woodside equity domestic gas production from all Australian projects.

Realised prices

Realised product prices for the quarter ended 30 June 2019 with appropriate comparatives:

Realised Price	Three months ended				Three months ended			
	Units	30 Jun 2019	31 Mar 2019	30 Jun 2018	Units[1]	30 Jun 2019	31 Mar 2019	30 Jun 2018
NWS LNG	$/MMBtu	7.1	9.4	7.9	$/boe	41	55	46
Pluto LNG	$/MMBtu	8.6	10.3	9.4	$/boe	50	60	55
Wheatstone LNG	$/MMBtu	7.5	11.9	8.8	$/boe	43	69	51
Domestic gas	$/GJ	2.2	2.3	2.5	$/boe	13	14	15
Condensate	$/bbl	64	59	76	$/boe	64	59	76
LPG	$/tonne	-	512	566	$/boe	-	63	69
Oil	$/bbl	69	-	72	$/boe	69	-	72
Average realised price					$/boe	**44**	**56**	**52**
Dated Brent					$/bbl	69	63	74
JCC (lagged three months)[2]					$/bbl	64	78	67

1. Conversion factors are identified on slide 16.
2. Lagged Japan Customs-cleared Crude (JCC) is the typical reference price for long-term LNG contracts.

Exploration

Permits and licences

Key changes to permit and licence holdings during the quarter ended 30 June 2019 are noted below.

Region	Permit or licence area	Change in interest (%)	Current interest (%)	Remarks
Ireland	FEL 3/14	85	0	Equity and operatorship transfer to existing partner, Petrel Resources plc.

Exploration or appraisal wells drilled during Q2 2019

Well name	Basin / area	Target	Interest (%)	Water depth (m)	Total depth[1] (m)	Remarks
Achernar-1	Dampier sub-basin, WA-28-P	Gas	15.78	124	3,285	The well intersected high porosity sands in the target reservoir, which were found to be water bearing. Post-well analysis is continuing.
Khan Kubrat-1	Black Sea Basin / Bulgaria	Oil	30	1,200	3,327	The well reached target depth in late May 2019 with non-commercial hydrocarbon shows in target reservoirs. The well was plugged and abandoned as planned. Further studies are being undertaken to inform future activities in the block.

Exploration or appraisal wells planned to commence in Q3 2019

No exploration or appraisal wells planned to commence in Q3 2019.

1. Well depths are referenced to the rig rotary table.

Notes on petroleum resource estimates, forward looking statements and conversion factors

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 the Australian Securities Exchange (ASX) and available at https://www.woodside.com.au/news-and-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. 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.

Disclaimer and important notice

This report contains forward looking statements, including statements of current intention, statements of opinion and expectations regarding Woodside's present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and may be affected by a variety of known and unknown risks, variables and changes in underlying assumptions or strategy which could cause Woodside's actual results or performance to differ materially from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of Woodside.

Woodside makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statement. The forward looking statements in this report reflect expectations held at the date of this report. Except as required by applicable law or the ASX Listing Rules, Woodside disclaims any obligation or undertaking to publicly update any forward looking statements, or discussion of future financial prospects, whether as a result of new information or of future events.

All figures are Woodside share for the quarter ending 30 June 2019, unless otherwise stated.

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.

Product	Factor	Conversion Factor[1]
Domestic gas[2]	1 TJ	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
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 products.

boe = barrel of oil equivalent
TJ = terajoules
bbl = barrel
MMBtu = million British thermal units
MMscf = million cubic feet of gas
t = tonne
Bcf = billion cubic feet of gas
kt = thousand tonnes