ASX Announcement

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OTC: WOPEY

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RESPONSE TO MARKET CONDITIONS

The current uncertain global investment environment arising from the spread of COVID-19, combined with oversupply of crude oil and LNG, has led to significant decline in prices, requiring decisive and swift action. Woodside's priority is to protect the health and safety of our people, contractors and communities, while ensuring the operational and financial integrity of our business.

Woodside is taking a prudent approach to cash flow management, given the considerable uncertainty in the near-term investment environment and the magnitude of forward capital investment decisions. We will take appropriate actions to ensure our credit rating remains robust, and that we are well prepared to invest when market conditions stabilise and improve. We are focused on creating differentiating shareholder value.

Key features of Woodside's response are:

- Implementation of strategies to reduce the risk of transmission of COVID-19 to Woodside's people, contractors and communities and its potential impact on Woodside's business
- Changes to Woodside's 2020 work plan resulting in an approximately 50% reduction in forecast 2020 total expenditure
- Review of all non-committed activities supporting Woodside's growth activities resulting in an approximately 60% reduction in Woodside's 2020 guided investment expenditure
- Deferral of targeted final investment decisions (FID) for Scarborough, Pluto Train 2 and Browse
- Continuing to progress capital investments in Sangomar Field Development Phase 1 (Sangomar), Pyxis Hub and Julimar-Brunello Phase 2
- Woodside's production guidance remains unchanged.

These actions bolster the financial resilience that Woodside has developed in recent years in preparation for growth and position the company to maximise opportunities after the simultaneous impact of demand and supply shocks passes.

Proactive COVID-19 response

Woodside's highest priority is the health and safety of our people, contractors, their families and the communities in which we operate.

Woodside's response to COVID-19 is focused on ensuring business continuity and the uninterrupted supply of energy to domestic and export markets.

Teams have been in place since January 2020 to proactively assess and respond to the numerous challenges presented by COVID-19. Woodside's strong commitment to health and safety has provided the right foundation from which to mitigate effectively the pandemic threat.

To comply with expert health and government guidance we have been reducing the number of people at our facilities and working with our contractors, suppliers and communities to implement appropriate health and safety measures to minimise the impact of the pandemic. We have provided additional financial assistance to small businesses and discretionary payments to contractor personnel to assist in transition.

Financial resilience

Woodside has entered this period of volatility in a strong financial position. Increased financial resilience has been developed over the past two years as we have prepared for a period of higher capital expenditure.

This resilience is demonstrated by:

- As at 29 February 2020
    - Cash on hand of $4.9 billion
    - Total liquidity of $7.9 billion
    - Low gearing of 13.8%
- A well-balanced, low-cost debt profile from diversified sources with minimal maturities in 2020, as set out below
- Ample headroom on gearing in our debt covenants which are not at-risk under current conditions
- Woodside's portfolio unit production cost in 2020 is targeted to be approximately $4.5/boe.

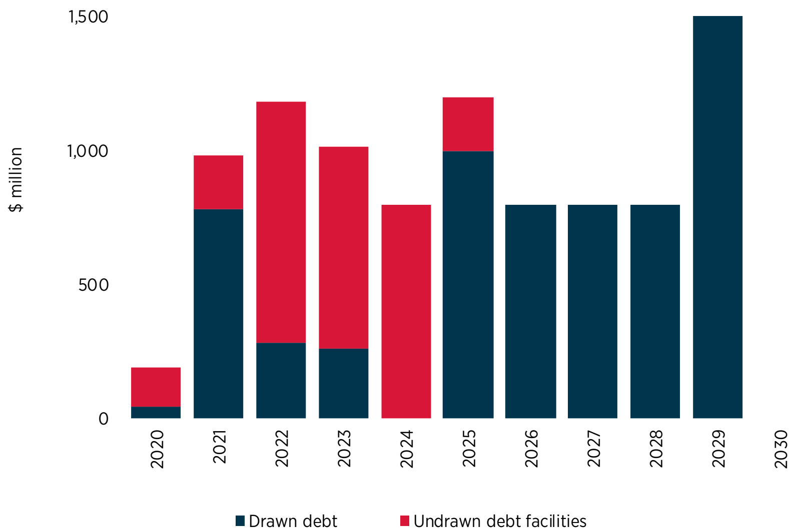

Figure 1: Debt maturity profile as at 29 February 2020

Active revenue management

Woodside's base business is characterised by reliable, low-cost, high-margin operations which provide resilience to fluctuations in commodity prices.

LNG and oil production have not reduced in the current environment, and deliveries to customers have continued.

Woodside has a high-quality, investment-grade customer base, and deliveries and performance under contracted arrangements have not been adversely impacted by recent events. Demand has proven resilient for Woodside's product in core north Asian markets. Woodside's trading team has recently begun placing some spot production back into China as industrial output and demand restarts. This trading capability, along with Woodside's shipping capacity, provides flexibility to respond quickly to changes in market dynamics.

The full impact of lower oil price will not be realised until late Q2 2020 due to the lag between the oil price and realised LNG price.

Oil price is expected to be volatile at least in the near-term. To reduce exposure to potential further downside and increase revenue certainty, Woodside has hedged 11.85 million barrels of oil between April and December 2020 at an average price of $33.47 per barrel.

Woodside has also agreed with a customer to fix the price of approximately 2.4 MMboe of LNG production over the same period, to further increase revenue certainty.

The commentary on sensitivity of net profit after tax to oil price and foreign exchange rate, as described on page 17 of the Annual Report 2019, is no longer applicable due to the change in market conditions.

2020 production guidance reaffirmed

Woodside's 2020 production guidance is unchanged at 97 – 103 MMboe.

50% expenditure reduction

Woodside's 2020 work plan has been reviewed and non-essential activities have been cancelled or deferred. The targeted expenditure reductions do not impact the safety of our facilities or their integrity, and compliance with regulatory requirements is unaffected.

Total expenditure in 2020 is forecast to reduce by approximately 50% to approximately $2.4 billion. This includes an approximately $100 million reduction in operating expenditure and an approximately 60% reduction in investment expenditure to $1.7 – 1.9 billion.

Future external spend has been minimised by reallocating required activities to internal Woodside resources. Employee numbers have been frozen but graduate hiring will continue.

The key impacts of this reduced expenditure are:

- Changes to the planned turnaround schedule at Karratha Gas Plant (KGP), with the major turnaround for LNG Train 3 deferred to September 2020 and the major turnaround for LNG Train 4 deferred to August 2021
- Reduction in the scope for 2020 of life extension activities at KGP
- Deferral of most proposed exploration activities, although some seismic acquisition will continue, reducing overall exploration expenditure by approximately 50% to $75 million
- Delay in Woodside's target FID for Scarborough and Pluto Train 2 to 2021
- Delay in Woodside's target FID for Browse.

Finalisation of commercial agreements and regulatory approvals will continue for Scarborough, Pluto Train 2 and Browse and there will be some ongoing engineering work in preparation for final investment decisions.

Work on the Sangomar Phase 1 development commenced early in 2020. Woodside is taking early action to proactively manage the emerging impacts of COVID-19 on the supply chain and project schedule. We are working with contractors, the Government of Senegal and our joint venture partners to evaluate options to reduce total cost and near-term spend whilst protecting the overall value of the investment.

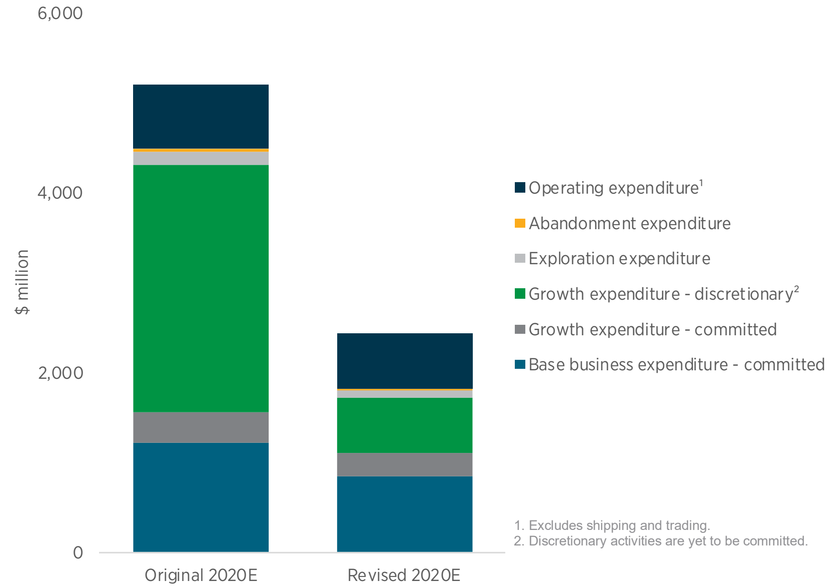

Figure 2: Adjusted total expenditure guidance

2020 investment expenditure guidance

As a result of these changes, Woodside's investment expenditure guidance for 2020 is now $1.7 – 1.9 billion, as set out below.

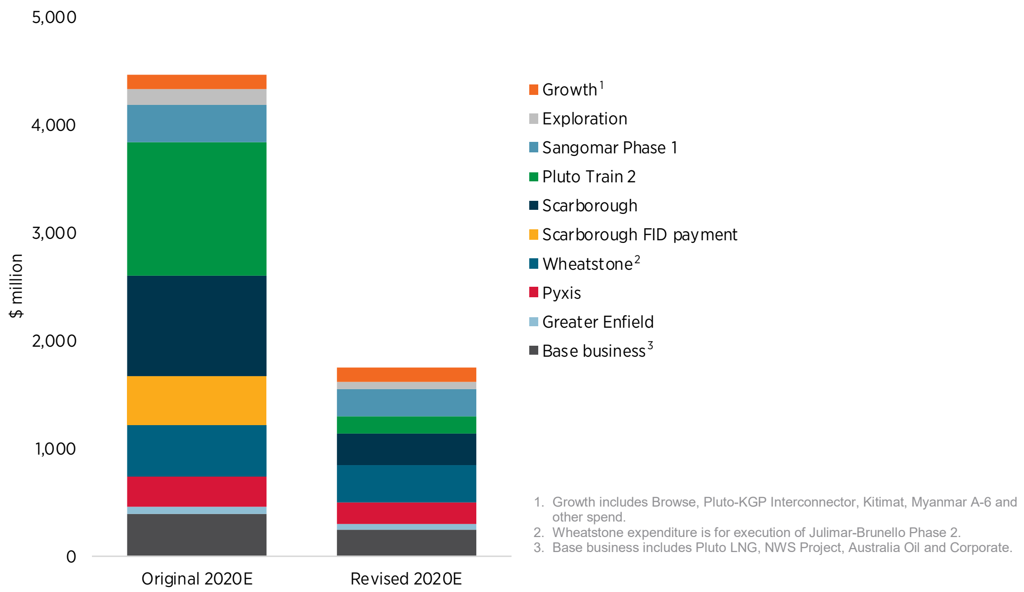

Figure 3: Adjusted 2020 investment expenditure guidance

CEO summary

Woodside CEO Peter Coleman said all steps were being taken to protect the wellbeing of those who work for and with us, guarantee energy supplies to customers and maintain value for shareholders.

"The unprecedented circumstances that have unfolded globally over recent weeks are impacting our people, our business and our industry.

"Our immediate priorities have been minimising the risks from COVID-19 to staff, contractors and the communities where we operate, and maintaining our ability to deliver gas to the Western Australian and overseas customers who depend on us.

"We are also responding to the lower, more volatile oil price environment by taking difficult but prudent decisions to reduce our expenditure for this year and to delay targeted final investment decisions on our growth projects at Scarborough, Pluto Train 2 and Browse.

"These are extraordinary times, that no one could have foreseen, but Woodside enters this period of significant uncertainty with one of the stronger balance sheets in our industry and world-class, low-cost producing assets, which are resilient to commodity price fluctuations.

"Our disciplined approach to cash flow and debt management has positioned us to respond quickly and decisively. The measures we are implementing will preserve cash during these challenging months and ensure that in the longer term we can successfully execute the growth strategy we have in place.

"The development of the Scarborough and Browse gas resources through Woodside's proposed Burrup Hub remains among the world's most cost-competitive LNG investment opportunities and one which will provide significant economic returns to shareholders, governments and communities for decades to come," he said.

Outlook

Woodside continues to closely review the current dynamic environment and its potential impact on the business.

Woodside's Q1 2020 report, to be released to the ASX on 16 April 2020, will provide further information.

Investor teleconference

A teleconference discussing Woodside's actions in response to the current dynamic environment and a question and answer session will be held at 7.30am AWST (10.30am AEDT) on Friday 27 March 2020.

We recommend participants pre-register 5 to 10 minutes prior to the conference call via the following link:

https://s1.c-conf.com/diamondpass/10005043r-invite.html

Following pre-registration, participants will receive the teleconference details and a unique access passcode.

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