2020 ANNUAL REPORT

INCORPORATING APPENDIX 4E

Woodside

About this report

This Annual Report 2020 is a summary of Woodside's operations and activities for the 12-month period ended 31 December 2020 and financial position as at 31 December 2020. Woodside Petroleum Ltd (ABN 55 004 898 962) is the ultimate holding company of the Woodside group of companies. In this report, unless otherwise stated, references to 'Woodside', the 'Group', the 'company', 'we', 'us' and 'our' refer to Woodside Petroleum Ltd and its controlled entities, as a whole. The text does not distinguish between the activities of the ultimate holding company and those of its controlled entities. In this report, references to a year are to the calendar and financial year ended 31 December 2020 unless otherwise stated.

All dollar figures are expressed in US currency, Woodside share, unless otherwise stated.

On the cover

Pluto LNG onshore processing facility, a key component of Woodside's proposed Scarborough development.

Forward-looking statements

This report contains forward-looking statements. Please refer to page 132 which contains a notice in respect of these statements.

We are working with Green Reports™ on an initiative ensuring that communications minimise environmental impact and create a more sustainable future for the community.

Sustainable Development Report 2020

A summary of Woodside's sustainability approach, health and safety performance and other material information for the 12-month period ended 31 December 2020 is included in our Sustainable Development Report 2020.

The Annual Report and Sustainable Development Report together provide a complementary review of Woodside's business.

APPENDIX 4E

Results for announcement to the market	2020	2019
Revenue from ordinary activities	Decreased 26.1% to US$3,600 million	US$4,873 million
Profit/(loss) from ordinary activities after tax attributable to members	Decreased 1,274.3% to (US$4,028) million	US$343 million
Net profit/(loss) for the period attributable to members	Decreased 1,274.3% to (US$4,028) million	US$343 million

Dividends	Amount	Franked amount per security
Final dividend (US cents per share)	Ordinary 12¢	Ordinary 12¢
Interim dividend (US cents per share)	Ordinary 26¢	Ordinary 26¢
None of the dividends are foreign sourced		
Previous corresponding period:		
Final dividend (US cents per share)	Ordinary 55¢	Ordinary 55¢
Interim dividend (US cents per share)	Ordinary 36¢	Ordinary 36¢

Ex-dividend date	25 February 2021
Record date for determining entitlements to the final dividend	26 February 2021
Payment date for the final dividend	24 March 2021

	31 December 2020	31 December 2019
Net tangible asset per security[1]	$12.55	$17.64

1. Includes lease assets of $984 million and lease liabilities of $1,278 million (2019: $948 million and $1,170 million) as a result of AASB 16 Leases.

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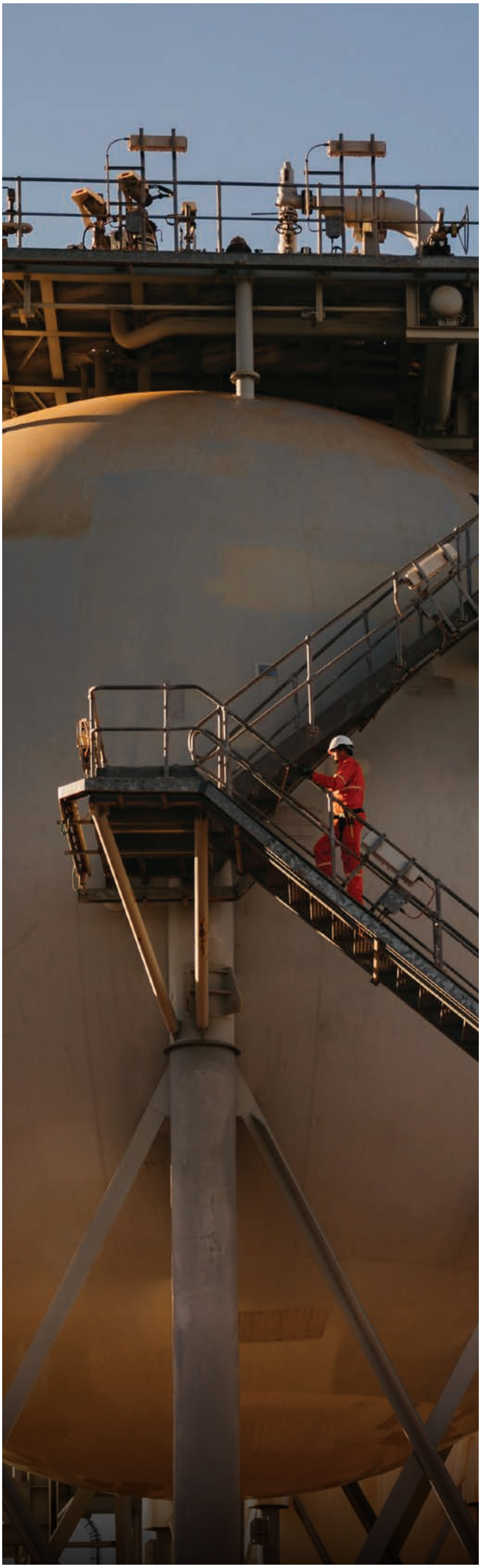
Woodside's Operating and Financial Review is contained on pages 4-51.



ABOUT WOODSIDE

Woodside led the development of the LNG industry in Australia and is applying this same pioneering spirit to solving future energy challenges.

We have a focused portfolio and are recognised for our world-class capabilities as an integrated upstream supplier of energy.

We have a robust hydrocarbon business with a focus on LNG. As Australia's leading LNG operator, we operated 6% of global LNG supply in 2020.

LNG is a lower-emissions, competitive fuel ideally suited to supporting decarbonisation and improving air quality. We are working to improve our energy efficiency, offset our emissions, reduce our emissions intensity and explore options for lower-carbon energy. We have set clear targets to reduce our net emissions in line with our aspiration to achieve net zero by 2050.

In Western Australia, we are building on more than 30 years of experience and progressing development of the Scarborough gas resource through the world-class Pluto LNG facility. We are also connecting Pluto LNG with the landmark North West Shelf Project to create an integrated LNG production hub on the Burrup Peninsula.

Offshore, we operate two floating production storage and offloading (FPSO) facilities, the Okha FPSO and Ngujima-Yin FPSO. Our operated assets are renowned for their safety, reliability, efficiency and environmental performance and we have a strong track record in project development.

We have a participating interest in Wheatstone, which started production in 2017.

Internationally, we are executing the Sangomar Field Development in Senegal having achieved final investment decision in January 2020. This development, targeting first oil in 2023, will deliver near-term production.

We are also progressing the A-6 Development in Myanmar.

Technology and innovation are essential to our long-term sustainability. We are growing our carbon and new energy businesses. We use technology to reduce emissions and the carbon footprint of our products. We are pioneering remote support and the application of artificial intelligence, embedding advanced analytics across our operations.

We take a disciplined and prudent approach to capital management, ensuring we manage financial risks and maintain a resilient financial position. This allows us to maximise the value delivered from our portfolio of opportunities.

We continue to expand our capabilities in marketing, trading and shipping and have enduring relationships that span 30 years with customers throughout the Asia-Pacific region and beyond. We are committed to upholding our values of integrity, respect, discipline, excellence, working sustainably and working together.

Our success is driven by our people and we aim to attract, develop and retain a diverse, high performing workforce.

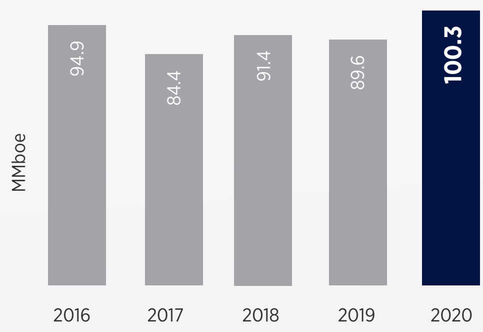
We recognise that enduring, meaningful relationships with communities are fundamental to maintaining our licence to operate. We actively seek to build relationships with stakeholders who are interested in and affected by our activities. We help create stronger communities through programs that improve knowledge, build resilience and create shared opportunities.

Our proven track record and distinctive capabilities are underpinned by more than 65 years of experience, making us a partner of choice.

OPERATIONAL HIGHLIGHTS

RECORD ANNUAL PRODUCTION

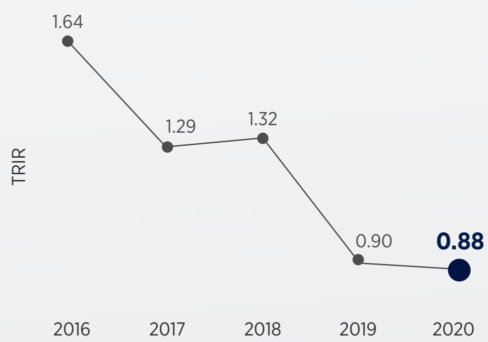
100.3 MMboe



BEST-EVER SAFETY RESULT

Total recordable injury rate (TRIR)

0.88 per million work hours



STRONG OPERATIONAL PERFORMANCE

High operated LNG reliability

97.6%

Record sales volume

106.8 MMboe

LOW UNIT PRODUCTION COST

Portfolio

$4.8 per boe

Gas assets

$4.2 per boe

PROTECTED AGAINST COVID-19

No interruption to energy supply

0

cases on Woodside facilities

2020 SUMMARY

Net profit after tax

$-4,028 million

Operating revenue

$3,600 million

Underlying net profit after tax

$447 million

Operating cashflow

$1,849 million

Full-year dividend

38 US cps

Cash margin

78%

Maintained strong balance sheet

Liquidity	$6.7 billion
Gearing	24.4%
Cash on hand	$3.6 billion

Challenging external conditions

Average oil price compared to 2019[1]	▼35%
Average LNG spot price compared to 2019[1]	▼37%
Unanticipated COVID-19 cost	$44 million

1. Comparison of the average reported daily Platts Dated Brent and JKM prices in 2020 and 2019.

Advanced growth

SANGOMAR

- ✓ FID achieved in January 2020
- ✓ Execution underway

SCARBOROUGH

- ✓ 50% of equity gas offtake contracted
- ✓ Increased offshore design to 8.0 Mtpa

NORTH WEST SHELF PROJECT

- ✓ Third-party gas processing agreements executed

Energy transition

NEW EMISSIONS REDUCTION TARGETS

15% by 2025

30% by 2030

NET ZERO aspiration for 2050

NATIVE REFORESTATION

Planted **3.6** million trees

2021 priorities

- Sell-down equity in Sangomar and Pluto Train 2
- Targeting Scarborough FID H2 2021
- Safe execution and delivery of Sangomar
- Cost and efficiency transformation
- Continue growth of carbon abatement business

CHAIRMAN'S REPORT

Woodside handled the challenges of 2020 in a professional and safe way, which is a credit to our people, culture and processes and demonstrates the resilience of our business.

Although the underlying profit of $447 million is smaller than usual, it is still a very sound result given the challenges of 2020 and is evidence of our ability to generate cash and manage costs in the most adverse conditions.

Even in these difficult times, we have maintained the ability to pay a full-year total dividend at 38 US cents per share.

Our reported loss of $4,028 million reflects major writedowns of our assets announced in July as the COVID-19 pandemic and dramatic oil price plunge created uncertainty in global markets and slashed our revenue. At a very uncertain time, we took a prudent view on carrying value of assets.

As our community adjusted to life in a pandemic, it was critical that companies continued to provide essential services, including supplying energy to power hospitals, homes and industry. Woodside not only maintained continuity of supply but also set new records for production while working to maximise the value of our growth portfolio.

Safety of our operations is of paramount importance and I am pleased to report that in 2020 we achieved our best-ever safety performance.

This was all achieved in a year in which our operations had to undergo dramatic changes to comply with COVID-19 restrictions and protect our people and community. This came at a significant cost, underscoring the importance of a strong balance sheet when a company is confronted by adverse conditions beyond its control.

Our industry was also dealing with market turmoil amidst demand destruction from the global pandemic and a price war between OPEC and Russia that led to oversupply of crude oil.

In this volatile and high-risk environment, there was a premium on good and timely decision-making. Woodside started the year in a strong financial position, ensuring the company was ready and able to respond to rapidly changing circumstances. The team acted decisively in March to protect the business, including delaying growth projects and cutting spending.

We had taken a final investment decision on the Sangomar Phase 1 Development offshore Senegal in January and continued execution throughout the year on track for first oil in 2023.

Heading into 2020, much work had already been done to make Scarborough investment-ready, but it was the right move to hold off for a year on a target final investment decision.

We are seeing strong interest from customers in export volumes and have further increased the value of this world-class resource by improving its development concept.

In this report, you can read about how Woodside accounts for the risks and opportunities associated with climate change and about the clear targets we have set for emissions reductions by 2025 and by 2030 on the path to net zero direct emissions by 2050.

Even in a year when a global pandemic wreaked havoc on the world economy, climate change was still the number one issue raised with me by investors. Woodside takes the risks seriously and is taking action to ensure the long-term strength of our business as the world's energy mix shifts.

Natural gas is helping the world's energy mix shift in the right direction by displacing higher emissions fuels and complementing renewables and will continue to play a vital role in the decades ahead. Demand will be particularly strong for liquefied natural gas, which offers supply security to developing and emerging economies in the Asia Pacific region as they seek to decarbonise while meeting growing demand for energy.

Our decarbonisation strategy prioritises responsible emissions management in the design and operation of our facilities, complemented by high-quality offsets. In addition to improving our own processes, we are also working with customers to help them reduce their emissions.

We are proud of our role as a leading and responsible LNG producer, which will continue to be the strong foundation for our company in the years ahead, supporting targeted investment in new energy ventures that build on our strengths.

We have heeded investors' requests for transparency, publishing in 2020 a comprehensive review of alignment on climate policy with our industry association memberships. We continue to work within industry associations to support action on climate change and note significant progress on climate policy from key groups in the past year.

In the early stages of the pandemic, industry associations demonstrated their value, providing an interface between government and industry at the height of the crisis, facilitating a joint effort to minimise health and economic risks to Australia.

During those anxious months, state and federal governments worked tirelessly to protect Australia from the global fall-out, taking a sensible and pragmatic approach. The pandemic

is not over yet and policies which facilitate companies investing and employing people will be really important in the months ahead.

As part of the community, Woodside moved quickly to support those most vulnerable to the downturn, providing millions of dollars of direct grants to community groups that work with homeless people and victims of family and domestic violence. We expedited payment terms for small, local and Indigenous businesses, and worked closely with our contractors to mitigate impacts on their businesses and their employees.

It was a tough year for us, but there were others for whom it was much tougher.

On behalf of the Board, I would like to thank all those in the Woodside team who went above and beyond in 2020, adapting rapidly to new ways of working in Perth, Karratha, Singapore, Senegal, Beijing and our other offices around the world.

I also thank Chief Executive Officer Peter Coleman for his exceptional leadership over the decade he has been in the role and commend Peter and his management team for protecting Woodside and keeping the company strong through an extraordinary year. In late 2020, Peter announced his intention to retire from the company later this year and a process is underway to identify his successor.

We know that our shareholders also faced significant challenges in 2020 as the market was hit hard by the downturn. We appreciate your loyalty and assure you that we remain focused on delivering value to all our stakeholders and building a strong future for your company.

Richard Goyder, AO
Chairman
18 February 2021

CHIEF EXECUTIVE OFFICER'S REPORT

In a year that tested us all, the Woodside team pulled together to deliver impressive outcomes, including achieving record production, while progressing our plans for the future.

Even though there was no way to foresee all that would unfold in 2020, we could hardly have been better prepared, with our finances robust and our people highly-trained in crisis response.

We acted decisively to protect our company in both an operational and a financial sense through a tropical cyclone, a global pandemic and extreme turbulence in oil and gas markets.

We maintained balance sheet strength, generating operating cash flow of $1.8 billion, and finishing the year with excellent liquidity of $6.7 billion, a testament to the effectiveness of the steps we took in response to market conditions in March.

To achieve this and deliver an underlying profit of $447 million is a credit to the efforts of our entire team in a year that presented the most challenging conditions I have seen in almost forty years in this industry.

Significantly, we also used the year to improve the value of the world-class Scarborough resource: the centrepiece of our growth plans.

On all things that we control, our people rose to the challenge and delivered exceptional outcomes.

Our strong investment-grade credit rating is evidence of the resilience of our business.

Our operational strength was demonstrated by the fact we not only delivered on our commitment to reach 100 MMboe of production in 2020, but also achieved our best-ever safety performance and impressive reliability.

These milestones were achieved despite Tropical Cyclone Damien in February - the most significant weather event to pass over Woodside's production facilities in Karratha - and amidst significant restrictions on operations arising from the pandemic.

Since late 2019, we had been monitoring the spread of the coronavirus and by March, the unfolding pandemic required significant shifts in our operations and priorities as we moved to ensure continuity of supply and the integrity of our business.

The ensuing global downturn destroyed demand for crude oil and gas at a time when there was already an overhang in the LNG market as new projects commenced production and an oversupply of oil due to a dispute between OPEC and Russia.

As oil prices plunged to their lowest levels in recent history, we took the tough but necessary decisions, delaying major growth projects, cutting spending, impairing assets and undertaking an organisational review. All of these steps were consistent with our long-standing commitment to prudent capital management.

Demand for LNG held up remarkably well in 2020, growing by 1% globally and by 3% in the Asia Pacific region, in a sign that the fundamentals for our core product remain strong, particularly in our target markets. In early 2021, a cold winter in the northern hemisphere drove LNG spot prices to record highs, reminding customers that there is still a role for long-term contracts that offer supply and pricing security.

The decision to delay major investments was difficult, but it meant we had the opportunity to ensure our projects are ready to progress as conditions improve. We also used the time to revise our approach to the Scarborough development to significantly improve its value. Detailed technical studies supported an increase in offshore processing capacity by 20% to 8 Mtpa. This world-class asset can be a game-changer for Woodside and offer major employment and economic benefits to the community.

We are now working towards a target final investment decision in H2 2021 on Scarborough and the Pluto Train 2 expansion, amidst strong customer interest. Throughout 2020, we made good progress on regulatory approvals and commercial agreements, including finalising plans for the pipeline connecting our core assets: the Pluto LNG facility and the Karratha Gas Plant.

The future of the Karratha Gas Plant was shored up in late 2020 when agreements were finalised on processing third-party gas, so that this iconic facility can continue to deliver reliable energy to Western Australian and export customers.

Once intrastate travel was permitted, I visited Karratha to thank our asset-based workforce for their hard work under extremely challenging conditions.

I also spent time with Traditional Owners and Custodians to understand their perspective so we can continue to work together to respect and protect Indigenous cultural heritage.

In January 2020, we took a final investment decision on the Sangomar Field Development Phase 1 in Senegal and commenced project execution activities that progressed throughout the year, despite the logistical and supply chain challenges associated with the global pandemic.

Our Development team was also busy in Australia, completing successful drilling campaigns for Julimar-Brunello Phase 2 and for the Pyxis Hub, demonstrating once again our expertise drilling

in depths similar to the Scarborough resource. In November, a water-handling module was successfully installed on the Pluto offshore platform.

Our disciplined approach to costs will continue as we aim to improve cost efficiency by 30% over three years through our Operations Transformation program, harnessing Woodside's expertise in technology and data-driven solutions.

Throughout 2020, we worked to successfully position our company for a sustainable future. In our last Annual Report, I talked about our aspiration to achieve net zero for our direct emissions by 2050. Further to this, in 2020, we outlined clear near- and medium-term emissions reduction targets that support progress along that pathway, targeting a 15% reduction by 2025 and a 30% reduction by 2030. We progressed initiatives that support this, including expanded tree-plantings in partnership with Greening Australia.

We have laid the foundation for a hydrogen business that can grow as the market matures and demand for carbon-neutral energy grows.

Our commitment to acting on climate change is reflected in the appointment of a new Senior Vice President Climate, reporting directly to me. This was one of three internal appointments to the Executive Committee in 2020 as we refreshed our leadership team.

We value inclusion and diversity in our workforce and have continued to increase the proportion of females in senior positions and work on closing salary gaps.

As I prepare to retire from the company in 2021 after 10 years as CEO, I am proud to have played a role in building Woodside into a confident company with a strong future, underpinned by world-class assets and a world-class team.

I would like to thank our people for all they have done in 2020 to ensure our company got through the external challenges in good shape and ready to pursue the opportunities ahead.

And I thank you, our shareholders, for your ongoing support.

Peter Coleman
Chief Executive Officer and Managing Director
18 February 2021

EXECUTIVE MANAGEMENT

Daniel Kalms, Dr Tom Ridsdill-Smith, Meg O'Neill, Peter Coleman, Sherry Duhe, Jacky Connolly, Fiona Hick and Shaun Gregory.

Peter Coleman
BEng, MBA, DLaw (Hon), DEng (Hon), FTSE

Chief Executive Officer and Managing Director

Jacky Connolly
BCom, MOHS

Vice President People and Global Capability

+ People and Global Capability
+ Remuneration
+ Organisational Development

Sherry Duhe
BS (Accounting), MBA

Executive Vice President and Chief Financial Officer

+ Finance, Tax, Treasury and Insurance
+ Commercial
+ Business Development and Growth
+ Contracting and Procurement
+ Investor Relations
+ Strategy, Planning and Analysis

Shaun Gregory
BSc (Hons), MBT

Executive Vice President Sustainability and Chief Technology Officer

+ Exploration
+ Digital
+ Geoscience
+ Technology
+ New Energy and Carbon Abatement
+ Kitimat LNG
+ Sunrise

Fiona Hick
BEng (Materials Engineering), BAppSci (Energy and Carbon Studies), FIEAust

Senior Vice President Operations

+ Producing Business Units
+ Production Support
+ Operations
+ Maintenance
+ Logistics
+ Health, Safety and Environment
+ Subsea and Pipelines
+ Reservoir Management
+ Operations Transformation

Daniel Kalms
BEng (Chemical Engineering), GradCertProjMgt, MBA

Senior Vice President Corporate and Legal

+ Audit
+ Business Climate and Energy Outlook
+ Corporate Affairs
+ Legal and Secretariat
+ Risk and Compliance
+ Security and Emergency Management
+ Global Property and Workplace
+ COVID-19 Response

Meg O'Neill
BSc (Ocean Engineering), BSc (Chemical Engineering), MSc

Executive Vice President Development and Marketing

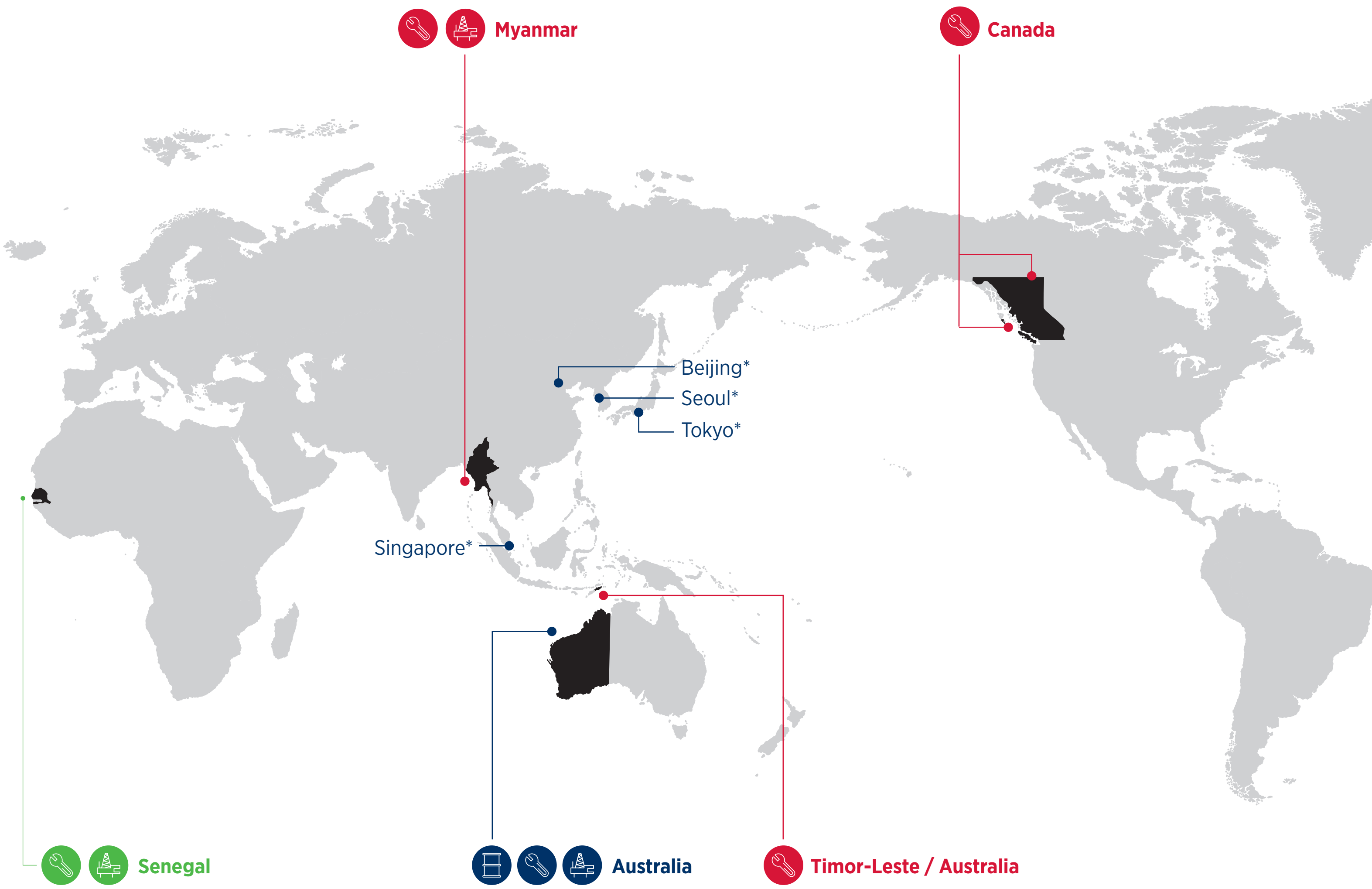
+ Engineering
+ Projects
+ International Development Offices
+ Development Planning
+ Drilling and Completions
+ Quality
+ Marketing, Trading and Shipping
+ Power
+ Scarborough and Pluto Train 2
+ Browse
+ Sangomar Field Development
+ Myanmar A-6 Development

Dr Tom Ridsdill-Smith
BSc (Hons), PhD (Mathematical Geophysics)

Senior Vice President Climate

+ Climate Solutions
+ Climate Engagement

FOCUS AREAS

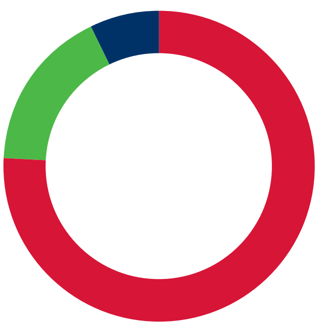


Product type	
	Gas
	Oil
	Gas or oil

Phase	
	Producing assets
	Developments
	Appraisal and exploration

Refer to the Asset Facts section on page 134 for full details of Woodside's global interests.

*Denotes marketing office



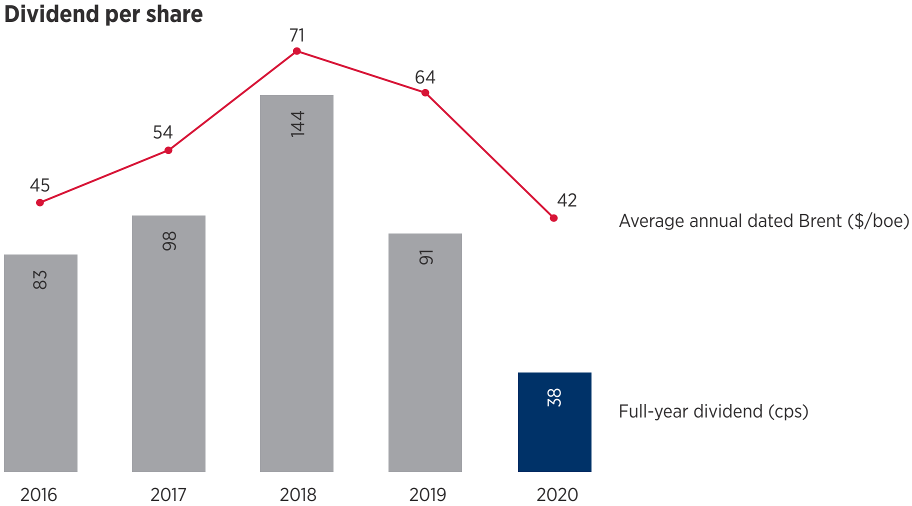
Product share of 2020 annual production	%
LNG	75
Liquids	19
LPG and domestic gas	6

FINANCIAL SUMMARY

$ million		2020	2019
Operating revenue		3,600	4,873
EBITDA[1]		1,922	3,531
EBIT[1]		(5,171)	1,091
NPAT		(4,028)	343
Underlying NPAT[1,2]		447	1,063
Net cash from operating activities		1,849	3,305
Investment expenditure		2,013	1,327
Capital investment expenditure[1,3]		1,901	1,167
Exploration expenditure[1,4]		112	160
Free cashflow[1]		(263)	2,067
Dividends distributed		766	1,189
Key ratios			
Return on equity	%	(33.4)	2.1
ROACE	%	(21.0)	4.1
Effective income tax rate[5]	%	29.6	29.3
Earnings	US cps	(423.5)	36.7
Gearing	%	24.4	14.4
Sales volumes			
Gas[6]	MMboe	86.5	81.5
Liquids	MMboe	20.3	15.9
Total		106.8	97.4

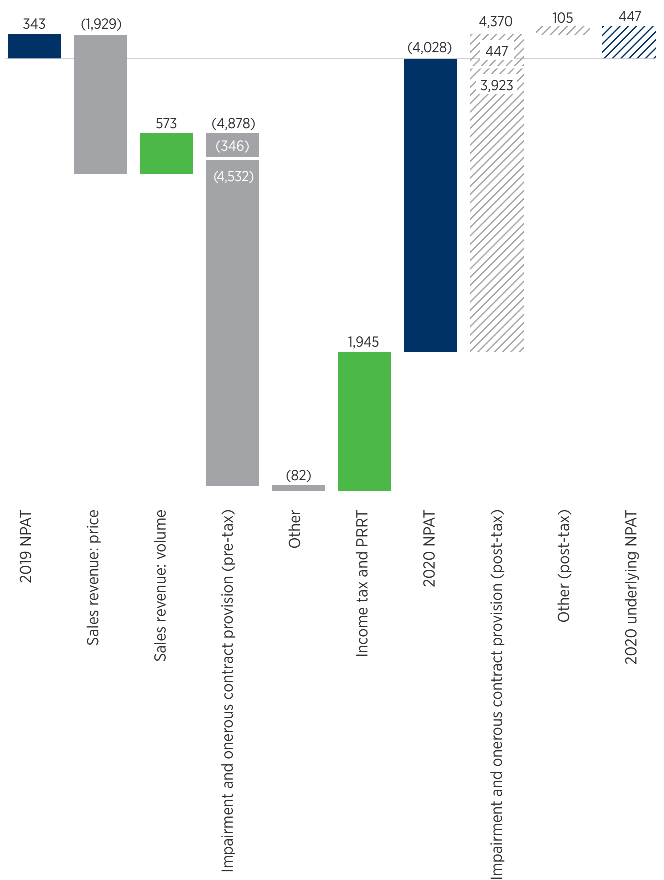
1. These are non-IFRS measures that are unaudited but derived from audited Financial Statements. These measures are presented to provide further insight into Woodside's performance. Refer to footnote 4 on page 138 for the calculation methodology on EBITDA.
2. 2020 NPAT was adjusted for the impact of impairment of oil and gas properties and exploration and evaluation assets ($3,923 million), the recognition of provisions for the Corpus Christi onerous contract ($447 million) and a one-off reconciliation of joint operating costs relating to prior years ($41 million), an adjustment to revenue recognised in prior periods relating to price reviews currently under negotiation ($27 million), redundancy costs ($20 million) and additional costs incurred as a result of COVID-19 ($17 million). 2019 NPAT was adjusted for the impact of impairment of the Kitimat LNG asset ($720 million).
3. Excludes exploration capitalised.
4. Excludes prior period expenditure written off and permit amortisation; includes evaluation expense.
5. Effective income tax rate for Australian operations.
6. 2019 volume has been adjusted to include the sale of purchased hydrocarbons.

Dividend per share



In 2020 we achieved outstanding operational results, delivered record full-year production and achieved an underlying profit of $447 million, against the backdrop of the COVID-19 pandemic and volatility in oil and gas prices. Significant impairments were recognised for assets, reflecting lower oil and gas price assumptions to 2025 and increased uncertainty.

NPAT reconciliation



Key movements

Sales revenue: price

Despite increased sales volumes, sales revenue decreased due to lower realised prices. The combined impacts of the COVID-19 pandemic, oversupply and weakened global demand led to a reduction in price markers for 2020, which adversely affected sales revenue.

Sales revenue: volume

A key contributor to increased sales volumes was the successful implementation of a temporary operating model in response to the COVID-19 challenges of travel restrictions and physical distancing requirements. We deferred some non-essential maintenance and delivered record full-year production. This was driven by higher reliability and no major turnarounds at Pluto LNG as well as higher production from a full year of operations at the Ngujima-Yin FPSO following completion of the Greater Enfield Project.

Impairment losses

Pre-tax impairment losses of $5,269 million ($3,923 million post-tax) were recognised on oil and gas properties and exploration and evaluation assets driven by a reduction in oil and gas price assumptions, increased longer-term demand uncertainty and other factors including increased risk of higher carbon pricing. Further information on the impairment losses is provided in Note B.4 of the Financial Statements.

Corpus Christi onerous contract provision

An onerous contract provision of $447 million was recognised in relation to the Corpus Christi LNG sale and purchase agreement (SPA) in June 2020. The provision was partially utilised during the period and was revalued at 31 December 2020 with a further reduction of $59 million to $346 million. The provision will continue to be revalued at each future reporting period whilst the SPA remains onerous.

Other

Oil and gas properties depreciation expense increased by $115 million primarily due to reduced turnaround activity and a full year of production from the Ngujima-Yin FPSO following the Greater Enfield Project start-up in August 2019, offset by a reduction in asset values following the asset impairments announced in July 2020.

Exploration and evaluation expense decreased by $83 million, in line with reduced exploration activity.

Other items decreasing NPAT include foreign exchange losses on AUD denominated liabilities, decrease in stock balances, lower finance income and higher expenditure on new energy, carbon and operations transformation projects. This was partially offset by lower royalties and excise due to lower revenue and fewer third-party LNG purchases required to meet sales commitments.

Income tax and PRRT

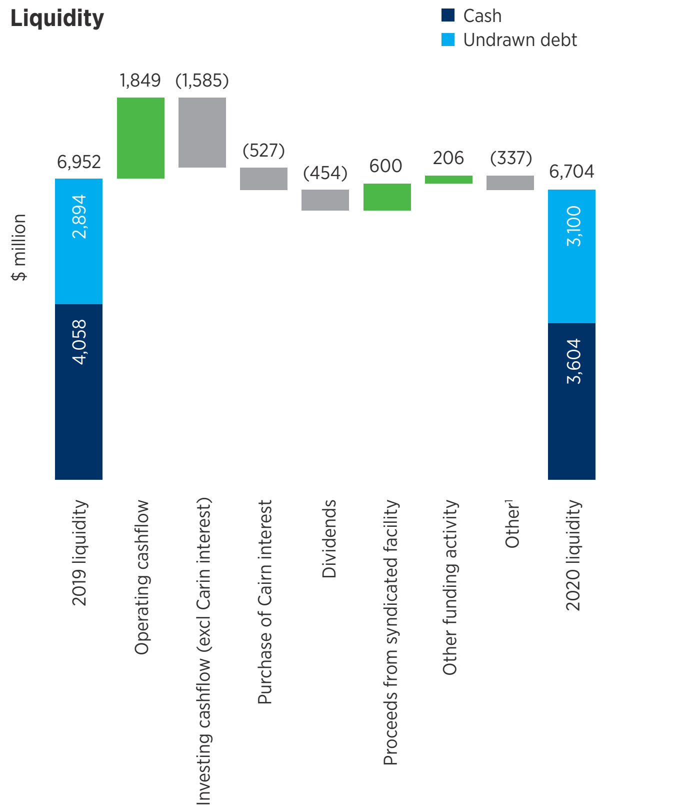
Income tax and PRRT benefit increased primarily due to the recognition of impairment losses and the effect of lower revenue.

Capital management

Capital allocation

We responded to the uncertain global investment environment arising from the spread of COVID-19, combined with lower oil and gas prices, by taking a prudent approach to cashflow management and implementing a number of cash preservation measures. We reduced forecast 2020 total expenditure by approximately 50% and deferred the targeted final investment decisions for Scarborough, Pluto Train 2 and Browse. Our balance sheet strength and disciplined approach to capital management provide optionality to pursue inorganic growth opportunities should they emerge.

Liquidity



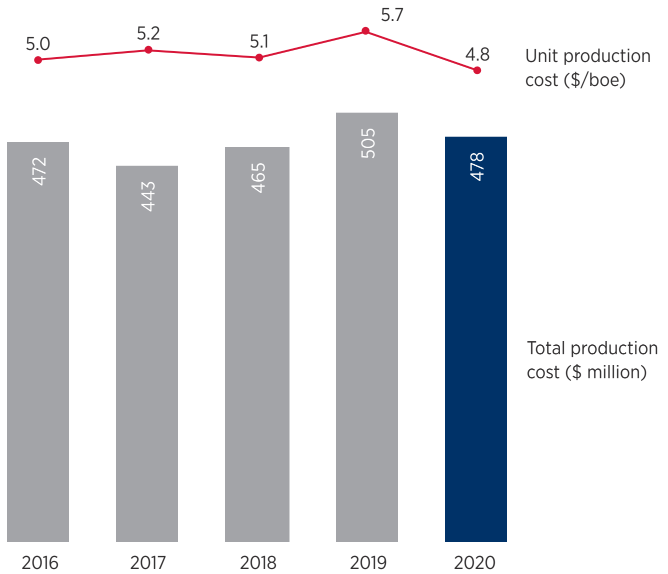
Dividend payments

A 2020 final dividend of US 12 cents per share (cps) has been declared. The final dividend is based on the 2020 underlying NPAT of $447 million and reflects the performance of our high-reliability and low-cost operations.

The value of the final dividend payment is $115 million, representing a payout ratio of approximately 80% of underlying NPAT. Consistent with disciplined capital management, we will continue to review the payout ratio as we progress our growth opportunities.

The dividend reinvestment plan remains active, allowing eligible shareholders to reinvest their dividends directly into shares at a 1.5% discount.

Production cost

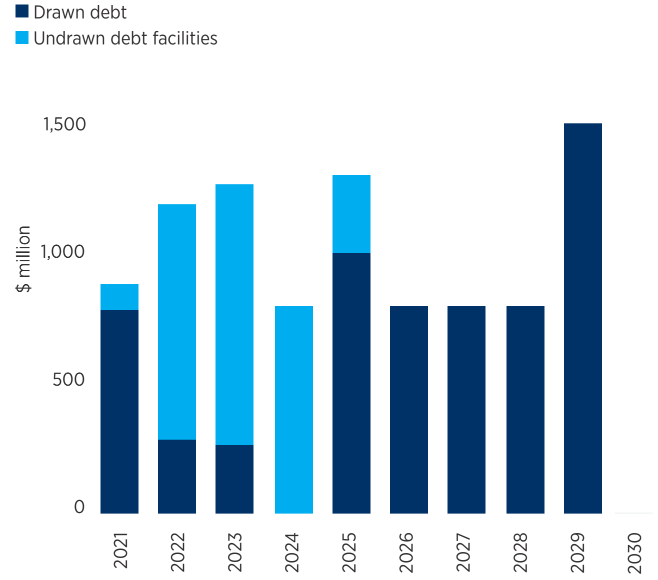


Unit production cost

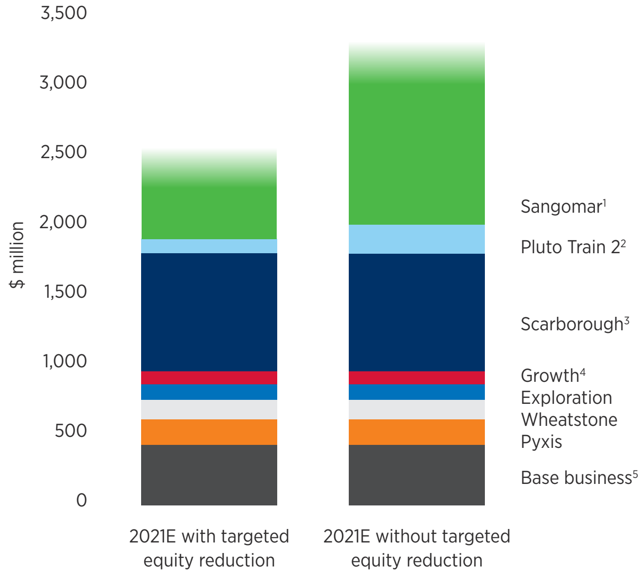
Total unit production cost decreased by 16% to $4.8/boe. This was due to reduced turnaround activity in 2020, a full year of Ngujima-Yin production, and deferral of some maintenance into 2021 as part of our response to COVID-19; partially offset by unexpected COVID-19 management costs. The total of maintenance hours executed in 2020 was equivalent to approximately 90% of the 2019 hours.

1. Other includes repayment of borrowings and lease liabilities, borrowing costs, contributions to NCI, net proceeds from share issuance and the effect of foreign exchange movements.

Debt maturity profile



2021 investment expenditure guidance



1. Sangomar includes the acquisition completion payment and additional expenditure resulting from increased equity from FAR (subject to completion); 2021E represents 82% participating interest with a targeted equity reduction to approximately 40-50%; excludes proceeds of sell-down.
2. Pluto Train 2 2021E represents 100% participating interest with a targeted equity reduction to approximately 50%; excludes proceeds of sell-down.
3. Scarborough includes $450 million due to ExxonMobil and BHP on a positive FID to develop the Scarborough field.
4. Growth includes Pluto-KGP Interconnector, Myanmar A-6, Browse, Kitimat and other spend.
5. Base business includes Pluto LNG, NWS Project, Australia Oil and Corporate.

Balance sheet, liquidity, and debt service

During 2020 we generated $1,849 million of cashflow from operating activities. We ended the period with liquidity of $6,704 million. Our gearing ratio increased from 14.4% at the end of 2019 to 24.4%, primarily as a result of asset impairments and the onerous contract provision. The gearing ratio remains within our target range of 15-35%. Our credit ratings of Baa1 and BBB+ were both reaffirmed during 2020 by Moody's and S&P Global respectively.

We prudently and strategically manage our debt near-term maturities and maintain a low cost of debt. During H1 2020, we completed a $600 million syndicated facility with a term of seven years. Our weighted average term to maturity decreased from 5.2 to 4.4 years, and our portfolio cost of debt decreased from 3.6% to 2.9%. Our drawn debt at the end of the period was $6,229 million. In February 2021, we repaid a $700 million bond that was due to mature in May 2021. We will continue to actively manage our debt portfolio throughout 2021.

Hedging

In response to the sudden and significant fall in oil and gas prices, and increased market uncertainty, we undertook hedging activities in Q1 2020 to reduce revenue volatility during 2020. We hedged the price of 13.4 million barrels of Brent-exposed production at an average of $33/bbl. Options for a further 7.9 million barrels were executed with a strike price of $40/bbl, which allowed us to capture potential upside. With Brent recovering above the hedged price in H2 2020, the post-tax cost of the hedging arrangements was $33 million.

2021 outlook

Our investment expenditure guidance for 2021 is $2,900 million to $3,200 million.

We are focusing expenditure on Sangomar as we continue execution activities, and Scarborough as we work towards a targeted final investment decision in H2 2021. The guidance includes amounts contingent on a positive final investment decision to develop the Scarborough field.

We are also maintaining focus on base business. Outstanding base business performance will allow us to generate cash to fund our growth projects and meet our 2021 production targets.

Exploration expenditure in 2021 is expected to remain similar to 2020 expenditure at approximately $100 million.

For 2021 the expected impact on NPAT is $24 million for a $1 movement in the Brent oil price, and $9 million for a $0.01 movement in the AUD/USD exchange rate.

STRATEGY AND CAPITAL MANAGEMENT

We have a clear strategy to deliver superior stakeholder outcomes through our world-class assets and portfolio of low-cost and low-carbon growth opportunities. Our strategy is shaped to successfully respond to the energy transition, and underpinned by industry-leading technology and a prudent approach to capital allocation.

Robust hydrocarbon business

Woodside's operations are characterised by strong LNG reliability, cost discipline and strong safety and environmental performance. We maximise value by developing and deploying technology across our portfolio of assets, enabled by our close collaboration with world-leading experts. We have delivered near-term growth opportunities in recent years and are progressing subsea tieback developments for the NWS Project, Pluto LNG and Wheatstone. As we look to the future, we are transforming existing onshore infrastructure to process third-party gas and create new revenue streams.

Our base business provides the foundation to deliver new growth opportunities. We have an attractive portfolio of potential developments to unlock value for shareholders and other stakeholders. We are planning to undertake these activities at the right time in the investment cycle in order to deliver new production when anticipated global demand requires it.

In Western Australia, we are progressing new gas and energy projects in the Pilbara. This involves the proposed development of the Scarborough and Browse offshore gas fields, as well as a number of onshore expansion and third-party processing opportunities that will utilise existing and proven facilities at Pluto LNG and the NWS Project. Building on Woodside's 40-year history in the Pilbara region, these projects would ensure the continued supply of domestic and export energy, providing significant economic and community benefits for decades to come.

For Scarborough, we've created an attractive and capital-efficient development concept by utilising existing infrastructure at Pluto LNG. In 2021, we are targeting a final investment decision for Scarborough and Pluto Train 2.

Internationally, project execution activities are well advanced for the Sangomar Field Development Phase 1 offshore Senegal, targeting first oil in 2023.

In 2021, we are targeting to sell-down our participating interests in Pluto Train 2 to approximately 50%, and Sangomar to approximately 40-50%.

Successful energy transition

We are focused on providing affordable energy solutions that deliver enduring value to shareholders, communities, governments and other stakeholders. LNG is a lower-emissions fuel and cleaner alternative for transport, shipping and power generation.

We are managing our energy transition through the provision of natural gas, the decarbonisation of our business and incremental investment in targeted new energy businesses with prospective exponential growth, such as hydrogen.

We have clear near- and mid-term emissions reduction targets that put us on a pathway to net zero by 2050 for our direct emissions.

We are developing our carbon business, and are actively generating carbon sinks to offset our Scope 1 and Scope 2 emissions.

We are pursuing opportunities that are the right fit for us and that complement our assets and abilities, offering optionality around traditional assets that may diversify our revenue streams.

We are sharing knowledge and building capabilities through partnerships.

As global energy demand grows we will be ready to meet it.

Investment criteria

- Our investment criteria target investment decisions which deliver returns on capital exceeding our cost of capital.
- The economic criteria we use are set independently of project decisions.
- We apply a suite of target metrics that are aimed at delivering superior stakeholder outcomes from our investment decisions. Typical targets are an ungeared internal rate of return of greater than 12%, a value investment ratio (VIR) of greater than 0.25 and a payback period of less than eight years.
- We test the robustness of our investments against a range of Paris-aligned, low-outcome and lower-carbon scenarios. We include carbon pricing in our economics and test those economics with a range of prices.
- When assessing acquisitions and other opportunities we consider a range of strategic priorities and commercial considerations.

Strategic priorities

- **Synergies with existing asset portfolio**
- **Impact on product portfolio balance**
- **Carbon emissions and management**
- **Sustainability factors**

Commercial considerations

- **Balance sheet and key financial metrics**
- **Lower oil price resilience**
- **Fiscal and regulatory regime**
- **Alignment of joint venture participants**
- **Upside potential**

Capital management

Our capital management framework provides us with the flexibility to maximise the value delivered from our portfolio of opportunities. We consider a range of macroeconomic scenarios to inform our decision making and ensure we maintain a resilient financial position.

Our capital investment requirements are primarily funded by our resilient and stable operating cashflows, which we augment or distribute with a number of capital management levers:

- Participating interest management, to ensure we balance capital investment requirements, project execution risk and long-term value. In 2021 we are targeting the sell-down of our interests in Pluto Train 2 and Sangomar.
- Debt management, to ensure that we continue to have access to premium debt markets at a competitive cost to support our growth activities. We seek to manage average debt maturity on our debt portfolio. Our gearing target is 15-35%. We continue to target maintaining an investment-grade credit rating.
- Shareholder returns, to ensure we reward our shareholders appropriately. Our dividend policy is to aim to pay a minimum of 50% of net profit after tax adjusted for non-recurring items. Consistent with prudent and disciplined capital management, we will review the payout ratio as we execute our growth projects. Our shareholder distributions will be funded from our high-margin base business, and our dividend reinvestment plan remains active. We retain the option to return surplus cash to shareholders by increasing the dividend payout ratio, payment of special dividends or stock buy-backs.
- Focused expenditure management, to ensure prudent and efficient deployment of capital to support delivery of base business and growth opportunities.

We also consider equity management options on an ongoing basis.

2021 priorities

- **Cash and value preservation in current environment**
- **Sell-down Pluto Train 2 and Sangomar equity**
- **Commercial and financial readiness for Scarborough FID**
- **Identify and assess value-accretive opportunities**
- **Release value from existing infrastructure**
- **Protect key financial metrics and strong balance sheet**

BUSINESS MODEL AND VALUE CHAIN

Woodside's business model seeks to maximise returns across the value chain. This is achieved by prioritising competitive growth opportunities; by utilising our operational, development and drilling capabilities; and by deepening relationships in LNG markets with strong demand growth. We do this with the objective of delivering superior outcomes for stakeholders.

Acquire and explore

We grow our portfolio through acquisitions and exploration, based on a disciplined approach to increasing shareholder value and appropriately managing risk. We look for material positions in world-class assets and basins that are aligned with our capabilities and existing portfolio. We assess acquisition opportunities that complement our discovered and undiscovered resource base. We target exploration opportunities close to existing infrastructure and with a path to commercialisation.

2020 Illustrations

Value-accretive acquisition to increase our participating interest in the Sangomar Field Development, offshore Senegal.

Development

We are building on over 30 years of development expertise from our assets in Western Australia by investing in opportunities in Australia, Senegal, Myanmar, Canada and Timor-Leste. During the development phase, we maximise value by selecting the most competitive concept for extracting, processing and delivering energy to our customers. Once the value of the development is confirmed, and approvals are received, a final investment decision is made and project execution commences.

Achieved FID for the Sangomar Field Development and commenced project execution activities. Increased the offshore capacity and improved the value to be delivered from Scarborough.

Operate

Our operations are characterised by strong safety, reliability and environmental performance in remote and challenging locations. As Australia's leading LNG operator, our operated assets include the NWS Project and Pluto LNG. We also operate two FPSO facilities and have a non-operated interest in Wheatstone. By adopting technology, a continuous improvement mindset and an efficient, well planned, cost competitive operating model, we have been able to reduce operating costs, increase production rates and improve safety performance to optimise the value of our assets.

Delivered record annual production of 100.3 MMboe with our best-ever safety result.

Market

Our marketing and trading strategy is to build a diverse customer portfolio and pursue additional sales agreements, underpinned by reliable domestic gas and LNG production and supplemented by globally sourced volumes. Our relationships with customers in Australian and international energy markets have been maintained through a track record of reliable delivery and expertise across contracting, marketing and trading. In addition to long-term sales, we pursue near-term value accretive arrangements through spot and mid-term sales and LNG shipping transactions. We are collaborating with our customers on innovative low-carbon energy solutions.

Secured buyers for approximately 50% of our Scarborough equity gas offtake, to help underpin a targeted final investment decision in H2 2021.

Decommission and divest

Decommissioning is integrated into project planning, from the earliest stages of development through to the end of field life. Individual assets within our portfolio have a finite life. At appropriate intervals, we consider opportunities to divest ourselves of assets to maximise the value of our portfolio. Our decommissioning planning is implemented at the appropriate time. Through working together with our partners and technical experts, we are able to identify the most sustainable and beneficial post-closure options that minimise financial, social and environmental impacts.

Planned to utilise the Angel subsea infrastructure for the development of Lambert Deep reserves, following completion of production from the Angel field.

ENERGY MARKETS

LNG demand fundamentals remain strong as economies recover from the global pandemic and progress decarbonisation policies. Woodside's competitive projects are advantaged to help meet the expected doubling in global LNG demand by 2040, primarily driven by our neighbouring Asia region.

The COVID-19 pandemic's impact on transport, trade and economic activity resulted in a significant impact to global oil and gas demand. While mobility restrictions caused a material reduction in oil demand, 2020 LNG demand grew year-on-year by 1% globally, and by 3% in the Asia region. The longer-term fundamentals for continued LNG demand growth remain unchanged, underpinned by the role of natural gas as a reliable, affordable, abundant and cleaner energy source.

The LNG market is characterised by multi-year supply-demand cycles and intra-year seasonal swings. Market dynamics over the last year have featured both factors. As additional global supply ramped up, the northern hemisphere summer demand lull saw record-low spot prices and curtailment of supply. Inversely, a colder northern hemisphere winter and logistically constrained global supply buoyed spot prices towards record highs at the end of 2020.

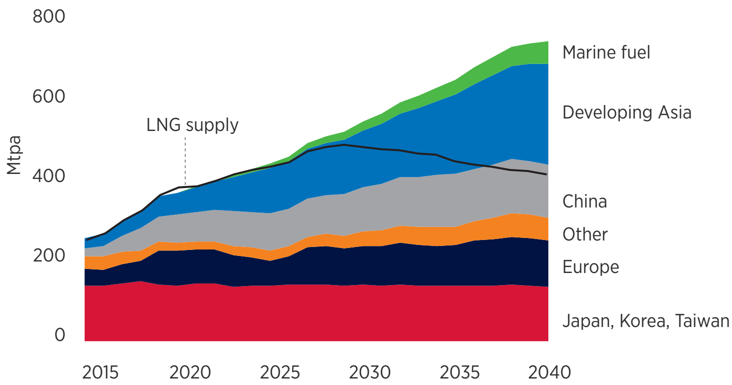
Over the medium-term, LNG demand is expected to outstrip existing supply, tightening the market in the coming decade. According to Wood Mackenzie analysis, LNG demand is expected to expand at a 3.8% compounded annual growth rate to 2035. While lower than last year's estimate, which exceeded 4%, it highlights the minimal impact to LNG fundamentals from the COVID-19 pandemic. Fast-growing Asian economies, including China, are expected to continue their pull for LNG at a 6.5% growth rate through to 2035.

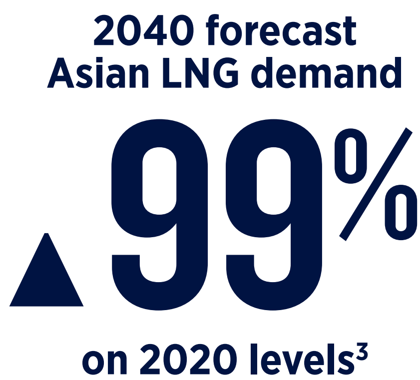
As nations implement decarbonisation policies, natural gas will play a key role as a reliable energy source that can quickly lower global carbon dioxide emissions while improving local air quality. On a lifecycle basis, natural gas emits half the carbon dioxide of coal to generate power, supporting a timely and stable energy transition through coal-to-gas switching to meet the targets of the Paris Agreement. Gas-fired power generation is expected to be an important source of grid stability and flexibility in renewables-rich power systems.

Supporting a reduction in emissions, sustained growth in gas demand is expected across the transport, industry and heating sectors. The International Maritime Organisation's efforts to reduce sulphur and carbon dioxide emissions is expected to capture 6% of the global 2035 LNG demand for marine fuel. Multiple countries are advancing hydrogen strategies, providing supportive policy for both renewable and natural gas-based pathways to decarbonisation.

2020 was a muted year for new LNG investment decisions after a record-breaking 2019. As the LNG markets rebalance, more projects will be required to ensure adequate supply. Projects with competitive breakeven delivered price, ability to finance, and supported by experienced equity partners with strong balance sheets will be best positioned to reach a final investment decision. The proximity of our assets to China and Asian LNG demand centres keeps delivered costs low and transit times short. This is an ideal position to deliver Scarborough's natural gas to where more than 70% of the global LNG demand will be located.

Growing global LNG demand[1,2]





1. Supply forecast based on existing capacity and under construction developments, excluding boil-off gas. Includes Qatar North Field East LNG expansion.
2. LNG demand growth to 2040 is widespread across Asia. Japan is the only regional market to decrease.
Source: Wood Mackenzie
3. Source: Wood Mackenzie

PLUTO LNG

Production
44.6 MMboe

LNG reliability
97.2%

Sales revenue
$1,445 million

Unit production cost
$4.2 per boe

Pluto LNG onshore processing facility

2020 HIGHLIGHTS

+ Delivered record annual production
+ Achieved best-ever emissions performance
+ Completed Pyxis Hub drilling
+ Installed Pluto water handling module

2021 ACTIVITIES

+ Commence Operations Transformation improvements
+ Complete Pluto water handling project
+ Complete Pyxis tie-ins

Outstanding operational performance

Woodside achieved strong operational performance at Pluto LNG in 2020, delivering record annual production of 44.6 MMboe (Woodside share). This was an increase of 20% compared to 2019, during which production was impacted by Pluto LNG's first major turnaround.

High reliability of 97.2% at Pluto LNG was maintained throughout the year as a result of our focus on safe, reliable and efficient operations, and the improvements delivered during the 2019 turnaround.

We achieved this excellent production result despite the substantial challenges posed by COVID-19 and Tropical Cyclone Damien, the most significant weather event to impact Woodside's onshore facilities. We maintained uninterrupted LNG production throughout these events by proactive planning and leveraging our proven remote operation capabilities.

Our uncompromising approach to health and safety delivered strong results, with no Tier 1 or 2 process safety events at Pluto LNG in 2020.

We are also pursuing cost and efficiency improvements as part of our Operations Transformation program.

Enabling growth

Woodside took further steps in 2020 to position Pluto LNG for long-term production, through development of additional offshore resources and improvements to the onshore facility.

Drilling activities were completed in Q3 2020 for the Pyxis Hub Project, which comprises the subsea tie-back of the Pyxis, Pluto North and Xena fields to the Pluto offshore platform. Fabrication of key infrastructure, including pipeline and subsea equipment, is continuing and the project remains on target to achieve ready for start-up (RFSU) in 2022.

The Pluto water handling project also achieved a significant milestone, with the water handling module successfully installed on the Pluto offshore platform in November 2020. Once commissioned, the module will allow increased wet gas production. Woodside is targeting RFSU for 2021.

As part of our ongoing focus on efficiency, new technologies and processes were implemented at Pluto LNG to further optimise production and reduce emissions. In Q3 2020, we commenced dual vapour-return boil-off-gas compressor operation, reducing flaring. This was a key contributor to our best-ever emissions performance at the facility.

Woodside interest: 90%, operator

NWS PROJECT

Production
30.8 MMboe

LNG reliability
98.0%

Sales revenue
$976 million

Unit production cost
$3.8 per boe

The NWS Project's Karratha Gas Plant

2020 HIGHLIGHTS

+ Outstanding production and reliability performance
+ Safe completion of modified major turnaround schedule
+ FID for Greater Western Flank Phase 3 and Lambert Deep (GWF-3)
+ Executed gas processing agreements for processing third-party gas
+ Extension of NWS State Agreement to 2059

2021 ACTIVITIES

+ Targeting 15% reduction in cash operating costs
+ Safe and efficient execution of major turnarounds
+ Commencement of development drilling for GWF-3
+ Prepare for tolling third-party gas from 2022

Outstanding operational performance

By overcoming the challenges posed by COVID-19 and Tropical Cyclone Damien, Woodside again delivered strong LNG production and safety performance at the NWS Project.

The NWS Project delivered full-year production of 30.8 MMboe in 2020 (Woodside share), a decrease of 4% on 2019 partly driven by a decline in reservoir performance.

Underpinned by a multi-year brownfields maintenance program, we achieved high average reliability of 98.0% through the year. As a result of these efforts, we delivered improved emissions performance, with the NWS Project achieving a 22 $ktCO_2$-e reduction in emissions in 2020.

Safety performance was strong and in line with our 2020 target, with no injuries recorded on NWS offshore gas platforms.

We also successfully trialled remote operations at the North Rankin Complex (NRC) and Goodwyn A (GWA) offshore platforms during Tropical Cyclone Damien.

A consequence of the ongoing impact of COVID-19 was the reduction in work scopes at NWS assets as we prioritised the health and safety of our people whilst ensuring continued reliable production.

In this constrained environment we safely completed planned major maintenance on schedule at Karratha Gas Plant's (KGP) LNG Train 3. Turnarounds at the NRC and GWA offshore platforms were completed ahead of schedule and enabled additional production due to alignment with a planned KGP Train 4 turnaround.

The KGP domestic gas recycle line project achieved RFSU in Q2 2020, allowing more flexibility with domestic gas export rates from the facility.

Enabling growth

The NWS Project infrastructure provides an opportunity for processing third-party gas as the NWS reserves decline.

In March 2020, the Western Australian Parliament extended the term of the *North West Gas Development (Woodside) Agreement Act 1979 (WA)*, enabling continued operation of NWS facilities to 2059.

In July 2020, the NWS Project participants executed amendments to the joint venture governance documents enabling the processing of third-party gas through the NWS Project facilities.

In December 2020, the NWS Project participants executed fully-termed gas processing agreements for processing gas through the NWS Project facilities (see page 36 for more detail).

To ensure the long-term cost competitiveness of NWS assets, Woodside is implementing an Operations Transformation program to improve efficiency and reduce costs, including an immediate target of a 15% reduction in NWS cash operating costs in 2021.

Execution of GWF-3 commenced following FID in January 2020. An Environment Plan to support drilling and subsea installation was approved in January 2021. The work program remains on schedule, with commencement of drilling targeted in 2021.

The Angel offshore platform ceased production in September 2020. Angel commenced production in 2008 and was Australia's largest not-normally-staffed platform when built. It produced 2.1 Tcf of raw gas during its life, exceeding the 1.85 Tcf recovery expected at FID. Angel infrastructure will be further utilised for the development of the Lambert Deep reserves.

Woodside interest: 16.67%, operator

WHEATSTONE

2020 HIGHLIGHTS

+ Strong reliability performance
+ Completed drilling and commenced subsea installation for Julimar-Brunello Phase 2

2021 ACTIVITIES

+ Execute first major turnaround
+ Complete Julimar-Brunello Phase 2 subsea pipelay activities

Production	Sales revenue
15.2 MMboe	$486 million

Outstanding operational performance

Wheatstone continued to deliver solid production performance during 2020, driven by strong reliability. Wheatstone utilises the same technology as the proposed design for Pluto Train 2.

Woodside's share of annual production in 2020 was 15.2 MMboe, up from 14.4 MMboe in 2019, primarily due to production optimisation.

Wheatstone's first major integrated onshore and offshore turnaround is planned for Q3 2021.

Woodside interest: 13%, non-operator

Julimar-Brunello Phase 2

Julimar-Brunello Phase 2 involves the tie-back of the Julimar field to the Wheatstone offshore platform, to support continued production from Wheatstone.

Good progress was made on the development, with a multi-well drilling campaign completed in Q3 2020. Flow testing confirmed reservoir performance was in line with pre-drill expectations, while the mercury content of gas from the new wells was at the low end of expectations, reducing capital expenditure requirements.

Woodside also progressed several subsea work scopes during the year, procuring and installing key subsea equipment. Woodside is targeting completion of subsea pipelay and ready for start-up (RFSU) in 2021.

Woodside interest: 65%, operator

AUSTRALIA OIL

2020 HIGHLIGHTS

+ Strong safety performance with no recordable injuries
+ Delivered production and revenue optimisation activities

2021 ACTIVITIES

+ Execute Okha FPSO major turnaround

Ngujima-Yin FPSO

The Ngujima-Yin FPSO produces oil from the Vincent and Greater Enfield resources.

Following successful completion of the Greater Enfield Project in 2019, the newly refurbished facility delivered full-year production of 8.3 MMboe in 2020 (Woodside share), up from 4.0 MMboe in 2019.

Woodside temporarily shut-in production from the Cimatti field, reducing the sulphur content of crude produced at the Ngujima-Yin FPSO. This action delivered increased revenue by enabling Woodside to capitalise on strong market demand for low sulphur fuel oil.

We also completed re-drilling of a Laverda well in Q3 2020 to support improved production from the facility.

Woodside interest: 60%, operator

Okha FPSO

The Okha FPSO produces oil from the Cossack, Wanaea, Lambert and Hermes fields.

Woodside safely completed a series of production optimisation and subsea maintenance activities in Q3 2020, increasing production rates at the Okha FPSO by approximately 1,500 bbl/d.

Woodside's share of annual production in 2020 was 1.4 MMboe, down from 1.6 MMboe in 2019, primarily due to maintenance activities and natural field decline.

Woodside interest: 33.33%, operator

Nganhurra FPSO

Activities to support decommissioning of remaining infrastructure will continue in 2021.

Woodside interest: 60%, operator

EXPLORATION

Exploration activities in 2020 were consolidated as part of Woodside's response to the COVID-19 pandemic and associated market conditions. We continued our strategy of divesting low-value licences as well as drilling prospects with a focus on sustainable growth opportunities.

Australia

The planned drilling of the Gemtree prospect in WA-49-L was deferred from 2020 as part of Woodside's response to the challenging conditions of the year. The Environmental Plan for Gemtree was approved by NOPSEMA.

In the NWS asset area, the reprocessed Typhon MC3D seismic data was delivered as planned. The Typhon MC3D seismic data is of superior quality compared to legacy seismic datasets, covering five developed fields (Tidepole, Goodwyn, Sculptor-Rankin, Keast and Dockrell) and three undeveloped fields (Dixon, Haycock and Gaea). During the first half of 2020, seismic interpretation activities were undertaken to mature prospects in this area for potential tieback to existing NWS Project infrastructure. Two key prospective opportunities resulted from this work and Woodside is progressing technical activities for these opportunities.

The Wheatstone 3D seismic reprocessing project was completed in Q4 2020. Interpretation of the data has commenced in order to mature the portfolio related to exploration permits WA-536-P and WA-356-P.

Retention lease applications to NOPTA were approved for WA-93-R and WA-94-R, securing the Toro and Ragnar gas field resources until a viable development option is identified.

As part of disciplined exploration portfolio management to remove low-value assets and progress high-value assets, we surrendered or withdrew from permits WA-430-P, WA-483-P, WA-520-P, WA-271-P and WA-428-P. Suspension and extension applications were approved by NOPTA for permits WA-28-P, NT/P86 and WA-522-P.

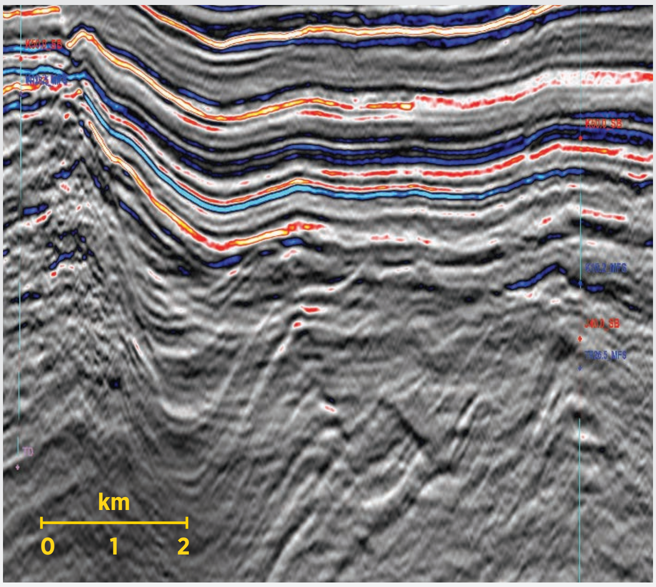
Myanmar

Woodside commenced a fourth drilling campaign offshore Myanmar in January 2021. The campaign includes one exploration well in southern hub Block A-7 and one exploration well each in northern hub Blocks AD-1 and AD-8. Northern hub well results will assist in determining future activities and potential resource volumes.

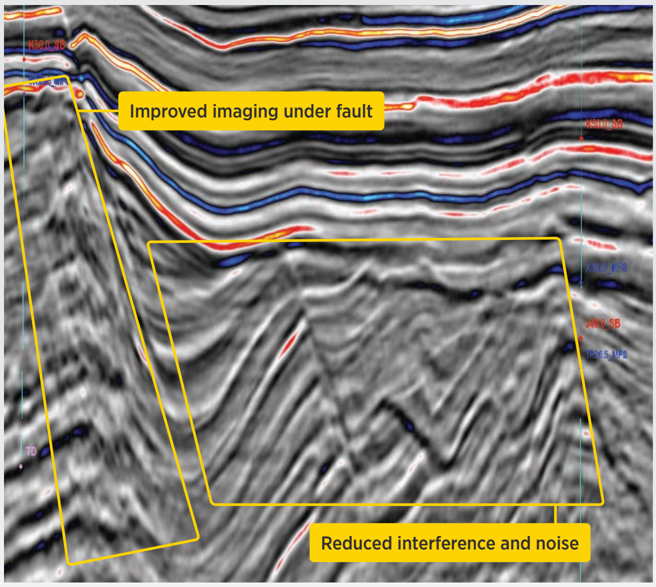
South Korea

In relation to Block 8 and 6-IN, the joint venture deferred acquisition of the Ojingeo 3D marine seismic survey to Q2 2021.

2016 Fortuna 3D seismic



2020 Typhon MC3D seismic



The Typhon MC3D seismic data is of superior quality to previous datasets

MARKETING, TRADING AND SHIPPING

Woodside managed challenging market conditions in 2020. We fulfilled our contractual obligations and proactively worked with our customers in response to the highly volatile environment resulting from COVID-19.

Portfolio

Our LNG portfolio comprises a mix of short-, mid- and long-term contracts, supplied by Woodside equity cargoes and supplemented by third-party purchases. A portion of annual production is kept available for the spot market. This combination of different arrangements helps to balance revenue stability, operational flexibility and the ability to capitalise on market conditions as they change through the year.

Our experienced LNG trading team in Singapore optimises the value of the portfolio and can meet the requirements of a changing and dynamic LNG market. In a year of record production and extraordinary market conditions, we sold all produced volumes.

Our LNG portfolio reached 9.3 Mtpa in 2020 following the commencement of our Corpus Christi LNG offtake contract.

We expect approximately 10-15% of our produced LNG to be sold on the spot market in 2021.

Growth projects

Woodside is executing a considered marketing strategy as we engage with customers to develop a portfolio of sales arrangements in support of Scarborough, ahead of the targeted FID in H2 2021. The Scarborough development will add to Woodside's portfolio by approximately 5.9 Mtpa of LNG at the current upstream equity level.

In January 2021, Woodside and Uniper Global Commodities SE (Uniper) agreed to double the supply of LNG under their existing long-term sale and purchase agreement. Initial supply commencing in 2021 is now for a volume of up to 1 Mtpa, increasing to approximately 2 Mtpa from 2026. The majority of LNG supply from 2025 is conditional upon Scarborough FID. Woodside and Uniper will also collaborate on potential carbon-neutral LNG.

Woodside progressed joint venture agreements with the RSSD joint venture participants to enable the lifting and marketing of oil production from the Sangomar Field Development in Senegal.

We are engaging with prospective domestic and international buyers for offtake from the A-6 Development in Myanmar.

Domestic gas

We have a strong position in the Western Australian domestic gas market and continue to develop our portfolio of customers and trading capabilities. Woodside achieved record equity domestic gas sales, increasing by 43% from 2019 to 2020, and a new record daily equity domestic gas sales volume of 141 TJ on 28 August 2020.

Our domestic gas sources include the NWS Project, Pluto LNG and Wheatstone. We meet customer requirements through a mix of short-, mid- and long-term contracts.

The remaining legacy NWS jointly-marketed domestic gas contracts concluded in 2020, providing further opportunities to market Woodside equity domestic gas to businesses in Western Australia.

The Pluto LNG truck loading facility was built to provide LNG for distribution by truck to the Pilbara, Kimberley and Gascoyne regions of Western Australia. Woodside is seeking to grow this business, which complements our existing equity domestic gas sales. We are progressing discussions with mining companies for the delivery of LNG to their mine sites, including the potential integration of LNG with renewable power sources.

Integrated trading, shipping and operations

Our integrated shipping, operations, marketing and trading team ensures reliable delivery of LNG to our customers and enables us to maximise the value of our portfolio. Throughout 2020 we managed the complexity of COVID-19 restrictions applying to our shipping crews.

Woodside's LNG fleet increased from five to six ships with the addition of the Woodside Charles Allen in 2020. During the year 328 cargoes were delivered, including all LNG, condensate, crude and LPG cargoes with Woodside equity interest.

Responding to strong market demand for low sulphur fuel oil, we adjusted production from the Ngujima-Yin FPSO to produce a crude capable of low sulphur fuel oil blending which enabled the realisation of record-high premiums for Vincent crude.

The Woodside Rees Withers at Pluto LNG

SCARBOROUGH AND PLUTO TRAIN 2

2020 HIGHLIGHTS

+ Received Commonwealth environmental approval
+ Increased offshore design capacity by approximately 20%
+ Received production licences

2021 ACTIVITIES

+ Progress design optimisation opportunities
+ Execute remaining commercial agreements
+ Secure remaining environmental approvals and agreements with government
+ Targeting FID in H2 2021

Scarborough

The Scarborough gas field is located approximately 375 km west-north-west of the Burrup Peninsula, Western Australia, and contains an estimated contingent resource (2C) of 8.2 Tcf of dry gas Woodside share (11.1 Tcf of dry gas, 100%). Scarborough is part of the Greater Scarborough resource, including the Jupiter and Thebe fields, which contains an estimated contingent resource (2C) of 9.3 Tcf of dry gas Woodside share (13.0 Tcf of dry gas, 100%).

Woodside is proposing to develop the Scarborough gas resource through new offshore facilities connected by an approximately 430 km pipeline to a proposed second LNG train (Pluto Train 2) at the existing Pluto LNG onshore facility.

Scarborough is a globally competitive project with the potential to have a transformative impact on Woodside's reserves base, cashflow, and the delivery of shareholder value. Scarborough is a resource of the quality and scale that can define our activities in the coming decades and support the growth of our new energy portfolio whilst meeting Woodside's net emissions reduction targets.

The Scarborough reservoir contains almost no carbon dioxide, and the development is expected to have one of the lowest carbon intensities for an LNG project in Australia.

In 2020, we completed key activities to progress the development and de-risk the project cost and schedule. This included completing technical feasibility studies to increase the design capacity of the offshore development by approximately 20% to 8.0 Mtpa of LNG, which unlocks significant value for the Scarborough development. These studies examined the offshore and onshore designs to identify potential changes to improve value for minimal additional capital expenditure. This followed work completed in 2019 to realise a 52% increase in the estimated resource size.

In Q1 2020, the Scarborough Joint Venture aligned its participating interests across the WA-1-R (Scarborough) and WA-62-R (North Scarborough) titles, resulting in Woodside holding a 73.5% interest and BHP holding a 26.5% interest in each title.

In April 2020, the Scarborough Offshore Project Proposal was accepted by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), securing the primary Commonwealth environmental approval for the offshore project moving forward into 2021. Work on developing the relevant associated Environment Plans is progressing in 2021.

In Q4 2020, the Commonwealth-Western Australian Offshore Petroleum Joint Authority granted petroleum production licences in respect of the WA-61-L (Scarborough) and WA-62-L (North Scarborough) titles.

Retention lease renewal applications in respect of the WA-61-R and WA-63-R titles for the Thebe and Jupiter fields were submitted in 2020 to the Joint Authority and are currently under assessment.

Commercial agreements are being progressed for processing gas from the Scarborough offshore field at Pluto LNG.

We will continue to work with our contractors to ramp up activity in the first half of 2021 to support the targeted FID.

In 2021, we will submit the Field Development Plan and pipeline licence applications to the Commonwealth-Western Australian Offshore Petroleum Joint Authority.

Woodside is targeting FID in H2 2021, subject to commercial arrangements and joint venture and regulatory approvals, and first cargo in 2026.

Woodside interest: 73.5%, operator

Pluto Train 2

Pluto Train 2 is a capital efficient solution for processing Scarborough gas. By utilising existing infrastructure, the construction of a second LNG train provides a clear pathway to the low-cost development of the Scarborough resources. This concept requires around 30% lower capital spend over the field life, compared to taking the gas into KGP (100% project).

Pluto Train 2 is designed for an LNG processing capacity of approximately 5 Mtpa (100% project). The proposed design is expected to have a lower greenhouse gas intensity compared to the international and Australian averages.

During 2020, Woodside de-risked the execution schedule for Pluto Train 2 by reviewing and optimising the construction plan.

Woodside is targeting FID in H2 2021 and first cargo in 2026.

Woodside interest: 100%, operator

Pluto-KGP Interconnector

The Pluto-KGP Interconnector will allow the transfer of gas between Pluto LNG and KGP, optimising production across both facilities. Transporting gas through the Interconnector will enable accelerated production of Pluto gas reserves, as well as third-party resources. The design capacity of the pipeline is more than 5 Mtpa.

Following receipt of the pipeline licence and easement for the Interconnector in 2020, construction of the pipeline and associated Pluto LNG facilities commenced in H2 2020.

Key contracts were awarded to Civmec Construction & Engineering Pty Ltd for the supply and fabrication of equipment, and United Altrad Joint Venture for construction works at Pluto LNG.

In December 2020, the NWS Project participants took FID for the infrastructure required to receive gas from the Pluto-KGP Interconnector.

In January 2021, Woodside finalised domestic gas arrangements with the Western Australian Government associated with the supply of Pluto feed gas, via the interconnector pipeline, for processing at KGP.

Site construction activities commenced in January 2021 for facilities within KGP and along the proposed pipeline route, which is situated along the existing Dampier to Bunbury Natural Gas Pipeline corridor.

Woodside is targeting ready for start-up in 2022.

Woodside interest: 100%

SANGOMAR FIELD DEVELOPMENT

2020 HIGHLIGHTS

+ Commenced project execution activities
+ Confirmed key contractors
+ Received VLCC tanker ready for FPSO conversion activities
+ Commenced subsea fabrication
+ Prepared Development drilling readiness
+ Completed acquisition of additional interest

2021 ACTIVITIES

+ Progress equity sell-down
+ Commence drilling and completions campaign
+ Progress FPSO conversion activities
+ Advance project execution

The Sangomar field (formerly the SNE field), containing both oil and gas, is located 100 km south of Dakar and will be Senegal's first offshore oil development.

The Sangomar Field Development Phase 1 (Sangomar Field Development) is a near-term development which will produce oil from the less complex reservoirs in the Sangomar field. Phase 1 will also test other reservoirs to support potential future development phases.

The Sangomar Field Development concept is a stand-alone floating production storage and offloading (FPSO) facility with supporting subsea infrastructure. It is being designed to allow the tie-in of subsequent phases.

Phase 1 of the development will target the production of approximately 231 MMbbl of oil resources (100%, 124 MMbbl (2P) reserves Woodside net economic interest).

In January 2020, the Government of Senegal granted the Exploitation Authorisation for the Sangomar Field Development and the Rufisque, Sangomar and Sangomar Deep (RSSD) Joint Venture took an unconditional final investment decision.

Execution commenced in early 2020 including engineering, procurement and fabrication activities.

Threats to the project's supply chain and schedule arising from the global impacts of COVID-19 were effectively mitigated, with first oil remaining on schedule for 2023.

Experienced contractors are in place, including MODEC as contractor for the FPSO, Subsea Integration Alliance for subsea, umbilicals, risers and flowlines, and Diamond Offshore for the drilling rigs.

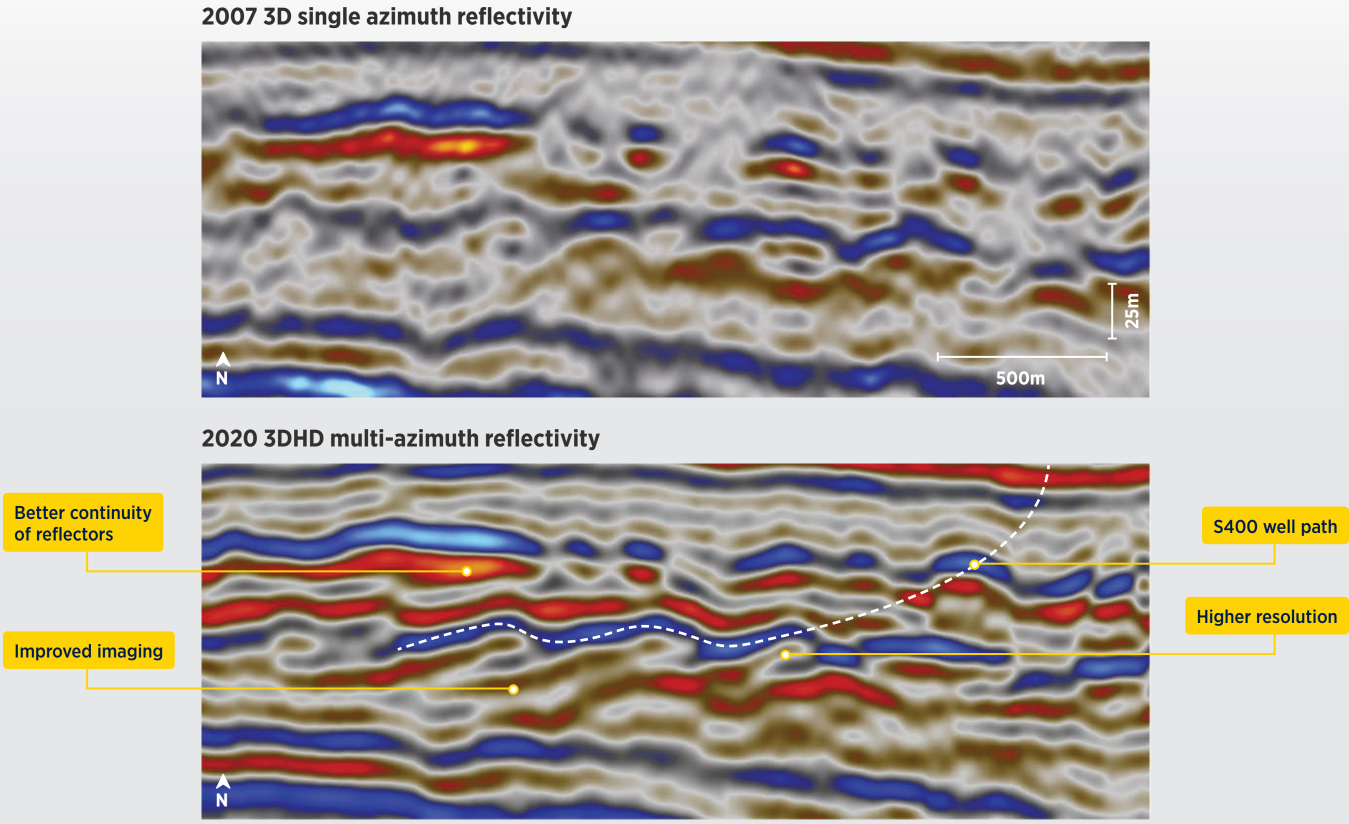
The VLCC vessel was delivered in Q3 2020 and cleaning operations were completed in Q4 2020. MODEC awarded major contracts to fabrication yards for FPSO conversion and integration, turret fabrication and modules fabrication. The detailed design of the FPSO facility is nearing completion, in readiness for the commencement of FPSO conversion activities in 2021.

Subsea fabrication activities remain on schedule and preparations continue ahead of commencing an extensive drilling and completions campaign targeted for mid-2021. The drilling campaign will include up to 23 production, gas and water injection wells and will be undertaken using up to two drill ships.

The project contractors are establishing in-country infrastructure to support the start of the operations in Senegal.

In 2020, Woodside completed the processing of the recently acquired high definition multi-azimuth seismic which has shown significant improvement in data quality and supports the simplification and de-risking of the Phase 1 drilling program. The seismic data is also expected to provide a greater level of clarity for potential Phase 2 development planning.

Throughout 2020, we continued engagements with the Government of Senegal and other in-country stakeholders.



Processing of new seismic data shows significant improvement in data quality

Given the challenges of COVID-19, face-to-face community engagements were limited to two series of engagements during March and November 2020. Outside of these community engagements, notifications regarding the Sangomar Field Development activities were delivered to local communities across a variety of communication methods. Stakeholder engagements continue to focus on coastal areas and communities in the Dakar, Thies and Fatick regions.

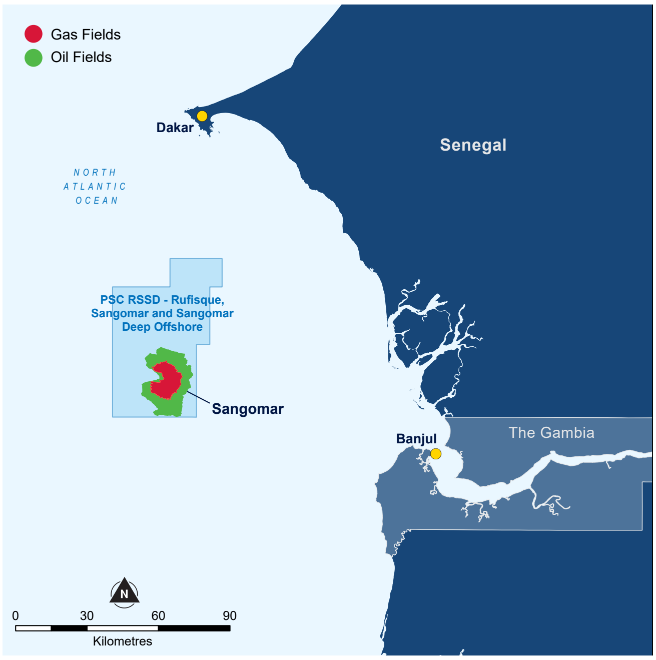
In August 2020, Woodside gave notice that it was exercising its right to pre-empt the sale of Capricorn Senegal Limited's entire participating interest in the RSSD Joint Venture. This transaction completed in December 2020, increasing Woodside's participating interest to 68.33% for the Sangomar exploitation area and 75% for the remaining RSSD evaluation area.

A contract was awarded in December 2020 to MODEC for the operations and maintenance covering all in-country installation and commissioning activities followed by an initial 10-year operations and maintenance term.

In December 2020, Woodside gave notice that it was exercising its right to pre-empt the sale of FAR Senegal RSSD SA's (FAR) entire participating interest in the RSSD joint venture. Woodside's participating interest would increase to 82% for the Sangomar exploitation area and 90% for the remaining RSSD evaluation area following completion of this acquisition. Woodside and FAR executed a sale and purchase agreement in January 2021. Completion is subject to FAR shareholder approval and other conditions precedent.

During 2020, Petrosen's participating interest in the Sangomar Exploitation Area was increased from 10% to 18%.

Woodside interest: 68.33%, operator



Location of the Sangomar Field, offshore Senegal

NWS PROJECT EXTENSION

The NWS reservoirs are expected to produce gas for many years into the future. However, as well production rates start to decline, some capacity in the NWS Project's infrastructure is becoming available to process gas supplied by other resource owners (OROs). This will enable the ongoing supply of gas and liquids to domestic and international markets, and ensure continued employment, contracting opportunities and social investment in the region for decades to come.

In 2020, the NWS Project Extension achieved key regulatory, commercial, technical and environmental milestones.

Early ORO commercial agreements secured

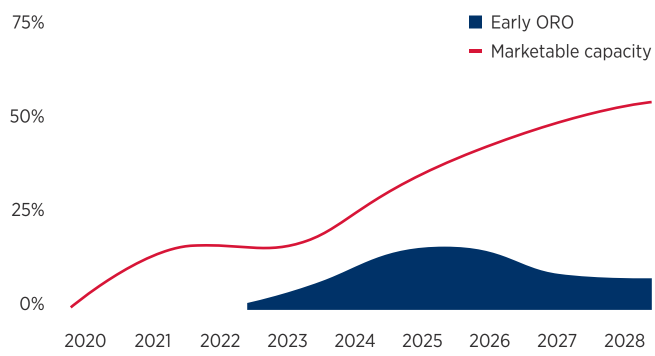
The NWS Project participants executed fully-termed gas processing agreements (GPAs) in December 2020 for processing third-party gas through the NWS Project facilities. GPAs were signed with Woodside Burrup Pty Ltd, in respect of gas from the Pluto fields, and with subsidiaries of Mitsui & Co Ltd and Beach Energy Limited, in respect of gas from the Waitsia Gas Project Stage 2. All conditions precedent to both GPAs have been satisfied.

Execution of the GPAs is an important milestone in establishing NWS as a tolling facility, and will unlock further value for the NWS Project participants. The agreements will provide additional revenue, increase utilisation of the NWS Project infrastructure, add to Western Australia's domestic gas supplies and help underpin Australia's economic recovery.

In December 2020, the NWS Project participants achieved a final investment decision to build two new onshore gas receiving points and tie-in infrastructure. The construction of this infrastructure commenced in January 2021. This infrastructure will allow KGP to receive gas from both the Pluto fields and the Waitsia Gas Project Stage 2. Environmental approvals to process this ORO gas are in place.

In January 2021, arrangements were finalised with the Western Australian Government for the processing of gas from Pluto and Waitsia.

Emerging available LNG capacity at NWS (100% project)[1]



1. Indicative representation only, not guidance.

Environmental approvals

The NWS Project is currently undergoing an environmental review process, seeking environmental approval to enable operations to continue beyond 2030. Woodside is responding to comments on the Environmental Review Document and targeting final approvals in 2021.

Woodside Interest: 16.67%, operator

BROWSE

2020 HIGHLIGHTS

+ Applied for production licences
+ Progressed value optimisation opportunities
+ Assessing feasibility of carbon capture and storage

The Browse resource is located in the offshore Browse Basin, approximately 425 km north of Broome in Western Australia, comprising of the Brecknock, Calliance and Torosa fields. The Browse resource contains an estimated contingent resource (2C) of 4.3 Tcf of dry gas and 119 MMbbl of condensate Woodside share (13.9 Tcf of dry gas and 390 MMbbl of condensate, 100%).

During 2020, key work activities continued in support of FEED entry. These included progressing relevant regulatory approvals and pursuing value optimisation opportunities to ensure Browse is well placed to progress as market conditions improve. Work continues to assess the feasibility of carbon capture and storage.

The Browse Joint Venture is finalising its response to comments on the Browse Draft Environmental Impact Statement/Environmental Review Document and targeting final approvals in 2021.

In H1 2020, production licence applications over the WA-28-R, WA-29-R, WA-30-R, WA-31-R, TR/5 and R2 titles were submitted to the relevant State and Commonwealth regulators for the Calliance and Torosa fields. A retention lease renewal application was submitted in relation to the Brecknock field over the WA-32-R title. These applications are still under assessment.

Woodside is targeting FEED entry in 2023.

Woodside interest: 30.6%, operator

MYANMAR A-6

2020 HIGHLIGHTS

+ Completed concept definition studies and site surveys
+ Continued gas marketing discussions with counterparties
+ Progressed regulatory approvals

Block A-6 is in the Rakhine Basin, offshore Myanmar, and covers approximately 10,000 km^2 in water depths of up to 2,400 m. The A-6 Development concept includes the drilling of up to 10 deep-water wells (six wells in Phase 1 and up to four additional wells in Phase 2). The gas will be exported by a 265 km pipeline to a riser platform located near the existing Yadana platform complex and the riser platform will distribute gas through existing pipeline infrastructure. The A-6 Development is targeting the delivery of competitive and reliable natural gas to Myanmar and Thailand.

In 2020, we progressed technical and marketing workstreams in support of FEED entry. This followed the agreement of revised fiscal terms in late 2019. Activities in 2020 included concept definition studies and offshore baseline surveys to establish key parameters of the development, and this work plan progressed despite COVID-19 restrictions. We continue to progress the A-6 Development activities as a priority.

Woodside's current working interest of 40% is subject to Myanma Oil and Gas Enterprise's (MOGE) right to acquire a working interest of up to 20%. If MOGE elects to acquire the full 20%, Woodside's working interest will reduce to 32%.

Woodside interest: 40%

SUNRISE

The Sunrise development comprises the Sunrise and Troubadour gas and condensate fields, collectively known as Greater Sunrise. These contain an estimated contingent resource (2C) of 1.7 Tcf of dry gas and 76 MMbbl of condensate Woodside share (5.1 Tcf of dry gas and 226 MMbbl of condensate, 100%).

Following the establishment of a new maritime boundary treaty between Australia and Timor-Leste in 2019, negotiations between the two Governments and the Sunrise Joint Venture on a new Greater Sunrise Production Sharing Contract (PSC) have been ongoing.

The Sunrise Joint Venture is committed to progressing this opportunity provided there is fiscal and regulatory certainty required for a commercial development. Key to this will be agreeing a new PSC and an appropriate fiscal regime, on terms and conditions equivalent to the existing regime.

In November 2020, Woodside performed full-waveform inversion on 3,200 km^2 of 3D seismic data from the Greater Sunrise gas resource. This was executed using cloud computing, utilising more than 1 million virtual central processing units (vCPUs).

Until a new PSC is finalised, the Sunrise Joint Venture will continue to meet title (JPDA 03-19 and JPDA 03-20) and Retention Lease (NT/ RL2 and NT/RL4) requirements and provide support for social investment activities in Timor-Leste.

Woodside interest: 33.44%

KITIMAT LNG

The proposed Kitimat LNG project in Canada is an opportunity to provide up to 18 Mtpa of LNG to Asian markets.

The development concept includes natural gas resources in the Liard Basin in north-east British Columbia, transportation by the 471 km Pacific Trail Pipeline and a liquefaction facility at Bish Cove near Kitimat, British Columbia.

Woodside remains committed to working with our stakeholders to improve the cost competitiveness of the proposed project.

Woodside interest: 50%

RISK

Our approach to risk management enables us to take risk for reward, protects against negative impacts and improves our resilience to emerging risks.

Woodside recognises that risk is inherent in our business and the effective management of risk is vital to deliver our strategic objectives, continued growth and success. We are committed to managing risks in a proactive and effective manner as a source of competitive advantage.

We apply a structured and comprehensive approach to the identification, assessment and treatment of current risks and in response to emerging risks. Our risk management framework provides a single consolidated view of risks across the company to quantify our full risk exposure and prioritise risk management and governance.

The framework is aligned with the intent of the International Standard ISO31000 for risk management, providing line of sight of risk at appropriate levels of the organisation, including the executive team and the Board, based on defined materiality thresholds. Our assessment of risk considers both financial and non-financial exposures, including health and safety, environment, finance, reputation and brand, legal and compliance, social and culture.

The framework requires a biannual review by the executive team and the Board to evaluate the strategic risk profile, the effectiveness of the material current risk being managed and our resilience to emerging risks. The Board reviewed and confirmed in 2020 that the risk management framework is sound, and that Woodside is operating with due regard to the risk appetite endorsed by the Board.

Climate change and the transition to a lower-carbon economy influences Woodside's strategy, presenting both risk and opportunity in the operation of our existing assets or commercialisation of our growth portfolio.

We leverage our risk management framework to ensure an integrated and coordinated approach to the management of climate change across the business. The risks posed by the transition to a lower-carbon economy are recognised given changes in policy, regulation or social expectations in current or future markets. Refer to page 42 for more details on Woodside's approach to climate change.

Refer to our Sustainable Development Report 2020 for more information on sustainability issues of importance to our stakeholders and our business.

Refer to Woodside's Corporate Governance Statement for more information (www.woodside.com.au/about-us/corporate-governance).

Overview of our strategic and material risks

TITLE	CONTEXT	RISK	MITIGATION
Operations	Maintaining the technical integrity and operational performance of our assets is essential to protecting our people, the environment, our licence to operate and the financial capacity to support existing business and growth opportunities.	Failure to deliver safe, reliable and efficient operations could result in a sustained, unplanned interruption to production, and a failure to meet production forecasts, deliver base business and provide revenue to support growth. Our operating assets are subject to operating hazards associated with major accident events, cyber attacks, extreme weather events and disruptions within global supply chains that may ultimately lead to a loss of hydrocarbon containment or additional costs.	Safe operation is fundamentally embedded through an extensive framework of controls that deliver strong operational performance in our base business. We have a track record of operating discipline and excellence. The framework includes production processes, drilling and completions and well integrity management processes, inspection and maintenance procedures and performance standards. The framework is supported and inspected on an ongoing basis by our regulators. The framework is adaptable to ensure we are able to maintain and improve our operating model and performance, target reliability, cost discipline, emissions reductions and strong safety and environmental performance for both our existing business and future growth opportunities.
Finance	Woodside's financial performance and resilience may be impacted by key factors such as: • Disruption in market dynamics. • Ability to maintain competitive advantage. • Access to capital. • Management of financial risks.	An inability to fund the delivery of strategic portfolio objectives could prevent Woodside from unlocking value, weaken financial resilience and result in a loss of shareholder value. Risk factors include; • Commodity prices are variable and are impacted by global economic factors beyond Woodside's control. • Demand for and pricing of our products remain sensitive to external economic and political factors, weather, natural disasters, introduction of new and competing supply, changes in buyer preferences for differing products and price regimes. • We are exposed to treasury and financial risks, including liquidity, changes in interest rates, fluctuations in foreign exchange rates and credit risk. • Insufficient liquidity to meet financial commitments and fund growth opportunities could have a material adverse effect on our operations and financial performance. • Our financing costs could be affected by interest rate fluctuations or deterioration in our long-term investment grade credit rating. • We are exposed to credit risk; our counterparties could fail or could be unable to meet their payment or performance obligations under contractual arrangements.	The delivery of our strategic portfolio objectives requires significant capital expenditure, supported by strong underlying cashflows. • Uncertainty associated with product demand is mitigated by selling LNG in a portfolio manner and under long-term 'take or pay' sale agreements, in addition to the spot market. Our low cost of production and prudent approach to balance sheet risk management further mitigates this exposure. • A flexible approach to capital management enables this overall level of investment in the different areas of our business and the mix to be adjusted to reflect the external environment. Our capital management strategy focuses on capital allocation, capital discipline and capital efficiency. • We maintain insurance in line with industry practice and sufficient to cover normal operational risks. However, Woodside is not insured against all potential risks because not all risks can be insured and because of constraints on the availability of commercial insurance in global markets. • Insurance coverage is determined by the availability of commercial options and cost/benefit analysis, taking into account Woodside's risk management program. Losses that are not insured could impact Woodside's financial performance. For example, Woodside does not purchase insurance for the loss of revenue arising from an operational interruption. Our extensive framework of financial controls, including monitoring of counterparties, enables the management of these risks. • The US dollar reflects the majority of Woodside's underlying cashflows and is used in our financial reporting, reducing our exposure to currency fluctuations.

TITLE	CONTEXT	RISK	MITIGATION
Scarborough	Scarborough extends the economic life of Pluto LNG, enables future tiebacks from adjacent resources, and will generate significant long-term cashflow to underpin Woodside's future growth strategy.	Failure to commercialise and deliver Scarborough could result in a loss of shareholder value and inability to deliver our growth strategy.	We employ a number of measures designed to commercialise and deliver Scarborough, including: • Creating a technically safe design and optimised production reference case. • Progressing and finalising commercial agreements, including tolling and sale and purchase agreements. • Executing an optimum funding strategy, including sell-down of participating interest. • Securing regulatory approvals and government agreements. • Leveraging existing contractors to secure EPC pricing for key contractors and suppliers. See page 32 for more information on the Scarborough development.
Growth	Growth opportunities can be captured through exploration, mergers, acquisitions or expansions. Each may incur risks that impact our ability to realise the expected value.	The inability to identify and commercialise growth opportunities, or realise their full value, may result in a loss of shareholder value.	Our opportunity management framework is flexible and adaptable with the primary objective to realise the value of an opportunity whilst mitigating the risk of a sub-optimal outcome. We aim to identify and progress a suite of commercially attractive and sustainable opportunities that complement our existing assets, enable portfolio diversity and optimise our commercial position. We continue to monitor and assess growth opportunities through mergers and acquisitions on a case by case basis.
Innovation	We focus on maintaining our competitive advantage by delivering value through new ideas, technologies or diversified products. The practical application of innovation delivers near-term value to our base business and in the longer-term, transforms and creates opportunities to thrive in a lower carbon economy.	Failure to build, embed, leverage and support innovation may result in a significant threat to the competitive advantage of our base business and our longer-term sustainability.	We drive the practical application of innovation through an entrepreneurial, opportunity-focused, agile approach. We seek and leverage world-class knowledge and innovation communities, platforms and tools to reduce unit costs for both our base business and future growth opportunities. We are creating a portfolio of new energy opportunities to form new strategic partnerships or capture market in response to emerging trends, and disruptive and complementary technologies.
Climate change	Climate change is impacting the way that the world produces and consumes energy, and this is expected to accelerate in time. Climate change also requires adaptation to physical change.	This will impact the transition to a lower carbon economy, and may impact demand (and pricing) for LNG and its substitutes, the policy and legal environment for its production, our reputation, and our operating environment.	Woodside contributes to solving climate change challenges by supplying LNG, improving our energy efficiency, focusing on reducing our emissions (and potentially those of our customers or value chain participants), and developing innovative new energy technologies and markets for the efficient delivery of lower-carbon energy to grow a longer-term resilient portfolio. We have clear near- and mid-term emissions reduction targets with plans to meet them. We engage and advocate with key industry and governance stakeholders. See page 42 for more information on our climate change risk management.

TITLE	CONTEXT	RISK	MITIGATION
People & Culture	Woodside must maintain sufficient talent, capability and capacity and a strong organisational culture. An engaged and enabled workforce underpins our ability to deliver base business, future growth and new energy opportunities. This may impact our operating model, and create the need for a new or co-existing culture at Woodside.	Failure to establish and maintain sufficient workforce capability and capacity may impact achievement of our base business or future growth objectives and inhibit new energy opportunities. An ineffective operating model could inhibit the energy transition of our base business and new energy opportunities.	Woodside has a set of resourcing frameworks to attract, retain and develop our workforce to support both base business and growth opportunities. We recognise and value the benefits of creating an inclusive and diverse working environment. We employ a direct engagement model to maintain effective employee and industrial relations. We proactively engage our major contractors (and suppliers) to strengthen alignment with expectations, securing capability and pricing to meet future business needs. We are reviewing our current and future operating models to support both base business and growth opportunities.
Social licence to operate	Our business performance is underpinned by our social licence to operate, that requires compliance with legislation and the maintenance of a high level of ethical behaviour and social responsibility. Our business activities are subject to extensive regulation and government policy in each of the countries where we do business. Failure to comply may impact our licence to operate. Stakeholders have evolving expectations of social responsibility and ethical decision making. These are changing at a rate faster than governments can introduce or amend regulation.	Failure to meet stakeholder expectations can lead to opposition and a decline in support for both our base business and future growth opportunities. A significant or continuous departure from national or local laws, regulations or approvals may result in negative social and cultural impacts, reputation and brand, and loss of licence to operate. Violation of international anti-bribery and corruption laws may expose Woodside to fines, criminal sanctions and civil suits, and negatively impact our international reputation.	Woodside proactively maintains and builds our social licence to operate through the application of our Compass values, effective stakeholder engagement strategies, our regulatory compliance framework and our anti-fraud and corruption program. Our regulatory compliance framework proactively maintains relationships with governments and regulators within countries that support base business and future growth opportunities. Woodside maintains meaningful relationships with stakeholders, seeking proactive engagement to inform decisions and gain support for changes. Our fraud and corruption framework aims to prevent, detect and respond to unethical behaviour. It incorporates policies, standards, guidelines and training to ensure activities are conducted ethically and to a high standard.
Digital and cybersecurity	Woodside continues to invest in and rely on sustainable and secure digital technologies to deliver a cost competitive base business, to enhance our growth opportunities and pace of innovation. Cyber risks continue to evolve with greater levels of sophistication. Regulatory and compliance obligations are increasing for data protection and security of critical infrastructure.	Failure to safeguard the confidentiality, integrity and availability of digital data and information. Woodside's technology systems may be subject to both unintentional and intentional disruption, for example cybersecurity attack.	We are committed to the protection of our people, assets, reputation and brand through securely enabled digital technologies. Digital risks are identified, assessed and managed based on the business criticality of our people and systems, and may be required to be segregated and isolated. Digital risks include third parties, including suppliers and service providers, within our supply chain. Our operating model aims to continuously assess and determine access permissions to critical information or data, whilst consolidating, simplifying and automating security controls. Our exposure to cyber risk is managed by a control framework that ensures cyber events are identified, contained and recovered in a timely manner, and embeds a cyber-safe culture across the company, with our joint venture participants and in our supply chain.

CLIMATE

Governance

Woodside's Board is responsible for governance of climate change issues.

The Board recognises both the risks and opportunities that climate change represent to Woodside and works with the Executive Committee to ensure our response considers both the external context and the interests of shareholders. Consideration of climate-related matters informs Woodside's strategy and targets.

Our climate-related disclosures in this Annual Report are structured to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Woodside is an official supporter of the TCFD framework.

Informed decisions

The Board considered climate-related disclosures and actions throughout 2020. Key milestones included:

- Endorsing a roadmap for increasing our climate-related disclosures
- Approving revised economic assumptions for the valuation of Woodside's assets and investment choices, including an assumed carbon price of $80/tonne[1]
- Setting new near- and medium-term targets for the reduction of Woodside's global equity share of Scope 1 and 2 emissions
- Endorsing a review of Woodside's memberships of industry associations for alignment with our climate positions.

Our climate change strategy and associated emissions targets were explained at our Investor Briefing Day in November 2020.

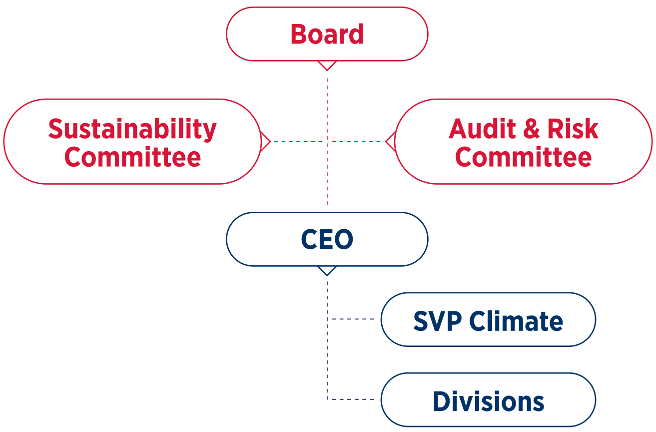
Woodside's management regularly updates the Board and its relevant committees on material changes to Woodside's climate-related performance, risks and opportunities. A dedicated Senior Vice President (SVP) Climate, reporting directly to the CEO, was appointed in 2020 and briefs Board members on climate-related issues to assist in developing Woodside's response. Woodside's Chief Economist also provides regular updates on macroeconomic indicators, including those related to climate change.

Focused committees

The Sustainability Committee provides oversight of Woodside's sustainability performance, policies and practices, including climate-related matters. Climate change is on the agenda of every Committee meeting, of which there were four in 2020. The Sustainability Committee is responsible for:

- reviewing Woodside's Climate Change Policy to ensure that it is current
- overseeing external communication on climate-related risks and opportunities
- monitoring external policy developments
- reviewing Woodside's initiatives to reduce greenhouse gas (GHG) emissions.

The Audit & Risk Committee maintains effective risk oversight through its biannual review of Woodside's procedures for identifying, assessing and managing risks. The review considers Woodside's overall risk management framework, including climate change risks.



1. Assumed long-term Australian regulatory cost of carbon applied across a wide range of future regulatory scenarios.

Commitment to sustainability is at the heart of our business today and drives our thinking about what we will become in the decades ahead

Ann Pickard, Chair of the Sustainability Committee

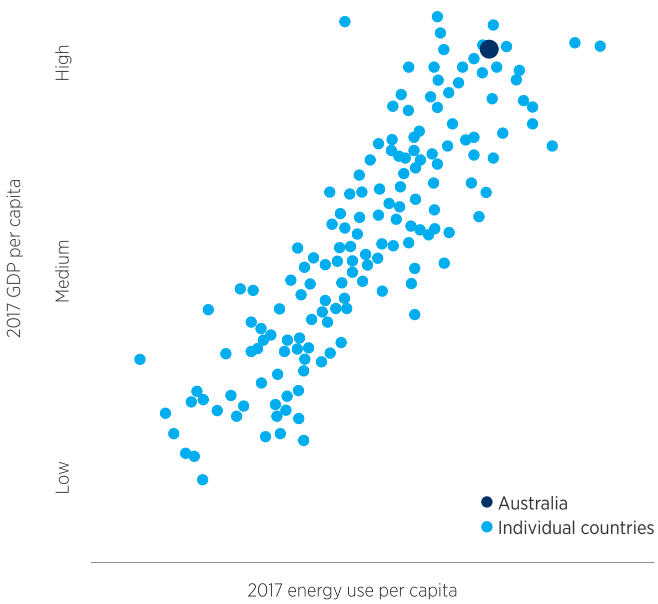
Strategy

Woodside accepts the scientific consensus on climate change. We support the Paris Agreement and its goal to limit the rise in global temperature to well below 2°C from pre-industrial levels and to pursue efforts to limit it to 1.5°C.

Meeting the Paris Agreement goals will require a global effort to reduce emissions and increase carbon sinks, such as forests, that remove carbon from the atmosphere.

As the world's population and living standards increase, more energy is required. This will present a challenge to meeting the Paris Agreement goals. A sustainable future will require emissions reductions to be achieved whilst providing the safe, clean, affordable and reliable energy the world needs.

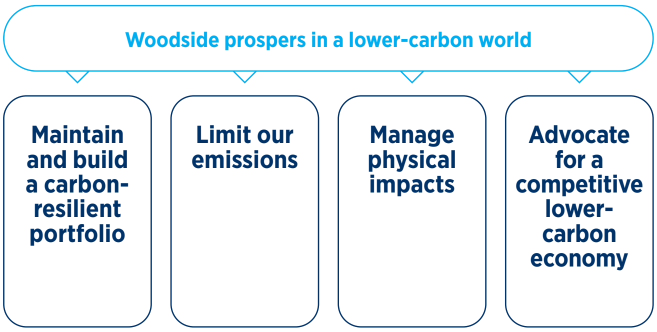
Increased wealth requires increased energy[1]



1. United Nations Department of Economic and Social Affairs.

Our customers have many options to reduce emissions and there will not be a single global pathway. Woodside's climate change strategy, which informs our business plan, is built on a vision to "prosper in a lower-carbon world". The strategy is underpinned by four pillars and addresses the risks and opportunities facing our business as a result of climate change and the need to decarbonise the global economy.

Woodside's climate strategy



A core element of our strategy focuses on our efforts to maintain and further build a resilient and viable long-term business. We remain a competitive supplier of LNG, particularly to economies in our region. Gas demand is expected to grow in the coming decades as it is a flexible energy source with lower greenhouse and local air quality emissions compared to other fossil fuel options. We have clear targets to reduce Scope 1 and 2 emissions in our portfolio. We are working with our customers to understand how LNG supports their decarbonisation plans, and to develop and deploy new energy technologies such as hydrogen and carbon capture and storage.

Further information on our work on new energy technologies is included in our Sustainable Development Report 2020.

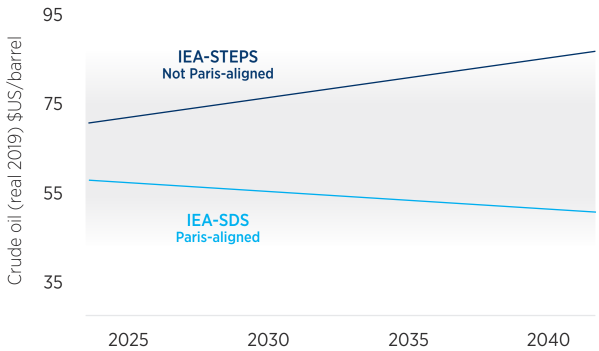
Testing portfolio resilience

There is no industry standard for climate-related scenario analysis. In order to assess the impact of potential future climate change pathways on our portfolio, we compare our internal oil and gas price assumptions to external price scenarios.

For example, the International Energy Agency (IEA) publishes several scenarios, two of which are described in this report. The Stated Policies Scenario (STEPS) extrapolates the stated policies of the world's governments, but does not result in a Paris-aligned outcome. The Sustainable Development Scenario (SDS) is derived by working back from a Paris-aligned outcome to determine what policies would be required to achieve it. These scenarios are explained in more detail on the following page. The IEA oil price forecasts in both scenarios fall within or above Woodside's evaluation range. We evaluate our investments across a number of relevant variables, including a wide range of oil price outcomes that encompass major climate-related scenarios, including IEA-STEPS and IEA-SDS.[1]

Woodside conducts comprehensive economic forecasting that considers the risks and opportunities presented by a transition to a lower-carbon economy. These include political risk, policy and regulatory developments, economic growth in our key markets, exchange rates, price shocks due to industry or producer behaviour, and specific technology developments that might impact demand for our products. This forecasting process results in a range of oil and gas price assumptions, which inform our investment decisions.

IEA oil price forecasts under different scenarios (2020)



Economic impact of IEA scenario oil price forecasts[1]

	IEA-STEPS Not Paris-aligned: 2.7°C outcome	IEA-SDS Paris-aligned: 1.65°C outcome
Sangomar Field Development	●	◐
Scarborough and Pluto Train 2	●	◐
Browse (processed at NWS, no CCS)	●	○
Myanmar A-6 Development	●	◐
Hydrogen	Market growth to commercial scale is delayed	Market growth to commercial scale is accelerated

● Value accretive with economic value higher than reference case
◐ Value accretive with economic value lower than reference case
○ Concept optimisation may be required, including cost competitive carbon management

Signposts

The IEA scenarios are widely used, but we recognise that there are many other potential outcomes which may result in oil and gas prices outside the IEA range. We monitor "signposts" to help inform our opinions on the range of credible future outcomes. For example:

- The growth of Paris-aligned net zero commitments made by governments and customers in our target markets, together with increased funding for new energy technologies, could be evidence of an outcome consistent with the IEA scenarios.
- A widespread lack of implementation of policies, or a retreat from the ambition included in Paris commitments, could be evidence of reduced action on climate change, potentially leading to oil prices higher than the IEA scenarios.
- Adoption of policies that limit the use of available pathways to achieving the Paris goals, for example by selecting one decarbonisation technology over others, could lead to a higher cost of transition and potentially to oil prices lower than the IEA scenarios.

1. Economic value is measured as the net present value of unlevered net cashflows based on Woodside's internal economic and reference case assumptions. The reference case is based on Woodside's mid-case for economic assumptions.

IEA Sustainable Development Scenario (SDS)

SDS maps out an accelerated transition to a low-carbon economy and projects a global temperature rise of below 1.8°C by 2100, with a 66% probability (without reliance on net-negative global CO_2 emissions), which is aligned with the goals of the Paris Agreement to limit global warming to well below 2°C. Importantly, the SDS will also meet the other UN Sustainable Development Goals (SDGs), notably access to affordable energy and reducing air pollution.

Under the SDS, global demand for LNG is expected to undergo a modest increase until 2030, after which demand will drop and return to present levels by 2040, well above the levels that natural field decline will reduce supplies to without additional investment. Within this global overview, natural gas demand continues to grow throughout the period in the Asia Pacific, where Woodside has its target markets.

IEA Stated Policies Scenario (STEPS)

STEPS assumes that the policy initiatives that have already been announced are enacted. These initiatives include the Nationally Determined Contributions (NDCs) pledged under the Paris Agreement. Although the IEA has not explicitly outlined a temperature outcome under its most recent iteration of STEPS, estimates range between 2-3°C with an average temperature rise of 2.7°C being the most commonly accepted figure.

Risk management

Climate change is one of our strategic risks, which means that it is fully integrated into our risk management process, applies globally and has significant oversight from the Board and Executive Committee.

Woodside's Risk Management Procedure defines the requirements of our risk management process and enables the organisation to understand its strategic risks. Management at all levels has accountability for managing these risks in their area in accordance with our values and Compass.

Climate change risk and opportunities are assessed through our strategic risk process and in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures.

These risks are interdependent with other risks that we manage. For example, COVID-19 has provided a clear example of the risk that a global pandemic presents to global oil and gas demand and pricing, as well as continuity of operations.

Examples of risks and opportunities include:

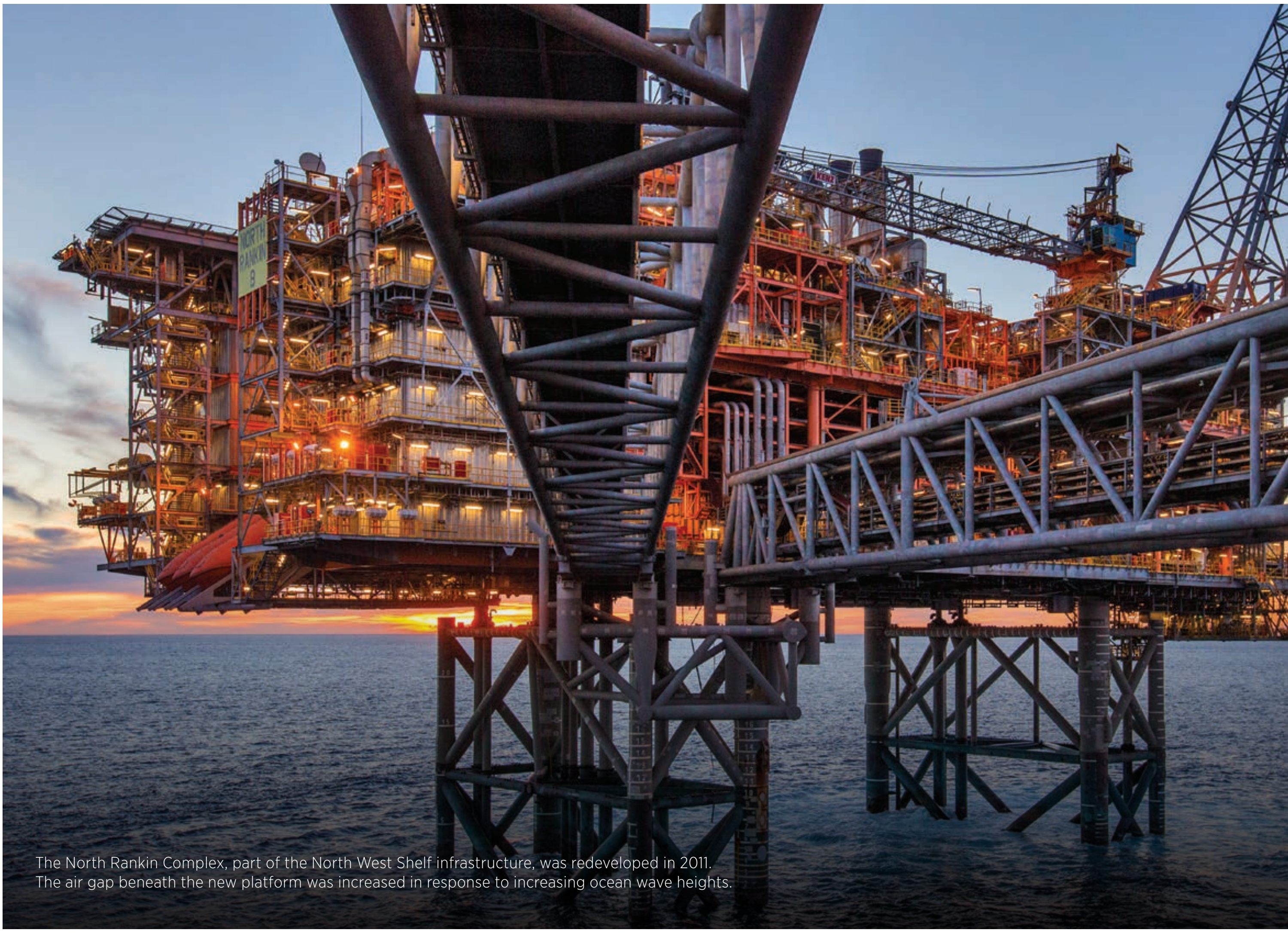
- Market demand for natural gas may vary across countries and economic sectors, requiring flexibility, competitiveness and lower-carbon production. A changing energy mix could see increased gas demand.
- Technology risk associated with the pace of cost-reduction in new energy technologies, requiring an agile approach and development of relationships in the university and technology sectors.
- Policy and legal risk that regulation (for example overlapping State and Federal regulation in Australia) increases the cost of abatement and impedes delivery. Regulation could also provide inadequate support for the commercial-scale deployment of new energy technologies.
- Natural gas plays an important role in plans to decarbonise the energy mix in the Asia Pacific region. The reputation of gas producers could be damaged if this role is not widely understood.

Physical risk case study

Rising mean air temperatures and the increased severity of tropical cyclones have been identified as the main physical climate-related risks to Woodside's operating assets. These changes to the climate, among others, could impact the health and safety of our employees and our ability to meet production targets, as well as impact our operational infrastructure or disrupt supply chains.

We are continually working to improve our resilience to physical risks, including by enhancing our forecasting and risk assessment processes. Our people have been trained to monitor extreme weather events and have experience mitigating their impacts. For instance, we have already taken steps to ensure our assets are resilient to the impacts of rising air and sea temperatures, as well as rising sea levels, by factoring these risks into asset design, which is reviewed every five years.

We have engaged with industry partners and researchers in the field of climate science to enhance our ability to manage climate-related physical risks. For example, our metocean specialists are contributing to the development of industry guidelines for the assessment of physical climate risks through engagement with the Climate Change Task Force, established by the International Association of Oil and Gas Producers (IOGP). We have also partnered with the Australian Bureau of Meteorology to improve tropical forecasting systems. Our partnership in this area contributed to ensuring the resilience of our assets when Tropical Cyclone Damien directly impacted our facilities in February 2020.



The North Rankin Complex, part of the North West Shelf infrastructure, was redeveloped in 2011.
The air gap beneath the new platform was increased in response to increasing ocean wave heights.

Targets and metrics

Woodside has set clear near- and medium-term targets for emissions reduction.

Scope 1 and 2 emissions

Woodside aspires to net zero emissions from operations by 2050 or sooner for our equity share of Scope 1 and 2 emissions from our global portfolio, including non-operated businesses. Scope 1 emissions are those that arise directly from our operations, such as from the use of fuel, flaring, or from the production of naturally occurring CO_2 from our petroleum reservoirs. Scope 2 emissions are those associated with the generation of any power that we purchase.

Woodside has set clear targets to reduce net equity emissions below our 2016-2020 gross annual average emissions, on the pathway to our aspiration of net zero by 2050. These emissions reduction targets are:

- 15% by 2025
- 30% by 2030.

The 2016-2020 baseline may be adjusted (up or down) for potential equity changes in producing assets or developments achieving FID prior to 2021. We will not use asset divestments as a lever for achieving these targets.

This builds on our existing emissions reduction and offset programs, which have cumulatively avoided net emissions of more than 2.2 million tonnes of CO_2-e since 2008 (equity basis, from a total of 2.8 million tonnes, gross joint venture).

Woodside's plan to meet these targets has three components:

1. Avoiding emissions through the way we design our plants
2. Reducing emissions through the way we operate our plants
3. Offsetting emissions, by both originating and acquiring quality offsets.

Methane emissions

CO_2 is the largest source of Woodside's greenhouse gas emissions. Fugitive methane emissions are equivalent to less than 0.1% of our total hydrocarbon production volume. This is well below the Oil and Gas Climate Initiative benchmark of 0.2%. Woodside's conventional gas production has an intrinsically lower fugitive emission profile than unconventional gas production, such as from shale gas or coal seams.

As a signatory to the Methane Guiding Principles, we are committed to pursuing methane emissions reductions across the value chain. As part of our commitment to measure methane emissions from our operations, we participated in an independent study by UK-based National Physical Laboratory, to enable us to deliver targeted maintenance and changes to our operations. To pursue action across the value chain, we participated in a Methane Guiding Principles workshop hosted by the Beijing Gas Company at the 23rd China Gas and Heating Supply Conference.

Scope 3 emissions

The majority of the greenhouse gas emissions associated with Woodside's business are its Scope 3 emissions – in particular, those that arise when our customers combust the LNG product that we sell to them. Formal responsibility for emissions rests with the direct (Scope 1) emitter, which is an important principle fundamental to the Paris Agreement. As countries act to reduce these emissions, we recognise that this creates both risks and opportunities for energy demand. For example, the Governments in Woodside's major markets of Japan, China and Korea have all set 'net zero' targets for their Scope 1 emissions.

Woodside intends to continue pursuing the business opportunity of working with customers to help them achieve their emissions reduction and energy transition goals. In 2020 our SVP Climate initiated a dialogue with our major customers on this topic and Woodside will further enhance its approach to Scope 3 emissions during 2021.

Woodside's decarbonisation roadmap

DELIVERED	NEAR-TERM	MEDIUM-TERM	LONG-TERM
Over **2.2Mt** equity CO_2-e offset or avoided to date	**15%** below baseline by 2025	**30%** below baseline by 2030	Net **ZERO** aspiration by 2050 or sooner

RESERVES AND RESOURCES

Woodside delivered record Reserves production of 102 MMboe from strong asset performance.[18] Increased participating interest in the Sangomar Field Development contributed to a net increase of 41 MMboe Proved (1P) Undeveloped Reserves, 64 MMboe Proved plus Probable (2P) Undeveloped Reserves and 124 MMboe Best Estimate (2C) Contingent Resources in the Senegal region. The impairment of WA-404-P resulted in the reclassification of 123 MMboe Proved plus Probable (2P) Undeveloped Reserves to Best Estimate (2C) Contingent Resources. Re-assessment of the Liard upstream development concept resulted in a reduction of 290 MMboe Best Estimate (2C) Contingent Resource.

Table 1: Woodside's reserves[1,3,4,5] and contingent resources[2] overview* (Woodside share, as at 31 December 2020)

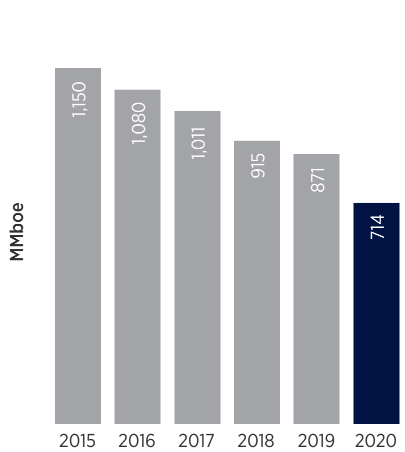
	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Proved[11] Developed[13] and Undeveloped[14]	3,118.3	51.1	116.3	714.5
Proved Developed	1,736.2	31.0	32.2	367.8
Proved Undeveloped	1,382.1	20.1	84.1	346.6
Proved plus Probable[12] Developed and Undeveloped	4,502.6	72.9	177.8	1,040.6
Proved plus Probable Developed	2,599.5	45.2	52.5	553.7
Proved plus Probable Undeveloped	1,903.1	27.7	125.3	486.9
Contingent Resources	31,113.5	231.4	234.9	5,924.8

*Small differences are due to rounding.

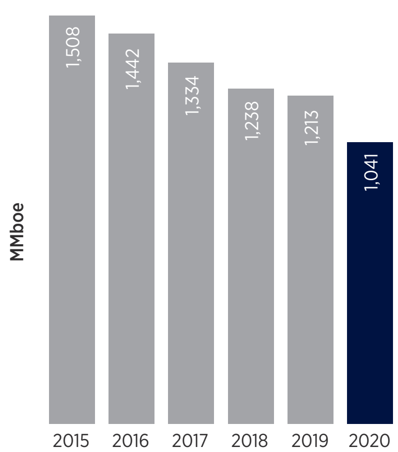
Table 2: Key metrics

		Proved	Proved plus Probable
2020 reserves replacement ratio[15]	%	-54	-69
Organic 2020 reserves replacement ratio[16]	%	-100	-138
Three-year reserves replacement ratio	%	-3	-2
Organic three-year reserves replacement ratio	%	-20	-26
Reserves life[17]	Years	7	10
Annual production[18]	MMboe	101.9	101.9
Net acquisitions and divestments	MMboe	47.2	70.4

1P Reserves



2P Reserves



2C Contingent Resources

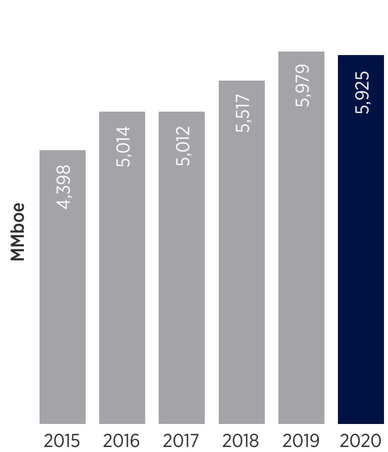


Table 3: Proved (1P) and Proved plus Probable (2P) Developed and Undeveloped Reserves annual reconciliation by product* (Woodside share, as at 31 December 2020)

	Dry gas[6] Bcf[8]		Condensate[7] MMbbl[9]		Oil MMbbl		Total MMboe[10]	
	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)
Reserves at 31 December 2019	4,078.2	5,646.5	71.5	100.0	83.8	122.4	870.8	1,213.0
Revision of Previous Estimates[19]	7.7	-5.6	2.1	0.9	1.5	1.0	5.0	1.0
Transfer to / from Reserves[20]	-499.3	-669.9	-12.6	-18.1	-6.5	-6.4	-106.7	-142.0
Extensions and Discoveries[21]	-	-	-	-	-	-	-	-
Acquisitions and Divestments[22]	-	-	-	-	47.2	70.4	47.2	70.4
Annual Production	-468.3	-468.3	-10.0	-10.0	-9.7	-9.7	-101.9	-101.9
Reserves at 31 December 2020	3,118.3	4,502.6	51.1	72.9	116.3	177.8	714.5	1,040.6

*Small differences are due to rounding.

Table 4: Best Estimate Contingent Resources (2C) annual reconciliation by product* (Woodside share, as at 31 December 2020)

	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Contingent Resources at 31 December 2019	32,134.8	212.6	129.0	5,979.3
Revision of Previous Estimates	-1,630.6	0.7	-	-285.4
Transfer to / from Reserves	672.3	18.2	6.3	142.4
Extensions and Discoveries	-	-	-	-
Acquisitions and Divestments	-63.0	-	99.6	88.5
Contingent Resources at 31 December 2020	31,113.5	231.4	234.9	5,924.8

*Small differences are due to rounding.

Table 5: Best Estimate Contingent Resources (2C) summary by region* (Woodside share, as at 31 December 2020)

Project	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Greater Browse[29]	4,257.8	119.4	-	866.4
Greater Sunrise[31]	1,716.8	75.6	-	376.7
Greater Pluto[24]	1,201.5	23.6	-	234.3
Greater Exmouth[26]	307.4	2.2	32.0	88.1
North West Shelf[25]	316.4	10.3	11.7	77.6
Wheatstone[27]	20.3	0.3	-	3.9
Canada[33]	13,368.5	-	-	2,345.3
Senegal[28]	192.5	-	191.2	224.9
Greater Scarborough[30]	9,108.5	-	-	1,598.0
Myanmar[32]	624.0	-	-	109.5
Total	31,113.5	231.4	234.9	5,924.8

*Small differences are due to rounding.

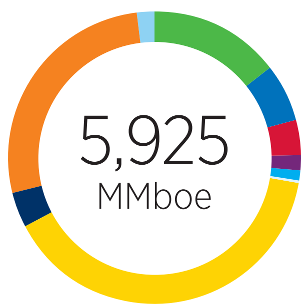
1P Reserves by region (Developed and Undeveloped)

	%		%
Greater Pluto	40	North West Shelf	23
Greater Exmouth	3	Wheatstone	22
Senegal	12		

2P Reserves by region (Developed and Undeveloped)

	%		%
Greater Pluto	42	North West Shelf	20
Greater Exmouth	4	Wheatstone	22
Senegal	12		

2C Contingent Resource by region



	%		%
Greater Browse	15	Greater Sunrise	6
Greater Pluto	4	Greater Exmouth	1
North West Shelf	1	Wheatstone	0
Canada	40	Senegal	4
Greater Scarborough	27	Myanmar	2

Table 6: Proved (1P) Developed and Undeveloped[23] Reserves by region*

	Dry gas Bcf			Condensate MMbbl			Oil MMbbl			Total MMboe		
	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total
Greater Pluto[24]	719.1	804.1	1,523.2	10.5	10.2	20.7	-	-	-	136.7	151.2	287.9
North West Shelf[25]	736.4	59.0	795.4	15.3	1.2	16.5	9.4	-	9.4	153.8	11.6	165.4
Greater Exmouth[26]	-	-	-	-	-	-	22.8	1.0	23.9	22.8	1.0	23.9
Wheatstone[27]	280.8	519.0	799.7	5.2	8.7	13.9	-	-	-	54.5	99.7	154.2
Senegal[28]	-	-	-	-	-	-	-	83.0	83.0	-	83.0	83.0
Reserves	1,736.2	1,382.1	3,118.3	31.0	20.1	51.1	32.2	84.1	116.3	367.8	346.6	714.5

*Small differences are due to rounding.

Table 7: Proved plus Probable (2P) Developed and Undeveloped[23] Reserves by region*

	Dry gas Bcf			Condensate MMbbl			Oil MMbbl			Total MMboe		
	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total
Greater Pluto	1,266.0	1,067.8	2,333.8	17.6	13.5	31.1	-	-	-	239.7	200.9	440.5
North West Shelf	893.8	79.8	973.6	18.7	1.7	20.4	11.4	-	11.4	186.9	15.7	202.6
Greater Exmouth	-	-	-	-	-	-	41.1	0.9	42.1	41.1	0.9	42.1
Wheatstone	439.7	755.5	1,195.2	8.9	12.5	21.4	-	-	-	86.0	145.1	231.1
Senegal	-	-	-	-	-	-	-	124.4	124.4	-	124.4	124.4
Reserves	2,599.5	1,903.1	4,502.6	45.2	27.7	72.9	52.5	125.3	177.8	553.7	486.9	1,040.6

*Small differences are due to rounding.

Governance and Assurance

Woodside as an Australian company listed on the Australian Securities Exchange, reports its petroleum resource estimates using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS).

Woodside has several processes to provide assurance for reserves reporting, including the Woodside Reserves Policy, Petroleum Resources Management Procedure, Petroleum Resource Management Guideline, staff training and minimum competency levels, and external reserves audits. 97% of Woodside's Proved Reserves have been externally verified by independent review over the past four years.

Unless otherwise stated, all petroleum resource estimates are quoted as net Woodside share at standard oilfield conditions of 14.696 pounds per square inch (psi) (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).

Qualified Petroleum Reserves and Resource Evaluator Statement

The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared under the supervision of Jason Greenwald, 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 Greenwald's qualifications include a Bachelor of Science (Chemical Engineering) from Rice University, Houston, Texas, and more than 20 years of relevant experience.

The Reserves and Resource Statement as a whole has been approved by Ian Sylvester, Woodside's Vice President Corporate Reserves, 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.

Notes to the Reserves and Resource Statement

1. 'Reserves' are estimated quantities of petroleum that have been demonstrated to be producible from known accumulations in which the company has a material interest from a given date forward, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs.
2. 'Contingent resources' are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Woodside reports contingent resources net of the fuel and flare required for production, processing and transportation up to a reference point and non-hydrocarbons not present in sales products. Contingent resources estimates may not always mature to reserves and do not necessarily represent future reserves bookings. Contingent resource volumes are reported at the 'Best Estimate' (P50) confidence level.
3. Assessment of the economic value of the project, in support of a reserves classification, uses Woodside Portfolio Economic Assumptions (PEAs). The PEAs are reviewed on an annual basis or more often if required. The review is based on historical data and forecast estimates for economic variables such as product prices and exchange rates. The PEAs are approved by the Woodside Board. Specific contractual arrangements for individual projects are also taken into account.
4. 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. Probabilistic aggregation at field and project level is more appropriate than arithmetic summation as inter-field dependencies reflecting different reservoir characteristics between fields are incorporated.
5. Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects, the reference point is defined as the outlet of the Floating Production Storage and Offloading facility (FPSO), while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility. Downstream fuel and flare represent 9.9% of Woodside's Proved (Developed and Undeveloped) reserves, and 9.9% of Proved plus Probable (Developed and Undeveloped) reserves.
6. 'Dry gas' is defined as 'C4 minus' petroleum components including non-hydrocarbons. These volumes include LPG (propane and butane) resources. Dry gas reserves and contingent resources include 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product.
7. 'Condensate' is defined as 'C5 plus' petroleum components.
8. 'Bcf' means Billions (10^9) of cubic feet of gas at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).
9. 'MMbbl' means millions (10^6) of barrels of oil and condensate at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).
10. '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.
11. 'Proved reserves' are those reserves which analysis of geological and engineering data suggests, to a high degree of confidence that the quantities are recoverable. Where probabilistic methods are used, there is at least a 90% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved (1P) reserves.
12. 'Probable reserves' are those reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. Proved plus Probable reserves represent the best estimate of recoverable quantities. Where probabilistic methods are used, there is at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable (2P) reserves.
13. 'Developed reserves' are those reserves that are producible through currently existing completions and installed facilities for treatment, compression, transportation and delivery, using existing operating methods and standards.
14. 'Undeveloped reserves' are those reserves for which wells and facilities have not been installed or executed but are expected to be recovered through future investments.
15. The 'reserves replacement ratio' is the reserves (Developed and Undeveloped) change during the year, before the deduction of production, divided by production during the year. The 'three-year reserves replacement ratio' is the reserves (Developed and Undeveloped) change over three years, before the deduction of production for that period, divided by production during the same period.
16. The 'organic annual reserves replacement ratio' is the reserves (Developed and Undeveloped) change during the year, before the deduction of production and adjustment for acquisition and divestments, divided by production during the year.
17. The 'reserves life' is the reserves (Developed and Undeveloped) divided by production during the year.
18. 'Annual production' is the volume of dry gas, condensate and oil produced during the year and converted to 'MMboe' for the specific purpose of reserves reconciliation and the calculation of reserves replacement ratios. The 'Reserves and Resources Statement' annual production differs from production volumes reported in the company's annual and quarterly reports due to differences between the sales and reserves product definitions, differences between the Woodside equity share of NWS Domestic gas production and independently marketed pipeline gas sales, reserves being reported gross of downstream fuel and flare and the 'MMboe' conversion factors applied.
19. 'Revision of Previous Estimates' are revisions (either upward or downward) in previous estimates of reserves or contingent resources, which are a result from new information normally obtained from development drilling, field re-interpretation, production performance, or are the result of a change in economic factors including any change in Woodside net revenue interest not arising from acquisition or divestment. This change category is associated with absolute changes to the resource estimates associated with the affected reference projects but excludes re-classification changes.
20. 'Transfer to / from Reserves' are revisions that represent changes (either upward or downward) in previous estimates of reserves or contingent resources, which are a result of re-classification of resource estimates (i.e. from reserves to contingent resources or vice versa) associated with one or more reference project(s).
21. 'Extensions and Discoveries' represent additions to reserves or contingent resources that result from increased areal extensions of previously discovered fields demonstrated to exist subsequent to the original discovery and/or discovery of reserves or contingent resource in new fields or new reservoirs in old fields.
22. 'Acquisitions and Divestments' represent changes to resource entitlement (either upward or downward) that result from either purchase or sale of interests and/or execution of contracts conveying entitlement.
23. Material concentrations of undeveloped reserves in the North West Shelf, Greater Pluto and Wheatstone region(s) have remained undeveloped for longer than 5 years from the dates they were initially reported as the incremental reserves are expected to be recovered through future developments to meet long-term contractual commitments. The incremental projects are included in the company business plan, demonstrating the intent to proceed with the developments.
24. The 'Greater Pluto' region comprises the Pluto-Xena, Pyxis, Larsen, Martell, Martin, Noblige and Remy fields.
25. The 'North West Shelf' (NWS) region includes all oil and gas fields within the North West Shelf Project Area.
26. The 'Greater Exmouth' region comprises Vincent, Enfield, Greater Enfield, Greater Laverda, Ragnar and Toro fields.
27. The 'Wheatstone' region comprises the Julimar and Brunello fields.
28. The 'Senegal' region comprises the Sangomar field. The Developed and Undeveloped reserves comprise of oil estimates. The Best Estimate (2C) Contingent resources include gas and oil estimates.
29. The 'Greater Browse' region comprises the Brecknock, Calliance and Torosa fields.
30. The 'Greater Scarborough' region comprises the Jupiter, Scarborough and Thebe fields.
31. The 'Greater Sunrise' region comprises the Sunrise and Troubadour fields.
32. The 'Myanmar' region comprises the fields within the A-6 development.
33. The 'Canada' region comprises unconventional resources in the Liard Basin.

WOODSIDE BOARD OF DIRECTORS

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Frank Cooper, AO

Swee Chen Goh

Christopher Haynes, OBE

Ian Macfarlane

Ann Pickard

Sarah Ryan

Gene Tilbrook

Richard Goyder, AO

BCom, FAICD

Chairman: Chairman since April 2018

Term of office: Director since August 2017

Independent: Yes

Experience: 24 years with Wesfarmers Limited, including Managing Director and CEO from 2005 to late 2017. Chairman of the Australian B20 (the key business advisory body to the international economic forum which includes business leaders from all G20 economies) from February 2013 to December 2014.

Committee membership: Chair of the Nominations & Governance Committee. Attends other Board committee meetings.

Current directorships/other interests:

Chairman: Qantas Airways Limited, Australian Football League Commission, Channel 7 Telethon Trust, JDRF Australia and WA Symphony Orchestra.

Member: Evans and Partners Investment Committee.

Directorships of other listed entities within the past three years: Nil.

Peter Coleman

BEng, MBA, FTSE, MAICD, D.Eng (Hon), D.Law (Hon)

CEO and Managing Director

Term of office: Director since May 2011

Independent: No

Experience: 37 years in the global oil and gas business, including 27 years' experience with the ExxonMobil group. Appointed an Adjunct Professor in Corporate Strategy by the University of Western Australia in 2012. Recipient of an Alumni Lifetime Achievement Award from Monash University and a Fellowship from the Australian Academy of Technological Sciences and Engineering.

Committee membership: Attends Board committee meetings.

Current directorships/other interests:

Chair: Australia–Korea Foundation (since 2014).

Director: Business Council of Australia (since 2017).

Member: Executive Committee of the Australia Japan Business Co-operation Council (since 2011) and Australian Institute of Company Directors (since 2011).

Adviser: Monash Industry Council.

Directorships of other listed entities within the past three years: Nil

Larry Archibald

BSc (Geosciences), BA (Geology), MBA

Term of office: Director since February 2017

Independent: Yes

Experience: Former ConocoPhillips company executive (2008 to 2015), spending eight years in senior positions including Senior Vice President, Business Development and Exploration, and Senior Vice President, Exploration. Prior to this, spent 29 years at Amoco (1980 to 1998) and BP (1998 to 2008) in various positions including leadership of exploration programs covering many world regions.

Committee membership: Audit & Risk, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Chair: University of Arizona Geosciences Advisory Board.

Directorships of other listed entities within the past three years: Nil

Frank Cooper, AO

BCom, FCA, FAICD

Term of office: Director since February 2013

Independent: Yes

Experience: More than 35 years' experience in corporate tax, specialising in the mining, energy and utilities sector, including senior leadership roles at three of the largest accounting firms and director of a leading Australian utility company.

Committee membership: Chair of the Audit & Risk Committee. Member of the Human Resources & Compensation and Nominations & Governance Committees.

Current directorships/other interests:

Chair: Insurance Commission of Western Australia.

Director: St John of God Australia Limited (since 2015) and South32 Limited (since 2015).

Member: Pro-Chancellor of Senate of the University of Western Australia and member of ASIC Corporate Governance Consultative Panel.

President: Western Australia division of the Australian Institute of Company Directors.

Trustee: St John of God Health Care (since 2015).

Directorships of other listed entities within the past three years: Nil

Swee Chen Goh

BSc (Information Science), MBA

Term of office: Director since January 2020

Independent: Yes

Experience: Joined Shell in 2003 and retired as Chairperson of the Shell companies in Singapore in January 2019. Served on the boards of a number of Shell joint ventures in China, Korea and Saudi Arabia and has extensive board and governance experience. Prior to joining Shell, worked at Procter & Gamble and IBM. Gained significant experience in a diverse range of industries, including oil and gas, consumer goods and IT.

Committee membership: Member of the Human Resources & Compensation, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Chair: Singapore Institute for Human Resource Professionals (since 2016) and the National Arts Council Singapore (since 2019).

Director: Singapore Airlines Ltd (since 2019), Singapore Power Ltd (since 2019), CapitaLand Ltd (since 2017) and The Centre for Liveable Cities (since 2021).

Member: Singapore Legal Services Commission.

President: Global Compact Network Singapore.

Trustee: Nanyang Technological University.

Directorships of other listed entities within the past three years: Nil

Christopher Haynes, OBE

BSc, DPhil, FREng, CEng, FIMechE, FIEAust

Term of office: Director since June 2011

Independent: Yes

Experience: A 38-year career with Shell including as Executive Vice President, Upstream Major Projects within Shell's Projects and Technology business, General Manager of Shell's operations in Syria and a secondment as Managing Director of Nigeria LNG Ltd. From 1999 to 2002, seconded to Woodside as General Manager of the North West Shelf Venture. Retired from Shell in 2011.

Committee membership: Member of the Audit & Risk, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Director: Worley Limited (since 2012).

Directorships of other listed entities within the past three years: Nil

Ian Macfarlane

Former Australian Federal Minister (Resources; Energy; Industry and Innovation), FAICD

Term of office: Director since 2016

Independent: Yes

Experience: Australia's longest-serving Federal Resources and Energy Minister and the Coalition's longest-serving Federal Industry and Innovation Minister with over 14 years of experience in both Cabinet and shadow ministerial positions. Before entering politics, Mr Macfarlane's experience included agriculture, and being President of the Queensland Graingrowers Association (1991 to 1998) and the Grains Council of Australia (1994 to 1996).

Committee membership: Member of the Human Resources & Compensation, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Chief Executive: Queensland Resources Council (since 2016).

Chair: Innovative Manufacturing Co-operative Research Centre.

Director: METS Ignited (since 2020).

Member: Toowoomba Community Advisory Committee of the University of Queensland Rural Clinical School.

Directorships of other listed entities within the past three years: Nil

Ann Pickard

BA, MA

Term of office: Director since February 2016

Independent: Yes

Experience: Retired from Shell in 2016 after a 15-year tenure holding numerous positions, including Executive Vice President Arctic, Executive Vice President Exploration and Production, Country Chair of Shell in Australia, and Executive Vice President Africa. Previously had an 11-year tenure with Mobil prior to its merger with Exxon.

Committee membership: Chair of the Sustainability Committee. Member of the Human Resources & Compensation and Nominations & Governance Committees.

Current directorships/other interests:

Director: KBR Inc. (since 2015) and Noble Corporation plc (since 2021).

Member: Chief Executive Women and University of Wyoming Foundation Board.

Directorships of other listed entities within the past three years: Nil

Sarah Ryan

BSc (Geology), BSc (Geophysics) (Hons 1), PhD (Petroleum and Geophysics), FTSE

Term of office: Director since 2012

Independent: Yes

Experience: More than 30 years' experience in the oil and gas industry in various technical, operational and senior management positions, including 15 years with Schlumberger Ltd. From 2007 to 2017 was an equity analyst, portfolio manager and energy advisor for Earnest Partners.

Committee membership: Member of the Audit & Risk, Sustainability and Nominations & Governance Committees.

Current directorships/other interests:

Director: Akastor ASA (since 2014), Aurizon Holdings (since 2019), MPC Kinetic Pty Ltd (since 2016) and Viva Energy Group Ltd (since 2018).

Member: Chief Executive Women (since 2016), ASIC Corporate Governance Consultative Panel (since 2019) and Board of the Future Battery Industries Co-operative Research Centre (since 2020).

Directorships of other listed entities within the past three years: Central Petroleum Limited (2017 to 2018).

Gene Tilbrook

BSc, MBA, FAICD

Term of office: Director since 2014

Independent: Yes

Experience: Broad experience in corporate strategy, investment and finance. Senior executive of Wesfarmers Limited between 1985 and 2009, including roles as Executive Director Finance and Executive Director Business Development.

Committee membership: Chair of the Human Resources & Compensation Committee. Member of the Audit & Risk and Nominations & Governance Committees.

Current directorships/other interests:

Director: Orica Limited (since 2013) and the Bell Shakespeare Company.

Member: Western Australia division of the Australian Institute of Company Directors (since 2013).

Directorships of other listed entities within the past three years: GPT Group Limited (2010-2021).

CORPORATE GOVERNANCE

We believe high standards of governance and transparency are essential.

Corporate governance at Woodside

Woodside is committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect. We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

Woodside's Compass is core to our governance framework. It sets out our mission, vision and strategic direction and core values of integrity, respect, working sustainably, working together, discipline and excellence. The Compass is the overarching guide for everyone who works for Woodside. Our values define what is important to us in the way we work.

Refer to Woodside's website for more information.

Our corporate governance model is illustrated below. The Woodside Management System (WMS) describes the Woodside way of working, enabling Woodside to understand and manage its business to achieve its objectives. It defines the boundaries within which our employees and contractors are expected to work. The WMS establishes a common approach to how we operate, wherever the location.

Woodside follows the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition) (ASXCGC Recommendations). Throughout the year, Woodside complied with all the ASXCGC Recommendations.

Our Corporate Governance Statement reports on Woodside's key governance principles and practices.

These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and developments in corporate governance.

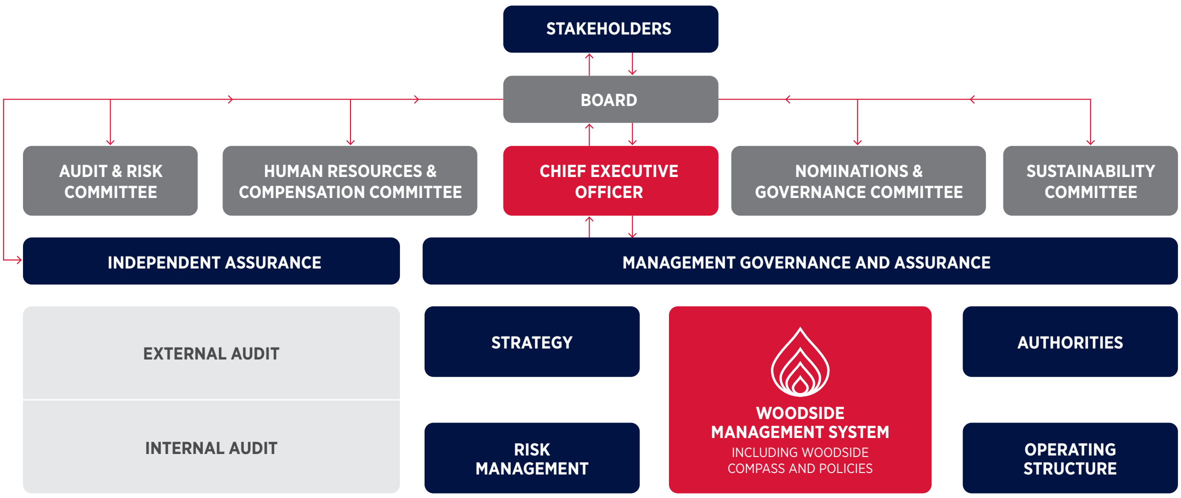
The Corporate Governance Statement discusses arrangements in relation to our Board of Directors, committees of the Board, shareholders, risk management and internal control, the external auditor relationship, and inclusion and diversity.

The Chairman of the Board, Mr Richard Goyder, is an independent, non-executive director and a resident Australian citizen. The Chairman of the Board is responsible for leadership and effective performance of the Board. The Chairman's responsibilities are set out in more detail in the Board Charter.

Mr Goyder is also Chairman of Qantas Airways Limited. The Board considers that neither his chairmanship of Qantas Airways Limited, nor any of his other commitments listed on page 53, interfere with the discharge of his duties to Woodside. The Board has arrangements in place to ensure ongoing leadership if unforeseen circumstances mean Mr Goyder is not available. Mr Goyder's office is located in Woodside's headquarters in Perth, Western Australia. The Board is satisfied that Mr Goyder commits the time necessary to discharge his role effectively.

Our website contains copies of Board and committee charters and copies of many of the policies and documents mentioned in the Corporate Governance Statement. The website is updated regularly to ensure that it reflects Woodside's most current corporate governance information.

Refer to Woodside's Corporate Governance Statement for more information (www.woodside.com.au).



DIRECTORS' REPORT

The directors of Woodside Petroleum Ltd present their report (including the Remuneration Report) together with the Financial Statements of the consolidated entity, being Woodside Petroleum Ltd and its controlled entities, for the year ended 31 December 2020.

Directors

The directors of Woodside Petroleum Ltd in office at any time during or since the end of the 2020 financial year and information on the directors (including qualifications and experience and directorships of listed companies held by the directors at any time in the last three years) are set out on pages 53-55.

The number of directors' meetings held (including meetings of committees of the Board) and the number of meetings attended by each of the directors of Woodside Petroleum Ltd during the financial year are shown in Table 3 on page 15 of the Corporate Governance Statement. For all Board meetings held in 2020, all directors were present (in person or by virtual means).

Details of director and senior executive remuneration are set out in the Remuneration Report.

The particulars of directors' interests in shares of the company as at the date of this report are set out on page 58.

Principal activities

The principal activities and operations of the Group during the financial year were hydrocarbon exploration, evaluation, development, production and marketing.

Other than as previously referred to in the Annual Report, there were no other significant changes in the nature of the activities of the consolidated entity during the year.

Consolidated results

The consolidated operating loss attributable to the company's shareholders after provision for income tax was $4,028 million (profit of $343 million in 2019).

Review of operations

A review of the operations of the Woodside Group during the financial year and the results of those operations are set out on pages 4-51.

Significant changes in the state of affairs

The review of operations (pages 4-51) sets out a number of matters that have had a significant effect on the state of affairs of the consolidated entity.

Other than those matters, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Events subsequent to end of financial year

Since the reporting date, the directors have declared a fully franked dividend. More information is available in the 'Dividend' section below. No provision has been made for this dividend in the financial report as the dividend was not declared or determined by the directors on or before the end of the financial year.

Dividend

The directors have declared a final dividend in respect of the year ended 31 December 2020 of 12 cents per ordinary share (fully franked) payable on 24 March 2021.

Type	2020 final	2020 interim	2019 final
Payment date	24 March 2021	18 September 2020	20 March 2020
Period ends	31 December 2020	30 June 2020	31 December 2019
Cents per share	12	26	55
Value $ millions	115	248	518
Fully franked	✓	✓	✓

The full-year 2020 dividend was 38 cents per share.

Likely developments and expected results

In general terms, the review of operations of the Group gives an indication of likely developments and the expected results of the operations. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the Group.

Environmental compliance

Woodside is subject to a range of environmental legislation in Australia and other countries in which it operates.

Details of Woodside's environmental performance are provided on page 28 of the Sustainable Development Report.

Through its Health, Safety, Environment and Quality Policy, Woodside plans and performs activities so that adverse effects on the environment are avoided or kept as low as reasonably practicable.

Company Secretaries

The following individuals have acted as Company Secretary during 2020:

Andrew Cox

BA (Hons), LLB, MA

Vice President Legal and General Counsel, and Joint Company Secretary

Mr Cox joined Woodside in 2004 and was appointed to the role of Vice President Legal in January 2015. He was appointed Vice President Legal and General Counsel and Joint Company Secretary on 1 June 2017.

Warren Baillie

LLB, BCom, Grad. Dip. CSP

Company Secretary

Mr Baillie joined Woodside in 2005 and was appointed Company Secretary effective 1 February 2012. Mr Baillie is a solicitor and chartered secretary. He is a former President of the board of the Governance Institute of Australia.

Indemnification and insurance of directors and officers

The company's constitution requires the company to indemnify each director, secretary, executive officer or employee of the company or its wholly owned subsidiaries against liabilities (to the extent the company is not precluded by law from doing so) incurred in or arising out of the conduct of the business of the company or the discharge of the duties of any such person. The company has entered into deeds of indemnity with each of its directors, secretaries, certain senior executives, and employees serving as officers on wholly owned or partly owned companies of Woodside in terms of the indemnity provided under the company's constitution.

From time to time, Woodside engages its external auditor, Ernst & Young, to conduct non-statutory audit work and provide other services in accordance with Woodside's External Auditor Guidance Policy. The terms of engagement include an indemnity in favour of Ernst & Young:

- against all losses, claims, costs, expenses, actions, demands, damages, liabilities or any proceedings (liabilities) incurred by Ernst & Young in respect of third-party claims arising from a breach by the Group under the engagement terms; and
- for all liabilities Ernst & Young has to the Group or any third-party as a result of reliance on information provided by the Group that is false, misleading or incomplete.

The company has paid a premium under a contract insuring each director, officer, secretary and employee who is concerned with the management of the company or its subsidiaries against liability incurred in that capacity. Disclosure of the nature of the liability covered by and the amount of the premium payable for such insurance is subject to a confidentiality clause under the contract of insurance. The company has not provided any insurance for the external auditor of the company or a body corporate related to the external auditor.

Non-audit services and auditor independence declaration

Details of the amounts paid or payable to the external auditor of the company, Ernst & Young, for audit and non-audit services provided during the year are disclosed in note E.4 to the Financial Statements.

Based on advice provided by the Audit & Risk Committee, the directors are satisfied that the provision of non-audit services by the external auditor during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services were provided in accordance with Woodside's External Auditor Policy and External Auditor Guidance Policy; and
- all non-audit services were subject to the corporate governance processes adopted by the company and have been reviewed by the Audit & Risk Committee to ensure that they do not affect the integrity or objectivity of the auditor.

Further information on Woodside's policy in relation to the provision of non-audit services by the auditor is set out in section 7 of the Corporate Governance Statement.

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on this page and forms part of this report.

Proceedings on behalf of the company

No proceedings have been brought on behalf of the company, nor has any application been made in respect of the company, under section 237 of the *Corporations Act 2001*.

Rounding of amounts

The amounts contained in this report have been rounded to the nearest million dollars under the option available to the company under Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

Directors' relevant interests in Woodside shares as at the date of this report

Director	Relevant interest in shares
L Archibald	8,249
P Coleman	530,985[1]
F Cooper	11,541
S C Goh	5,089
R Goyder	23,634
C Haynes	12,734
I Macfarlane	7,841
A Pickard	10,196
S Ryan	10,247
G Tilbrook	7,949

1. Mr Coleman also holds Variable Pay Rights and Performance Rights under his CEO incentive arrangements, details of which are set out in the Remuneration Report in Table 13 on page 78 and Table 15 on page 81.

Signed in accordance with a resolution of the directors.

R J Goyder, AO
Chairman
Perth, Western Australia
18 February 2021

P J Coleman
Chief Executive Officer and Managing Director
Perth, Western Australia
18 February 2021

Auditor's independence declaration to the Directors of Woodside Petroleum Ltd

As lead auditor for the audit of the financial report of Woodside Petroleum Ltd for the financial year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Woodside Petroleum Ltd and the entities it controlled during the financial year.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth, Western Australia
18 February 2021

Liability limited by a scheme approved under Professional Standards Legislation

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REMUNERATION REPORT

Woodside

Woodside Petroleum Ltd
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woodside.com.au

18 February 2021

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 31 December 2020.

2020 was a challenging year with the impact of the COVID-19 pandemic and the significant decline in oil and gas prices.

The Board was proud of the leadership and collaboration shown by our employees through the COVID-19 pandemic in ensuring the safety of our employees and continued performance of our assets.

Response to shareholder feedback

The Executive Incentive Scheme (EIS) is in its third year of operation. Given the significant votes against the Remuneration Report at the 2020 AGM, the Board has undertaken a comprehensive review of our incentive arrangements. We appreciated the opportunity to engage with our investors in March and November 2020. Through this engagement, it was clear that there was support for the structure and the principles of an annual performance-based award which is distributed largely through equity rights. However, we acknowledge the feedback that we should continue to improve our disclosures and consider the impact of our financial performance in strengthening the connection between corporate performance, executive reward and shareholder outcomes. In response to this, we have enhanced the detail of corporate and Executive KMP performance outcomes (pages 70 and 71) and introduced a take home pay table (pages 69 and 71) to better articulate actual executive pay outcomes. The longer-term (3-5 years) award of equity rights aligns with our investment timeframes and there have been no changes to this component of the EIS framework.

In 2021, we will be making further changes which are outlined in this letter and detailed in the report (page 63). We will continue to review the EIS to ensure it aligns the interest of Executives and investors.

Corporate performance

The 2020 Corporate Scorecard was based on four equally weighted measures that impacted short- and long-term shareholder value. In June 2020 the Board endorsed Woodside's revised 2020 business priorities which were adjusted to reset key focus areas for the organisation, stabilising the business whilst building a platform to enable Woodside to compete effectively as we transition out of the impact of COVID-19. Despite the ongoing challenges, we delivered record production of 100.3 MMboe and best-ever safety result. However, our Net Profit After Tax (NPAT) result was significantly below target due to lower oil and gas prices and impairments announced in July 2020; and we did not deliver all that we set out to achieve on our business priorities.

Our overall Corporate Scorecard was below target at 3.5 out of 10.

2020 remuneration outcomes

The challenges faced in 2020 have resulted in a significant negative impact on our financial outcomes and delayed major growth projects. As a result, the Board has excercised its discretion to reduce the variable incentive awarded to the CEO. The award has been reduced to 50% of target award and will be satisfied in Performance Rights only, subject to a three-year deferral period with a Relative Total Shareholder Return (RTSR) test after three years. The CEO equity award will be presented for shareholder approval at the 2021 AGM.

Furthermore, the Board has exercised its discretion and reduced the EIS award by 30% for all other executives, resulting in below target outcomes for Executive KMP.

In summary, the 2020 remuneration outcomes include:

- No fixed remuneration increase for the CEO
- CEO EIS award of 50% of target (33.3% of maximum opportunity), allocated in Performance Rights subject to a RTSR test after three years.
- Reduced the EIS award by 30% resulting in Executive KMP awards ranging from 37.2% to 41.6% of maximum opportunity.
- No cash award to Executives.
- The 2014 and 2015 awards under the prior Executive Incentive Plan (EIP), were tested against their respective RTSR hurdles. This was the second test for the 2014 award which resulted in 13.3% vesting and the remaining 33% lapsing. This was the first test for the 2015 award and resulted in 38.3% vesting.
- No fee increases for the Non-executive directors.

2021 remuneration changes

In 2021 we will increase the impact of financial measures on overall corporate performance and executive reward. We will be changing our Corporate Scorecard from four to five equally weighted metrics. We will introduce two new financial metrics in place of NPAT - Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) and Operating Expenditure. The new financial metrics selected have a stronger alignment with shareholder experience. The five metrics and scorecard weightings will be:

- Operating Expenditure – 20%
- EBITDA – 20%
- Production – 20%
- Material Sustainability Issues – 20%
- Delivery against Business Priorities – 20%

From 2021, the EIS Award outcomes will be determined by a 70% corporate performance weighting and a 30% individual performance weighting.

We look forward to our ongoing engagement with you and sharing in Woodside's future success.

Yours sincerely

Gene Tilbrook
Chair of Human Resources & Compensation Committee

Remuneration Report (audited)

KMP and summary of Woodside's five-year performance

Woodside's key management personnel (KMP)

This report outlines the remuneration arrangements in place and outcomes achieved for Woodside's KMP during 2020.

Woodside's KMP are the people who have the authority to shape and influence the Group's strategic direction and performance through their actions, either collectively (in the case of the Board) or as individuals acting under delegated authorities (in the case of the CEO and Senior Executives).

The names and positions of the individuals who were KMP during 2020 are set out in Tables 1a and 1b.

Table 1a - Executive KMP

Executive Director
Peter Coleman (Chief Executive Officer and Managing Director (CEO))
Senior Executives
Sherry Duhe (Executive Vice President and Chief Financial Officer)
Shaun Gregory (Executive Vice President Sustainability and Chief Technology Officer)
Fiona Hick (Senior Vice President Operations)[1]
Meg O'Neill (Executive Vice President Development and Marketing)[2]
Michael Abbott (Senior Vice President Corporate and Legal)[3]
Reinhardt Matisons (Executive Vice President Marketing, Trading and Shipping)[4]

1. Ms Fiona Hick commenced as an Executive KMP on 1 July 2020.
2. Ms Meg O'Neill's title changed from Executive Vice President Development to Executive Vice President Development and Marketing on 1 August 2020.
3. Mr Michael Abbott ceased being an Executive KMP on 31 July 2020.
4. Mr Reinhart Matisons ceased being an Executive KMP on 31 July 2020.

Table 1b - Non-executive directors KMP

Richard Goyder, AO (Chairman)
Larry Archibald
Frank Cooper, AO
Swee Chen Goh
Christopher Haynes, OBE
Ian Macfarlane
Ann Pickard
Sarah Ryan
Gene Tilbrook

Table 2 – Five-year performance

The table below outlines Woodside's performance over the last five years against key metrics.

		2020	2019	2018	2017[2]	2016
Net profit after tax (NPAT)[1]	(US$ million)	(4,028)	343	1,364	1,069	868
Earnings per share[3]	(US cents)	(424)	37	148	123	104
Dividends per share	(US cents)	38	91	144	98	83
Share closing price (last trading day of the year)	(A$)	22.74	34.38	31.32	33.08	31.16[4]
Production	(MMboe)	100.3	89.6	91.4	84.4	94.9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(US$ million)	1,922	3,531	3,814	2,918	2,734
Average annual dated Brent	(US$/boe)	42	64	71	54	45

1. Represents NPAT attributable to equity holders of the parent with further details presented in the Financial Statements on pages 83-129.
2. 2017 NPAT has been restated for the retrospective application of AASB 15 *Revenue from Contracts with Customers* (AASB 15), and earnings per share has been restated for the retrospective application of AASB 15 and the Retail Entitlement Offer.
3. Basic and diluted earnings per share from total operations.
4. Share closing price (last trading day) for 2015 was $28.72.

Remuneration Policy

Woodside aims to deliver affordable energy solutions and superior outcomes to stakeholders. To do so, the company must be able to attract and retain executive capability in a globally competitive market. The Board structures remuneration so that it rewards those who perform, is valued by Executives, and is strongly aligned with the company's Compass, strategic direction and the creation of value for all stakeholders through efficient and safe operations and the development of new, value-creating projects.

Fixed Annual Reward (FAR) is determined having regard to the scope of the Executive's role and their level of knowledge, skills and experience.

Variable Annual Reward (VAR) at target is structured to reward the Executives for achieving challenging yet realistic targets set by the Board which deliver short-term and long-term growth for the company. VAR aligns shareholder and executive remuneration outcomes by ensuring a significant portion of executive remuneration is at risk, while rewarding performance.

Executive remuneration is reviewed annually, having regard to the accountabilities, experience and performance of the individual. FAR and VAR are compared against domestic and international competitors at target, to maintain Woodside's competitive advantage in attracting and retaining talent and to ensure appropriate motivation is provided to Executives to deliver on the company's strategic objectives.

2021 remuneration changes

Following feedback from our investors, we will be implementing changes to our Corporate Scorecard and the weighting of individual and corporate performance which determine executive remuneration. The purpose of this change is to strengthen the connection between corporate performance, executive reward and shareholder experience.

An Executive's award will be based on their individual performance against KPIs and the company's performance against the Corporate Scorecard. Individual performance measures will be designed to ensure Executives focus on driving Woodside's culture and the values and behaviours that underpin our success whilst executing Woodside's strategic imperatives.

Individual performance will be weighted at 30% and the corporate performance will be weighted at 70% to determine an Executive's final performance outcome and reward.

Individual performance

Individual performance will be assessed by the Board in the case of the CEO, and by the CEO and the Human Resources & Compensation Committee (HRCC) in the case of Senior Executives.

Corporate Scorecard

In 2021, the overall weighting of the financial metrics will increase from 25% (based on NPAT) to 40% (EBITDA and Operating Expenditure).

The 2021 Corporate Scorecard for Executive KMP will be based on five equally weighted measures that have been chosen because they impact short- and long-term shareholder value. The Corporate Scorecard is the same for all employees to enable Executives to drive performance at all levels of the organisation.

CORPORATE SCORECARD

Operating Expenditure	EBITDA	Production	Material Sustainability Issues	Deliver Business Priorities
Operating Expenditure demonstrates our unwavering focus on efficient operations, cost competitiveness and maximising shareholder returns.	EBITDA is a primary driver of near-term profitability and is influenced by both management performance and commodity prices.	Revenue is maximised and value generated from our assets when they are fully utilised in production.	Material sustainability issues including personal and process safety, environment, emissions reductions, and our social licence to operate.	Business priorities enables our whole organisation to focus on the key objectives that support the delivery of long-term shareholder value.
20%	20%	20%	20%	20%

We will continue to review the EIS to ensure it aligns the interest of Executives and investors.

Executive Incentive Scheme (EIS)

The EIS was introduced in 2018. The scheme remunerates Executives for delivering results against measurable criteria aimed at safe, efficient operations; delivery of new projects and an effective financial structure. The EIS has been designed to deliver three key objectives:

Executive engagement

Enable Woodside to attract and retain executive capability in a globally competitive environment by providing Executives with a simple remuneration structure and clear line of sight to how performance is reflected in remuneration outcomes.

Alignment with the shareholder experience

87.5% of the award is delivered as equity in a combination of Restricted Shares or Performance Rights. The Performance Rights are relative total shareholder return (RTSR) tested against comparator groups, after five years.

Strategic fit

60% of the award has a five-year deferral period, which reflects Woodside's strategic time horizons to drive Executives to deliver our strategic objectives with discipline and collaboration; in turn creating shareholder value.

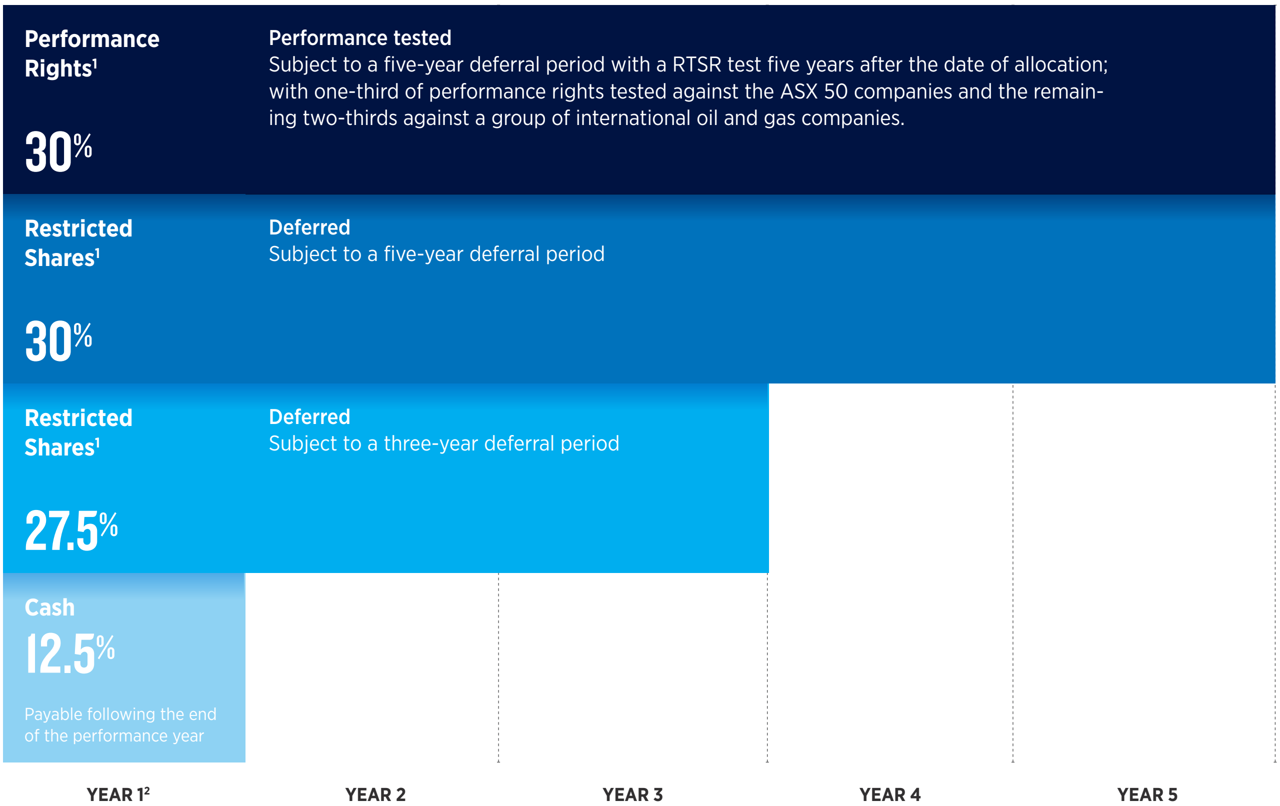
The scheme delivers an award to Executives which is linked to annual individual and corporate performance, designed to be simple and transparent. Awards under the EIS are based on performance against the Corporate Scorecard and individual KPIs set for the 2020 performance year.

The Board has strong oversight and governance to ensure that appropriate and challenging targets are set to create a clear link between performance and reward. The Board has an overriding discretion which it can and does exercise to adjust outcomes in line with shareholder experience and company or management performance.

Variable annual reward (VAR)

The VAR is subject to performance against individual and corporate performance in the initial 12-month period and is determined at the conclusion of the performance year. It is delivered in the form of cash, Restricted Shares and Performance Rights.

Whilst this is the structure for EIS, for the 2020 performance year the Board applied discretion as described on pages 68 and 69.



1. Allocated using a face value methodology.
2. Award allocated after completion of 12 month performance period.

Executive KMP remuneration structure

Woodside's remuneration structure for the CEO and Senior Executives is comprised of two components; Fixed and Variable Annual Reward.

Fixed Annual Reward

- Based upon the scope of the executive's role and their individual level of knowledge, skill and experience.
- Benchmarked for competitiveness against domestic and international peers to enable the company to attract and retain superior executive capability.

Variable Annual Reward

- Executives are eligible to receive a single variable reward linked to challenging individual and company annual targets set by the Board.
- 12.5% of the variable reward is paid in cash.
- 27.5% is allocated in Restricted Shares, subject to a three-year deferral period.
- 30% is allocated in Restricted Shares, subject to a five-year deferral period.
- 30% is allocated in Performance Rights which are subject to a RTSR test five years after the date of grant; with one-third tested against a comparator group that comprises the ASX 50 and the remaining two-thirds against a group of international oil and gas companies determined by the Board.

Minimum Shareholding Requirements (MSR) Policy

The MSR policy reflects the long-term focus of management and aims to further strengthen alignment with shareholders. The policy requires Senior Executives to have acquired and maintained Woodside shares for a minimum total purchase price of at least 100% of their fixed remuneration after a period of five years, and in the case of the CEO a minimum of 200% of fixed remuneration.

Table 3 – Key VAR features

Allocation methodology	Restricted Shares and Performance Rights are allocated using a face value allocation methodology. The number of Restricted Shares and Performance Rights is calculated by dividing the value by the volume weighted average price (VWAP) in December each year.
Dividends	Executives are entitled to receive dividends on Restricted Shares. No dividends are paid on Performance Rights prior to vesting. For Performance Rights that do vest, a dividend equivalent payment will be paid by Woodside for the period between allocation and vesting.
Clawback provisions	The Board has the discretion to reduce unvested entitlements including where an Executive has acted fraudulently or dishonestly or is found to be in material breach of their obligations; there is a material misstatement or omission in the financial statements; or the Board determines that circumstances have occurred that have resulted in an unfair benefit to the Executive.
Control event	The Board has the discretion to determine the treatment of any EIS award on a change of control event. If a change of control occurs during the 12-month performance period, an Executive will receive at least a pro-rata cash payment in respect of the unallocated cash and Restricted Share components of the EIS award for that year, assessed at target. If a change of control occurs during the vesting period for equity awards, Restricted Shares will vest in full whilst Performance Rights may, at the discretion of the Board, vest on an at least pro-rata basis.
Cessation of employment	During a performance period, should an Executive provide notice of resignation or be terminated for cause, no EIS award will be provided. In any other case, Woodside will have regard to performance against target and the portion of the performance period elapsed in determining the form of any EIS award. During a vesting period, should an Executive provide notice of resignation or be terminated for cause, any EIS award will be forfeited or lapse. In any other case, any Restricted Shares will vest in full from a date determined by the Board while any Performance Rights will remain on foot and vest in the ordinary course subject to the satisfaction of applicable conditions. The Board will have discretion to accelerate the vesting of unvested equity awards, subject to termination benefits laws.
No retesting	There will be no retest applied to EIS awards. Performance Rights will lapse if the required RTSR performance is not achieved at the conclusion of the five-year period.

Calculation of award for 2020

Each Executive's award is based upon two equally weighted components: individual performance against challenging KPIs and the company's performance against the Corporate Scorecard. This results in an individual performance factor (IPF) which ranges from 0 to 1.6 for Executive KMP. The Corporate Scorecard targets and individual KPIs are designed to promote short- and long-term shareholder value. Performance against individual KPIs is assessed by the Board in the case of the CEO, and by the CEO and the HRCC in the case of Senior Executives. Exceeding targets may result in an increased award, whereas under-performance will result in a reduced award. The minimum award that an Executive can receive is zero if the performance conditions are not achieved. The decision to pay or allocate an EIS award is subject to the overriding discretion of the Board, which may adjust outcomes in order to better reflect shareholder outcomes, and company or management performance.

INDIVIDUAL KPIs + CORPORATE SCORECARD = IPF

Equally weighted

See page 68 for details of the CEO's individual KPIs and page 69 for Senior Executives.

Target variable reward opportunity for 2020

Each Executive is given a target VAR opportunity and a maximum VAR opportunity which is a percentage of the Executive's FAR. The opportunities for 2020 are outlined below.

Position	Minimum opportunity	Target opportunity	Maximum opportunity (% of FAR)
CEO	Zero	200	300
Senior Executives		160	256

Cash

The cash component represents 12.5% of the VAR and is payable following the end of the performance year.

Restricted Shares

The Restricted Shares are divided into two tranches. The first tranche is 27.5% of the award and subject to a three-year deferral period. The second tranche is 30% of the award and subject to a five-year deferral period. There are no further performance conditions attached to these awards. This element creates a strong retention proposition for Executives as vesting is subject to employment not being terminated with cause or by resignation during the deferral period. The deferral ensures that awards remain subject to fluctuations in share price across the three and five-year periods, which is intended to reflect the sustainability of performance over the medium- and long-term and support increased alignment between Executives and shareholders.

Performance Rights

The Performance Rights are divided into two portions with each portion subject to a separate RTSR performance hurdle tested over a five-year period. Performance is tested after five years as Woodside operates in a capital intensive industry with long investment timelines. It is imperative that Executives take decisions in the long-term interest of shareholders, focused on value creation across the commodity price cycles of the oil and gas industry. Our view is that RTSR is the best measure of long-term value creation across the commodity price cycle of our industry.

One-third of the Performance Rights are tested against a comparator group that comprises the entities within the ASX 50 index at 1 December 2020. The remaining two-thirds are tested against an international group of oil and gas companies, set out in Table 12 on page 77.

RTSR outcomes are calculated by an external adviser on or after the fifth anniversary of the allocation of the Performance Rights. The outcome of the test is measured against the schedule below. For EIS awards, any Performance Rights that do not vest will lapse and are not retested.

Woodside RTSR percentile position within peer group	Vesting of Performance Rights
Less than 50th percentile	No vesting
Equal to 50th percentile	50% vest
Vesting between the 50th and 75th percentile	Vesting on a pro-rata basis
Equal to or greater than 75th percentile	100% vest

CEO target remuneration

FIXED REWARD	33%	VARIABLE REWARD	67%

Senior Executive target remuneration

FIXED REWARD	38%	VARIABLE REWARD	62%

Corporate Scorecard measures and outcomes for 2020

The Board assesses Executive performance annually against a balanced scorecard of corporate measures in conjunction with individual KPIs that aim to drive business performance and create shareholder value.

The 2020 Corporate Scorecard for Executive KMP is based on four equally weighted measures that have been chosen because they impact short- and long-term shareholder value, with a score of 5 for an outcome at target and a maximum score of 10 on each measure.

Financial (25%)

TARGET MAX OUTCOME **0**

Net profit after tax performance is closely aligned with short-term shareholder value creation. NPAT is underpinned by efficient operational performance, and outcomes are exposed to the upside and downside of oil price and foreign exchange fluctuations, as are returns to shareholders. This measure focuses management on driving exceptional operational performance, with the Board ensuring that short-term results are not achieved at the expense of longer-term performance.

2020 Performance:

NPAT result was ($4,028) million, significantly below target due to the impact of the COVID-19 pandemic, lower oil and gas prices and asset impairments.

Production (25%)

TARGET MAX OUTCOME **5**

Revenue is maximised and value generated from Woodside's assets when they are fully utilised in production. Production must be carefully managed throughout the year to optimise value from the assets. The production target is set relative to the company's annual budget and market guidance and is not revised through the year.

2020 Performance:

2020 production was 100.3 MMboe representing Woodside's highest-ever annual production, exceeding the 100 MMboe internal target. Production performance matched market guidance of 97-103 MMboe, while managing COVID-19 operational risks throughout the year.

Material Sustainability Issues (25%)

TARGET MAX OUTCOME **6**

The Board considers performance across material sustainability issues including personal and process safety, environment, energy efficiency, and our social licence to operate. Strong performance in this area creates and protects value in four ways; it reduces the likelihood of major accident events and catastrophic losses; it maintains Woodside's licence to operate which enables the development of its growth portfolio; it reflects efficient, optimised and controlled business processes that generate value; and it supports the company's position as a partner of choice.

2020 Performance:

We achieved best-ever personal safety performance with a TRIR of 0.88, exceeding our internal target of 1.1. There was one Tier 1 and two Tier 2 loss of primary containment process safety events. Energy efficiency of 8% better than baseline against a target of 5%. The 2016-2020 Reconciliation Action Plan (RAP) was delivered with Indigenous Australian representation increasing to 3.9%. Social impact management plans have been embedded and are supporting social performance in the communities were we operate.

Delivery against Business Priorities (25%)

TARGET MAX OUTCOME **3**

In 2020, we focused on four key business priorities supporting delivery of long-term shareholder value: safe and reliable base business; advancing our Burrup Hub developments; commercialising our international assets; and maturing future opportunities.

2020 Performance:

Base business

- Continued to deliver high reliability and competitive unit production costs.
- Completed the KGP turnaround ahead of schedule which resulted in production upside.
- Successfully drilled the Pyxis Hub and completed Julimar wells, both under budget.

Burrup Hub

- The Scarborough Offshore Project Proposal was approved in Q1 2020 and production licence offers granted.
- Deferred Scarborough and Pluto Train 2 FID, now targeting H2 2021; value improvement opportunities including increasing offshore processing capacity by approximately 20% to 8.0 Mtpa of LNG.
- FID taken for the Pluto-KGP Interconnector in Q4 2020, following the execution of the NWS gas processing agreements.
- Submitted Browse production licence applications for Calliance and Torosa fields and a retention lease renewal application for Brecknock.

International Assets

- Approved FID on Phase 1 of the Sangomar Field Development; execution has progressed through COVID-19 and the focus has been on reducing spend and preserving value.
- Completed the acquisition of Capricorn Senegal Limited's entire participating interest in the Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore (RSSD) Joint Venture.

Future Opportunities

- Commenced implementation of the plan to deliver 34 million carbon offsets over 25 years.
- Planted 3.6 million native trees as part of our agreement with Greening Australia.

OVERALL CORPORATE SCORECARD OUTCOME

TARGET MAX OUTCOME **3.5**

Executive KMP KPIs and outcomes for 2020

CEO KPIs and outcomes

FAR

In December 2020, Woodside conducted a review of the CEO's remuneration and concluded that no change would be made to the CEO's FAR.

VAR

For 2020, the individual performance of the CEO was reviewed by the Board against five equally weighted measures. These metrics, outlined in Table 4a, were chosen because successful performance in each area is a key driver of superior shareholder returns. The same metrics were cascaded to the Senior Executives to measure individual performance.

In determining the 2020 CEO VAR, the Board has taken into account the significant challenges experienced by Woodside in 2020 and the performance outcomes achieved. As a result, the Board has exercised its discretion and will reduce the award to 50% of target (33.3% of maximum opportunity) satisfied by Performance Rights only, subject to a three-year deferral period with an RTSR test hurdle.

The 2020 award for the CEO is detailed in Table 6 on page 72. Information on the individual performance of the CEO is shown in Tables 4a and 4b below.

Table 4a – CEO performance measures and EIS Outcomes

Growth agenda (20%)	
Objective	**2020 outcomes**
Assesses the alignment of growth opportunities to shareholder return; portfolio balance; the achievement of challenging business objectives.	FID taken for Sangomar and completion of a binding sale and purchase agreement for Capricorn Senegal Limited's participating interest; progress on the growth agenda included NWS Agreement Extension Bill passed; execution of agreements to enable tolling for NWS; Domgas recycle line commissioned; three well exploration drilling campaign in Myanmar approved. Swift refocus of business priorities due to COVID-19 and external market uncertainty with a strong focus on cash preservation and protection of margins. Despite delay in Scarborough FID opportunities were taken to focus on project optimisation to deliver value improvement via increased production capacity. Growth strategy adapted to the external macroeconomic environment and shareholder expectations.
Effective execution (20%)	
Objective	**2020 outcomes**
Assesses the maintenance, operation and profitability of existing assets; project delivery to achieve budget, schedule and stated performance; cost reduction; achievement of health, safety and community expectations.	Achieved record production of 100.3 MMboe while managing COVID-19 risks; best-ever personal safety performance with a TRIR of 0.88; exceeded a 5% energy efficiency improvement target. Delivered KGP turnaround ahead of time and budget despite significant challenges from COVID-19. Implemented rapid expenditure reduction that decreased forecast 2020 spend by approximatively 50%. Successfully transitioned to working from home in Q1 2020 and all frontline operations moved to COVID-19 operating models to protect the health and wellbeing of staff and operations.
Enterprise capability (20%)	
Objective	**2020 outcomes**
Assesses leadership development; workforce planning; executive succession; Indigenous participation and diversity; effective risk identification and management.	Female representation increased to 32.1%, well above industry average of 23.1% and female representation in Senior Executive Team (KMP) increasing to 50%; directly employed Indigenous Australian workforce increased to 3.9%. Strong progress in the internal capability identification and talent development for CEO/Executive Committee successors. Continued to grow our talent pipeline with our Graduate Development Program (51.9% female representation). Principles approved for a Corporate Risk Appetite Statement. Established a dedicated cyber capability to manage increasingly sophisticated cyber risks.
Culture and reputation (20%)	
Objective	**2020 outcomes**
Assesses performance culture and emphasis on values; engagement and enablement; improved employee climate; Woodside's brand as a partner of choice.	Continued to drive an inclusive culture through delivery of Woodside's RAP 2016-2020 and 2018-2020 Inclusion and Gender Diversity Strategy. Demonstrated visible leadership through a challenging year, linking culture and values to business drivers, through events such as the virtual employee forum (Perth and Karratha) and Woodside Awards. Creation of Project Agility which focused on increasing employee enablement. Continued to champion the Woodside brand, leading discussions virtually and in-person on Woodside's response to the challenges facing the industry. COVID-19 Community Fund was established to provide direct support to the communities where Woodside is active. Proactive engagement with Traditional Owners and Custodian groups in Karratha and Roebourne on cultural heritage management on the Burrup Pennisula.
Shareholder focus (20%)	
Objective	**2020 outcomes**
Assesses whether decisions are made with a long-term shareholder return focus; efficient and timely communication to shareholders, market analysts and fund managers; the focus on shareholder return throughout the organisation.	Maintained a strong balance sheet and ensured business resilience through COVID-19 and depressed oil pricing, preserving the ability to fund long-term growth projects. Conducted virtual updates to shareholders, market analysts and fund managers throughout the year.
EIS earned as percentage of maximum	33.3%
EIS earned	• $0 to be allocated in cash • $0 to be allocated in Restricted Shares (3-year vesting period) • $0 to be allocated in Restricted Shares (5-year vesting period) • $2,133,567 to be allocated in Performance Rights (3-year vesting period)

CEO actual remuneration

FIXED REWARD 50%	VARIABLE REWARD 50%

Table 4b – CEO Take Home Pay Table (non-IFRS information)

The following table details the CEO's take home pay. This table has been included to provide greater transparency to shareholders of the take home pay received or receivable by the CEO in 2019 and 2020. This includes fixed annual rewards, EIS cash awards earned in respect of performance for the year and the value of shares and rights which vested during the year calculated using the five-day VWAP leading up to but not including the vesting, forfeiture or lapsing date. Amounts are shown in AUD (the currency in which the remuneration is paid), whereas Table 11 on page 77 is expressed in USD which is Woodside's reporting currency.

Take home pay differs from statutory remuneration reported in Table 11 that is prepared in accordance with the *Corporations Act 2001* (Cth) and Accounting Standards which require share-based payments to be reported as remuneration from the time of grant, even though actual value may ultimately not be realised from these share-based payments.

Name	Year	FAR[1]	EIS Cash[2]	Restricted Shares vested[3]	RTSR tested VPRs vested[3]	Equity Rights vested[3]	Total remuneration received	Previous years' awards forfeited or lapsed[3]
Peter Coleman	2020	2,701,000	-	1,522,420	1,835,255	-	6,058,675	1,248,406
	2019	2,701,000	-	3,419,998	3,257,668	-	9,378,666	1,988,412

1. Represents the total fixed annual rewards earned in 2020 and 2019. This is calculated on the same basis as amounts disclosed in Table 11.
2. Represents the cash incentive earned in the respective year, which is actually paid in the following year. This is calculated on the same basis as amounts disclosed in Table 11.
3. The value of Restricted Shares, Variable Pay Rights and Equity Rights is calculated using the five-day VWAP leading up to but not including the vesting, forfeiture or lapsing date.

2020 Vesting[1]

P Coleman	Shares
2016 deferred short-term award vested on 27 February 2020	48,225
2015 long-term award had a partial vesting of 38.3% on 19 February 2020	59,518
2014 long-term award had a partial vesting of 13.3% on 13 March 2020	22,480

1. Awards that vested in 2020 relate to prior schemes as outlined on pages 78-79.

Senior Executive KPIs and outcomes

FAR

In January 2020, Woodside conducted a review of Executive KMP remuneration based on benchmarking data against a defined peer group alongside the consideration of executive performance and role accountabilities. An increase to FAR was applied to Meg O'Neill and Sherry Duhe to ensure market competitiveness was maintained. Fiona Hick received an increase to FAR on formal appointment to KMP.

VAR

For 2020, the individual performance of each Executive KMP was evaluated against the same performance measures as the CEO, as described in Table 4a on page 68, with individual KPIs set relevant to each Senior Executive's area of responsibility. These metrics aim at aligning individual performance with the achievement of Woodside's corporate strategy while fostering collaboration between Executives.

The Board approved EIS awards to Executive KMP based on the Corporate Scorecard result and their individual performance assessment, resulting in an IPF between 0 and 1.6. The Board recognises the significant achievements in 2020, resulting in record production and best-ever safety performance, while keeping our people and contractors safe from COVID-19. However, the significant decline in oil and gas prices has resulted in a substantial negative impact on our financial outcomes and delayed major growth projects. The Board has therefore exercised its discretion with respect to the 2020 EIS award and reduced the award by 30%.

The award will be allocated as outlined below:

- No cash award.[1]
- 30% will be allocated in Restricted Shares, subject to a three-year deferral period.
- 30% will be allocated in Restricted Shares, subject to a five-year deferral period.
- 40% will be allocated in Performance Rights which are subject to a RTSR test five years after the date of grant; with one-third tested against a comparator group that comprises the ASX 50 and the remaining two-thirds against a group of international oil and gas companies determined by the Board.

Information on the individual performance of each Executive KMP is shown in Tables 5a and 5b on pages 70 and 71. Details of the EIS award for each Senior Executive are set out in Table 6 on page 72.

1. Except in the case of terminated Executives in line with the Equity Award Rules.

Table 5a – Senior Executive Individual Performance for 2020 EIS

Sherry Duhe – Executive Vice President and Chief Financial Officer		
SCORECARD MEASURE	PERFORMANCE	OUTCOME
Strong **funding and financial risk management**	Excellent leadership focused on cash preservation to reduce forecast 2020 total expenditure by approximately 50%. Maintained a strong cash position to fund base business and ensure optionality for value accretive inorganic opportunities.	Above target
Optimal **commercial support** for growth projects	Finalised multiple commercial agreements for Sangomar FID, Pluto-KGP Interconnector and the processing of other resource owner (ORO) gas at NWS Project.	Target met
Drive strong **contract performance**	Delivered over $40 million in cost savings through effective contract management and the implementation of low-cost enhancements to our digital contract platform.	Target met
EIS earned as % of maximum %	56.2%	
Reduced EIS earned as % of maximum %	39.4% (post Board discretion to reduce award by 30%)	
EIS earned	• $0 to be allocated in cash • $225,387 to be allocated in Restricted Shares (3-year vesting period) • $225,387 to be allocated in Restricted Shares (5-year vesting period) • $310,849 to be allocated in Performance Rights (5-year vesting period)	

Shaun Gregory – Executive Vice President Sustainability and Chief Technology Officer		
SCORECARD MEASURE	PERFORMANCE	OUTCOME
Deliver **exploration value**	Prioritised opportunities close to infrastructure with a path to commercialisation including a three-well exploration drilling campaign planned for early 2021 in Myanmar. Divested low value licenses. Improved imaging at reservoir level in Sangomar and NWS.	Below target
Progress **new energy** opportunity	Progressed three new energy opportunities to 'concept select phase'.	Above target
Implement **carbon abatement strategy**	Continued to build a diverse carbon offset portfolio: Completed Phase 1 of Greening Australia and Woodside Native Reforestation Project; progressed to Phase 2 in WA Department of Biodiversity, Conservation and Attractions' Carbon for Conservation program for carbon offsets; and built a dedicated carbon capture and storage team.	Target met
Deliver strong **technology** performance	Technology platforms enabled seamless remote work during COVID-19; FUSE digital twin platform achieved four successful use cases; and continued to develop key technology and market development partnerships.	Target met
EIS earned as % of maximum %	53.1%	
Reduced EIS earned as % of maximum %	37.2% (post Board discretion to reduce award by 30%)	
EIS earned	• $0 to be allocated in cash • $177,107 to be allocated in Restricted Shares (3-year vesting period) • $177,107 to be allocated in Restricted Shares (5-year vesting period) • $244,243 to be allocated in Performance Rights (5-year vesting period)	

Fiona Hick – Senior Vice President Operations		
SCORECARD MEASURE	PERFORMANCE	OUTCOME
Deliver strong **production** performance	Delivered best-ever annual production of 100.3 MMboe despite impact of COVID-19 and significant weather events such as Tropical Cyclone Damien.	Target met
Drive strong **operations health, safety and environment** performance	Achieved record lowest TRIR of 0.88, exceeding target of 1.1. Delivered energy efficiency better than target. Maintained health and safety of our workforce during COVID-19, including strong health controls to manage COVID-19 risk. Zero cases of COVID-19 on our operational facilities in 2020.	Above target
Execute **turnarounds** within schedule and budget	Delivered significant maintenance scope across 2020, despite challenges from COVID-19. KGP turnaround completed ahead of schedule and under budget, resulting in production upside.	Above target
Drive **operations transformation**	Launched Operations Transformation program to significantly reduce cost structure of base business, including piloting remote operations of our Pluto and NWS Gas facilities and improvements to areas of major maintenance spend at Pluto LNG Plant.	Target met
EIS earned as % of maximum %	59.4%	
Reduced EIS earned as % of maximum %	41.6% (post Board discretion to reduce award by 30%)	
EIS earned	• $0 to be allocated in cash • $146,255 to be allocated in Restricted Shares (3-year vesting period) • $146,255 to be allocated in Restricted Shares (5-year vesting period) • $201,700 to be allocated in Performance Rights (5-year vesting period)	

Meg O'Neill – Executive Vice President Development and Marketing		
SCORECARD MEASURE	**PERFORMANCE**	**OUTCOME**
Develop the **growth portfolio** through disciplined cost and schedule and portfolio cost competitiveness	Achieved FID for Sangomar, Lambert Deep/Greater Western Flank Phase 3 and Pluto-KGP Interconnector, Sangomar subsea and FPSO work on plan with drilling preparations on track for 2021, advanced Scarborough project despite decision to delay FID with technical work executed to deliver value improvement, Browse FEED entry progressed and focussed on environmental approvals and production license applications. Record TRIR of 0.71 for Developments Division.	Target met
Execute strong **marketing, trading and shipping** performance	Delivered marketing optimisation initiatives resulting in over $41.3 million value added and strong pipeline gas sales contributed to Woodside's record production.	Above target
Drive strong **drilling and completions** performance	Successfully drilled and completed the Pyxis and Pluto North wells, Julimar-Brunello Phase 2 drilling campaign completed ahead of schedule and exploration drilling campaign in Myanmar on track for early 2021.	Above target
EIS earned as % of maximum %	59.4%	
Reduced EIS earned as % of maximum %	41.6% (post Board discretion to reduce award by 30%)	
EIS earned	• $0 to be allocated in cash • $309,344 to be allocated in Restricted Shares (3-year vesting period) • $309,344 to be allocated in Restricted Shares (5-year vesting period) • $426,616 to be allocated in Performance Rights (5-year vesting period)	

Senior Executive actual remuneration[1]

FIXED REWARD	49%	VARIABLE REWARD	51%

1. This represents an average of all Senior Executives' actual and variable remuneration for 2020.

Table 5b – Senior Executive Take Home Pay Table (non-IFRS information)

The following table details Senior Executives' take home pay. This table has been included to provide greater transparency to shareholders of the take home pay received or receivable by Senior Executives in 2019 and 2020. This includes fixed annual rewards, EIS cash awards earned in respect of performance for the year and the value of shares and rights which vested during the year calculated using the five-day VWAP leading up to but not including the vesting, forfeiture or lapsing date. Termination benefits are not included in the table below; these amounts are disclosed in Table 11 on page 77. Amounts are shown in AUD (the currency in which the remuneration is paid), whereas Table 11 is expressed in USD which is Woodside's reporting currency.

Take home pay differs from statutory remuneration reported in Table 11 that is prepared in accordance with the *Corporations Act 2001* (Cth) and Accounting Standards which require share-based payments to be reported as remuneration from the time of grant, even though actual value may ultimately not be realised from these share-based payments.

Name	Year	FAR[1]	EIS Cash[2]	Restricted Shares vested[3]	RTSR tested VPRs vested[3]	Equity Rights vested[3]	Total remuneration received	Previous years' awards forfeited or lapsed[3]
S Duhe	2020	1,091,798	-	-	-	346,775	1,438,573	-
	2019	982,251	185,250	-	-	-	1,167,501	-
S Gregory	2020	821,739	-	222,183	123,659	31,658	1,199,239	84,155
	2019	804,865	158,340	221,217	219,488	-	1,403,910	126,692
F Hick	2020	568,396	-	65,632	19,651	31,658	685,337	-
	2019	-	-	-	-	-	-	-
M O'Neill	2020	1,471,330	-	-	-	-	1,471,330	-
	2019	1,417,099	235,560	2,108,637	-	-	3,761,296	-
M Abbott[4]	2020	600,722	299,880	168,547	103,202	21,039	1,193,390	53,716
	2019	599,034	116,025	170,342	140,072	-	1,025,473	85,550
R Matisons[4]	2020	677,112	337,680	176,250	127,262	21,039	1,339,343	86,192
	2019	674,358	130,650	197,131	224,761	-	1,226,900	131,391

1. Represents the total fixed annual rewards earned in 2020 and 2019. This may differ from amounts disclosed in Table 11 which reflects pro-rated amounts for the period that Executives were in KMP roles.
2. Represents the cash incentive earned in the respective year, which is actually paid in the following year. This is calculated on the same basis as amounts disclosed in Table 11.
3. The value of Restricted Shares, Variable Pay Rights and Equity Rights is calculated using the five-day VWAP leading up to but not including the vesting, forfeiture or lapsing date.
4. Mr M Abbott's and Mr R Matisons' 2020 EIS Awards were allocated in Performance Rights and cash in lieu of Restricted Shares.

2020 vestings[1]

	Senior Executives	Shares
2016 deferred short-term award vested on 27 February 2020	S Gregory	7,038
	F Hick	2,079
	M Abbott	5,339
	R Matisons	5,583
2015 long-term award had a partial vesting of 38.3% on 19 February 2020	S Gregory	4,010
	F Hick	878
	M Abbott	3,645
	R Matisons	4,134
2014 long-term award had a partial vesting of 13.3% on 13 March 2020	S Gregory	1,515
	M Abbott	966
	R Matisons	1,552
2017 Woodside Equity Plan vested on 1 October 2020	S Gregory	1,747
	F Hick	1,747
	M Abbott	1,161
	R Matisons	1,161
2017 Supplementary Woodside Equity Plan vested on 1 December 2020	S Duhe	15,153

1. Amounts that vested in 2020 relate to prior schemes as outlined on pages 78-79.

Table 6 – Valuation summary of CEO and Senior Executive EIS for 2020 and 2019

Name	Year	Cash[1]	Restricted Shares *3-year vesting period* $	Restricted Shares *5-year vesting period* $	Performance Rights *3-year vesting period* $	Performance Rights *5-year vesting period* $	Total EIS $
P Coleman	2020[2]	-	-	-	2,133,567	-	2,133,567
	2019[3]	-	1,469,046	1,101,779	-	762,770	3,333,595
S Duhe	2020[2]	-	225,387	225,387	-	310,849	761,623
	2019[3]	129,609	284,175	310,005	-	214,619	938,408
S Gregory	2020[2]	-	177,107	177,107	-	244,243	598,457
	2019[3]	110,782	242,881	264,983	-	183,450	802,096
F Hick[4]	2020[2]	-	146,255	146,255	-	201,700	494,210
	2019[3]	-	-	-	-	-	-
M O'Neill	2020[2]	-	309,344	309,344	-	426,616	1,045,304
	2019[3]	164,808	361,351	394,204	-	272,910	1,193,273
M Abbott[5]	2020[2]	230,473	-	-	-	157,911	388,384
	2019[3]	81,176	177,970	194,156	-	134,415	587,717
R Matisons[6]	2020[2]	259,524	-	-	-	177,817	437,341
	2019[3]	91,408	200,409	218,639	-	151,365	661,821

1. Represents the cash incentive earned in the respective year, which is actually paid in the following year. Amounts were translated to USD using the closing spot rate on 31 December. The 2019 cash incentive was paid on 15 March 2020.
2. The number of Restricted Shares and Performance Rights allocated for 2020 was calculated by dividing the amount of the Executive's entitlement allocated to Restricted Shares by the face value of Woodside shares. The USD fair value of Restricted Shares and Performance Rights at their date of grant has been estimated by reference to the closing share price at 31 December 2020 and preliminary modelling respectively. Grant date has been determined to be the date of the Board of Directors' approval, being 17 February 2021 and any differences between the estimated fair value at 31 December 2020 and the final fair value will be trued-up in the following 2021 financial year. The fair value is not related to or indicative of the benefit (if any) that an individual Executive may ultimately realise should these equity instruments vest.
3. The number of Restricted Shares and Performance Rights allocated for 2019 was calculated post year-end by dividing the amount of the Executive's entitlement allocated to Performance Rights by the face value of Woodside's shares. The USD fair value shown above was estimated at 31 December 2019 with reference to the closing share price and preliminary modelling. Grant date has been determined to be the date of the Board of Directors' approval, being 12 February 2020 and the final fair value was calculated at this date and was trued-up in the 2020 financial year. The amount above is not related to or indicative of the benefit (if any) that an individual Executive may ultimately realise should these equity instruments vest.
4. Ms F Hick commenced as an Executive KMP on 1 July 2020. Ms Hick did not meet the definition of a KMP under AASB 124 *Related Party Disclosures* prior to this date. Previous year comparative figures are not shown.
5. Mr M Abbott ceased being an Executive KMP on 31 July 2020. Mr Abbott's 2020 EIS Award was allocated in Performance Rights and cash in lieu of Restricted Shares.
6. Mr R Matisons ceased being an Executive KMP on 31 July 2020. Mr Matisons' 2020 EIS Award was allocated in Performance Rights and cash in lieu of Restricted Shares.

Other equity plans

Woodside has a history of providing employees with the opportunity to participate in ownership of shares in the company and using equity to support a competitive base remuneration position, including the legacy Executive Incentive Plan.

Details of prior year allocations are provided in Table 13 on pages 78-79. The terms applying to prior year grants are described in past Woodside Annual Reports.

Executive Incentive Plan (EIP)

The EIP operated as Woodside's Executive incentive framework until the end of 2017, after which the Board introduced the EIS. The EIP was used to deliver short-term award (STA) and long-term award (LTA) to Senior Executives.

Eligible Executives could only receive an STA award if their individual annual performance was assessed as acceptable. Participants were then divided into "Pool Groups", with the size of the pool determined by each participant's target STA, and then adjusted based on the Corporate Scorecard result.

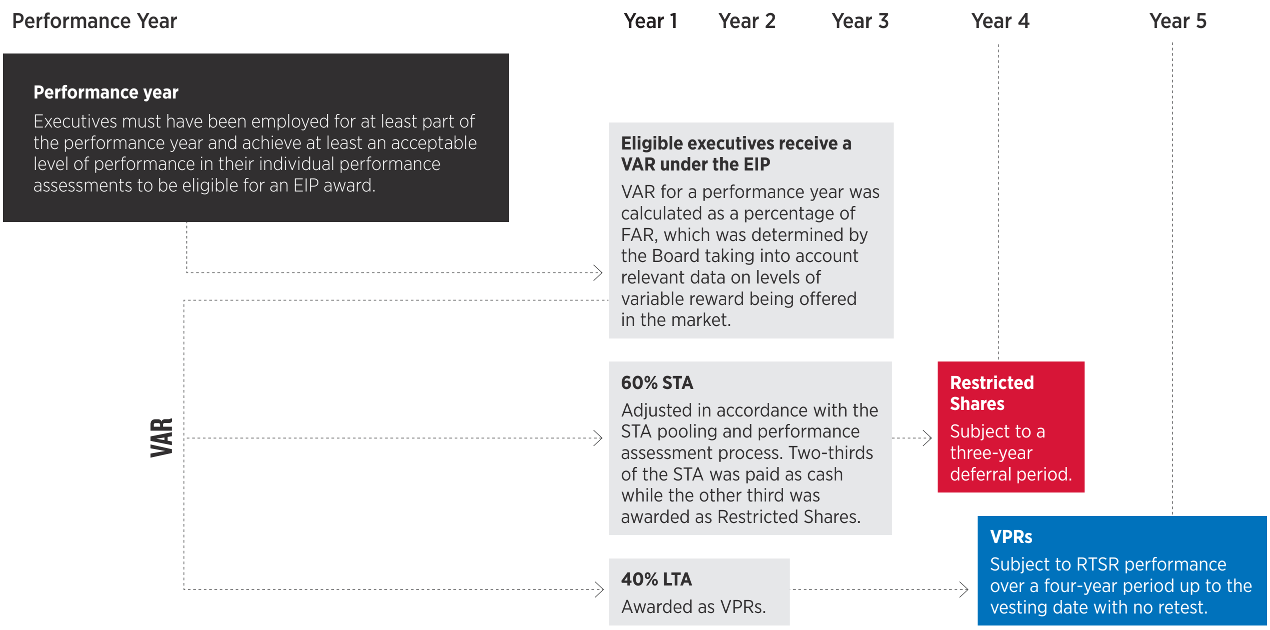
STA made up 30-33% of total target remuneration for Senior Executives with no individual maximum STA opportunity because the size of the STA pool varied from year to year depending on performance and other factors. LTA was granted in the form of Variable Pay Rights (VPRs) making up 20-22% of total target remuneration for Senior Executives.

The LTA award was divided into two portions with each portion subject to a separate RTSR performance hurdle tested over a four-year period. One-third of the LTA is tested against a comparator group that comprises the entities within the ASX 50 index. The remaining two-thirds is tested against an international group of oil and gas companies.

RTSR outcomes are calculated by an external adviser on the fourth anniversary of the allocation. For plans awarded from 2017 onwards, any VPRs that do not vest will lapse and are not retested. Plans awarded prior to 2017 are allowed for a retest in the following year. VPRs that do not vest following the re-test will lapse.

Table 7 illustrates how EIP awards for Senior Executives were allocated, as well as their lifecycle in future years.

Table 7 – Overview of EIP



Executives are entitled to receive dividends on Restricted Shares. There is no entitlement to dividends on VPRs. Details of prior year allocations are provided in Table 13 on pages 78-79.

CEO STA and LTA

The CEO's incentive arrangements are governed by his contract of employment. Prior to 2018, the CEO's STA award was determined by multiplying the CEO's FAR by the Corporate Scorecard result and the CEO's individual performance factor as determined by the Board. Two-thirds of the award was paid in cash with the remaining third delivered as a deferred equity award of Restricted Shares, subject to an overall cap of two times FAR.

For 2017, the LTA opportunity was set at 133% of the CEO's FAR. The entitlement was allocated at face value and in the form of VPRs and divided into two portions with each subject to a separate RTSR performance hurdle tested over a four year period with no retest. One-third of the LTA will be tested against a comparator group that comprises the entities within the ASX 50 index. The remaining two-thirds will be tested against an international group of oil and gas companies.

Details of prior year allocations are provided in Table 13 on pages 78-79.

Woodside Equity Plan (WEP)

The WEP is available to all permanent employees except EIS participants. The purpose of the WEP is to enable eligible employees to build up a holding of equity in the company as they progress through their career at Woodside.

The number of Equity Rights (ERs) offered to each eligible employee is determined by the Board, and based on individual performance as assessed under the performance review process. There are no further ongoing performance conditions. The linking of performance to an allocation allows Woodside to recognise and reward eligible employees for high performance.

Each ER entitles the participant to receive a Woodside share on the vesting date three or five years after the effective grant date.

For offers prior to 2019, each ER entitled the participant to receive a Woodside share on the vesting date three years after the effective grant date. For the 2019 and 2020 awards, the Board amended the terms of the Plan to allow for 75% vesting of the ERs three years after the effective grant date and the remaining 25% of ERs five years after the effective grant date.

Supplementary Woodside Equity Plan (SWEP)

In October 2011, the Board approved a remuneration strategy which includes the use of equity to support a competitive base remuneration position. To this end, the Board approved the establishment of the SWEP to enable the offering of targeted retention awards of ERs for key capability. The SWEP was designed to be offered to a small number of employees identified as being retention critical. The SWEP awards have service conditions and no performance conditions. Each ER entitles the participant to receive a Woodside share on the vesting date three years after the effective grant date.

There were no allocations under the SWEP in 2020. Table 13 on pages 78-79 includes a summary of Senior Executives' interests in ERs.

ERs under both the WEP and the SWEP may vest prior to the vesting date on a change of control or on a pro-rata basis, at the discretion of the CEO, limited to the following circumstances; redundancy, retirement (after six months' participation), death, termination due to illness or incapacity or total and permanent disablement of a participating employee. An employee whose employment is terminated by resignation or for cause prior to the vesting date will forfeit all of their ERs.

Other equity awards

In February 2018, the Board approved the Equity Award rules which apply to EIS and discretionary executive allocations. This allows the Board and CEO to award discretionary allocations of Restricted Shares or Performance Rights.

An award of 133,366 Restricted Shares was made to Ms Meg O'Neill upon commencement of employment with Woodside on 1 May 2018 to recognise certain rights that were forfeited with her prior employer. The first tranche of 59,270 Restricted Shares (representing 44.44% of the award) vested in full on 1 May 2019. The remaining Restricted Shares will vest in two equal tranches on each of 1 May 2021 and 1 May 2023, subject to Ms O'Neill not resigning or being terminated for cause prior to the vesting date. No further vesting conditions were attached. Further details are set out in Table 13 on pages 78-79.

Contracts for Executive KMP

Each Executive KMP has a contract of employment. Table 8 below contains a summary of the key contractual provisions of the contracts of employment for the Executive KMP.

Table 8 – Summary of contractual provisions for Executive KMP

	Employing company	Contract duration	Termination notice period company[1, 2]	Termination notice period executive
P Coleman	Woodside Petroleum Ltd	Unlimited	12 months	6 months
S Duhe	Woodside Energy Ltd	Unlimited	6 months	6 months
S Gregory	Woodside Energy Ltd	Unlimited	6 months	3 months
F Hick	Woodside Energy Ltd	Unlimited	6 months	3 months
M O'Neill	Woodside Energy Ltd	Unlimited	6 months	3 months

1. Woodside may choose to terminate the contract immediately by making a payment in lieu of notice equal to the fixed remuneration the Executive KMP would have received during the 'Company Notice Period'. In the event of termination for serious misconduct or other nominated circumstances, Executive KMP are not entitled to this termination payment. Any payments made in the event of a termination of an executive contract will be consistent with the *Corporations Act 2001* (Cth).
2. On termination of employment, Executive KMP will be entitled to the payment of any fixed remuneration calculated up to the termination date, any leave entitlement accrued at the termination date and any payment or award permitted under the EIS and Equity Award Rules. Executive KMP are restrained from certain activities for specified periods after termination of their employment in order to protect Woodside's interests.

Non-executive directors (NEDs)

Remuneration Policy

Woodside's Remuneration Policy for NEDs aims to attract, retain, motivate and to remunerate fairly and responsibly having regard to:

- the level of fees paid to NEDs relative to other major Australian companies
- the size and complexity of Woodside's operations
- the responsibilities and work requirements of Board members.

Fees paid to NEDs are recommended by the HRCC based on benchmarking from external remuneration consultants, and determined by the Board, subject to an aggregate limit of A$4.25 million per financial year, which was approved by shareholders at the 2019 AGM. There was no increase to the Board or committee fees in 2020.

The minimum shareholding requirements for NEDs was reviewed in 2018. NEDs are required to have acquired shares for a total purchase price of at least 100% of their pre-tax annual fee after five years on the Board. The NEDs may utilise the Non-executive Directors' Share Plan (NEDSP) to acquire the shares on market at market value. As the shares are acquired with net fees the shares in the NEDSP are not subject to any forfeiture conditions.

NEDs remuneration structure

NEDs remuneration consists of base Board fees and committee fees, plus statutory superannuation contributions or payments in lieu (currently 9.5%). Other payments may be made for additional services outside the scope of Board and Committee duties. NEDs do not earn retirement benefits other than superannuation and are not entitled to any form of performance-linked remuneration in order to preserve their independence.

Table 9 below shows the annual base Board and committee fees for NEDs.

In addition to these fees, NEDs are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred attending meetings of the Board, committees or shareholders, or while engaged on Woodside business. NEDs are not entitled to compensation on termination of their directorships.

Effective 1 January 2019 an allowance is paid to any NED required to travel internationally to attend Board commitments, compensating for factors related to long-haul travel. Where travel is between six and ten hours, an allowance of A$5,000 gross per trip is paid. Where travel exceeds 10 hours, an allowance of A$10,000 gross per trip is paid.

Board fees are not paid to the CEO, as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of the normal employment conditions.

The total remuneration paid to, or in respect of, each NED in 2020 is set out in Table 14 on page 80.

Table 9 – Annual base Board and committee fees for NEDs

Position	Board[1] A$	Audit & Risk Committee A$	Human Resources & Compensation Committee A$	Sustainability Committee A$	Nominations & Governance Committee A$
Chairman of the Board[2]	723,300[4]				
Non-executive directors[3]	219,178[4]				
Committee chair		59,360[4]	52,000[5]	47,400[4]	Nil
Committee member		31,964[4]	26,500[5]	23,700[4]	Nil

1. NEDs receive Board and committee fees plus statutory superannuation (or payments in lieu where statutory superannuation is not required to be paid).
2. Inclusive of committee work.
3. Board fees paid to NEDs other than the Chairman.
4. Annual fee from 1 July 2019.
5. Annual fee from 1 July 2018.

Human Resources & Compensation Committee

The Committee assists the Board to determine appropriate remuneration policies and structures for NEDs and Executives. Further information on the role of the Committee is described in section 3.4 of the Corporate Governance Statement, available on Woodside's website.

Use of remuneration consultants

The Committee directly engages independent external advisers to provide input to the process of reviewing the remuneration for NEDs and Executives. The Committee may receive executive remuneration advice directly from external independent remuneration consultants. Table 10 below shows the fees payable to independent external remuneration consultants during 2020.

Under communications and engagement protocols adopted by the company, the market data reports were provided directly to the Committee Chair, and the consultants provided a statement to the Committee that the reports had been prepared free of undue influence from Executive KMP. The Committee had full oversight of the review process and therefore it, and the Board, were satisfied that the work undertaken by PricewaterhouseCoopers was free from undue influence by Executive KMP.

Table 10 – Fees paid to remuneration consultants

Remuneration consultant	Services provided	Fees
PricewaterhouseCoopers	Remuneration benchmarking for the 2020 NED fee review	A$15,000 (ex GST)
	Remuneration benchmarking for the 2020 CEO remuneration review	A$25,500 (ex GST)

PricewaterhouseCoopers provided other services to Woodside including provision of taxation advice and general financial and business consulting which resulted in a total of A$2,200,413 paid by Woodside.

Reporting notes

Reporting in United States dollars

In this report, the remuneration and benefits reported have been presented in US dollars, unless otherwise stated. This is consistent with the functional and presentation currency of the company.

Compensation for Australian-based employees and all KMP is paid in Australian dollars and, for reporting purposes, converted to US dollars based on the applicable exchange rate at the date of payment. Valuation of equity awards is converted at the spot rate applying when the equity award is granted.

Statutory tables

Table 11 - Compensation of CEO and Senior Executives for the year ended 31 December 2020 and 2019

		Fixed Annual Reward			Variable Annual Reward						
		Short-term		Post	Cash	Share-based payments					
		Salaries, fees and allowances	Benefits and allowances (including non-monetary)[1]	Company contributions to superannuation	Cash[2]	Share plans[3]	Long service leave	Termination benefits	Total remuneration[4]		Performance related[5]
		$	$	$	$	$	$	$	$	A$	%
P Coleman Chief Executive Officer and Managing Director[6]	2020	1,843,422	38,301	14,686	-	4,022,663	75,827	-	5,994,899	8,714,358	67
	2019	1,863,173	35,805	14,436	-	3,158,361	102,493	-	5,174,268	7,443,346	61
S Duhe Executive Vice President and Chief Financial Officer[7]	2020	751,084	42,220	-	-	597,006	31,213	-	1,421,523	2,066,367	42
	2019	682,815	59,566	-	129,609	462,033	30,716	-	1,364,739	1,962,023	43
S Gregory Executive Vice President Sustainability and Chief Technology Officer	2020	550,615	20,381	14,687	-	485,293	24,010	-	1,094,986	1,591,702	44
	2019	545,069	19,892	14,436	110,782	451,928	70,370	-	1,212,477	1,743,162	46
F Hick Senior Vice President Operations[8]	2020	205,773	9,006	9,030	-	150,268	123,965	-	498,042	689,440	30
	2019	-	-	-	-	-	-	-	-	-	-
M O'Neill Executive Vice President Development and Marketing[7]	2020	1,012,177	56,808	-	-	1,066,937	40,928	-	2,176,850	3,164,334	49
	2019	985,101	61,356	-	164,808	1,360,584	30,764	-	2,602,613	3,742,420	59
M Abbott Senior Vice President Corporate and Legal[9,10,11]	2020	382,022	10,011	15,898	230,473	420,389	133,944	87,781	1,280,518	1,885,088	51
	2019	399,737	21,666	16,684	81,176	365,771	25,425	-	910,459	1,308,973	49
R Matisons Executive Vice President Marketing Trading and Shipping[9,10,12]	2020	439,016	17,643	9,504	259,524	459,097	85,698	302,306	1,572,788	2,320,258	46
	2019	453,994	38,313	14,788	91,408	393,203	(20,270)	-	971,436	1,396,598	50

1. Reflects the value of allowances and non-monetary benefits (including relocation, travel, car parking and any associated fringe benefit tax).
2. The amount represents the cash incentive earned in the respective year, which is actually paid in the following year. Amounts were translated to USD using the closing spot rate on 31 December.
3. 'Share plans' incorporate all equity based plans. In accordance with the requirements of AASB 2 *Share-based Payment*, the fair value of rights as at their date of grant has been determined by applying the Black-Scholes option pricing technique or applying the binomial valuation method combined with a Monte Carlo simulation. The fair value of rights is amortised over the vesting period from the commencement of the service period, such that 'total remuneration' includes a portion of the fair value of unvested equity compensation during the year. The portion of the expense relating to the 2020 EIS has been measured using estimated fair values as disclosed in footnote 2 in Table 6. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executives may ultimately realise should these equity instruments vest.
4. The total remuneration in AUD is converted from USD using the average exchange rate for the period. This non-IFRS information is included for the purposes of showing the total annual cost of benefits to the company in Australian dollars for the service period.
5. Performance related outcome percentage is calculated as total Variable Annual Reward divided by the total USD remuneration figure.
6. In accordance with the requirements of AASB 2 *Share-based Payment*, Mr P Coleman's 2017, 2018, 2019 and 2020 share-based payment amortisation expenses have accelerated based on the announcement of his intention to retire in the second half of 2021. This is not reflective of any value received by Mr Coleman as the awards have not vested at 31 December 2020 and are subject to vesting conditions.
7. As non-residents for Australian tax purposes Ms S Duhe and Ms M O'Neill have elected to receive a cash payment in lieu of all superannuation contributions, in accordance with the Superannuation Guarantee (Administration) Act 1992. The cash payment is subject to (PAYG) income tax and paid as part of their normal monthly salary. The amount is included in salaries, fees and allowances.
8. Ms F Hick commenced as an Executive KMP on 1 July 2020. Ms Hick did not meet the definition of a KMP under AASB 124 *Related Party Disclosures* for years prior to 2020. Previous year comparatives figures are not shown.
9. Mr M Abbott and Mr R Matisons ceased being Executive KMPs on 31 July 2020. In accordance with the requirements of AASB 2 *Share-based Payment*, their 2017, 2018, 2019 and 2020 share-based payment amortisation expenses have accelerated based on their contract end dates of 31 December 2020. Vesting details of these awards are disclosed in Table 13 on page 79.
10. Mr M Abbott's and Mr R Matisons' 2020 EIS Awards were allocated in Performance Rights and cash in lieu of Restricted Shares.
11. Mr M Abbott's total remuneration includes $156,134 of salaries, fees and allowances received for the period of 1 August 2020 to 31 December 2020 while he was on gardening leave.
12. Mr R Matisons' total remuneration includes $177,470 of salaries, fees and allowances received for the period of 1 August 2020 to 31 December 2020 while he was on gardening leave.

Table 12 - Peer group of international oil and gas companies

Apache Corporation	Kosmos Energy	Origin Energy Limited
ConocoPhillips	Marathon Oil Company	Santos Ltd
Hess Corporation	Murphy Oil Corporation	Tullow Oil plc
Inpex Corporation	Oil Search Limited	

Table 13 – Summary of CEO and Senior Executives' allocated, vested or lapsed equity

Name	Type of equity[1]	Grant date	Allocation date	Vesting date[2,3]	Awarded but not vested	Vested in 2020	% of total vested	Lapsed in 2020	Fair value of equity[4,5,6]
P Coleman	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	-	48,225	100	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	37,822[7]	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	61,660	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	67,266	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	61,083	-	-	-	22.76
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	45,812	-	-	-	22.76
	RTSR Tested VPRs	1 January 2014	20 February 2015	13 March 2020	-	22,480	13.3	55,778	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	95,884[7]	59,518	38.3	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	106,067[7]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	104,797[7]	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	67,266	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	45,812	-	-	-	15.81
	Performance Rights	17 February 2021	24 February 2021	24 February 2024	118,007	-	-	-	18.08
S Duhe	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	439[7]	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	14,604	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	15,931	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	11,816	-	-	-	22.76
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	12,890	-	-	-	22.76
	Restricted Shares	17 February 2021	24 February 2021	24 February 2024	12,894	-	-	-	17.48
	Restricted Shares	17 February 2021	24 February 2021	24 February 2026	12,894	-	-	-	17.48
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	868	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2016	19 February 2024	15,931	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	12,890	-	-	-	15.81
	Performance Rights	17 February 2021	24 February 2021	24 February 2026	17,193	-	-	-	18.08
	SWEP Equity Rights	1 December 2017	-	1 December 2020	-	15,153[7]	100	-	21.26
S Gregory	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	-	7,038	100	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	4,831[7]	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	12,430	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	13,560	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	10,099	-	-	-	22.76
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	11,018	-	-	-	22.76
	Restricted Shares	17 February 2021	24 February 2021	24 February 2024	10,132	-	-	-	17.48
	Restricted Shares	17 February 2021	24 February 2021	24 February 2026	10,132	-	-	-	17.48
	RTSR Tested VPRs	1 January 2014	20 February 2015	13 March 2020	-	1,515	13.3	3,760	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	6,462[7]	4,010	38.3	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,148[7]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	7,150[7]	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	13,560	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	11,018	-	-	-	15.81
	Performance Rights	17 February 2021	24 February 2021	24 February 2026	13,509	-	-	-	18.08
	WEP Equity Rights	1 October 2017	-	1 October 2020	-	1,747[7]	100	-	20.33
F Hick[8]	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	-	2,079	100	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	2,074[7]	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	6,807	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	7,426	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	5,501	-	-	-	22.76
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	6,002	-	-	-	22.76
	Restricted Shares	17 February 2021	24 February 2021	24 February 2024	8,367	-	-	-	17.48
	Restricted Shares	17 February 2021	24 February 2021	24 February 2026	8,367	-	-	-	17.48
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	1,418[7]	878	38.3		17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	4,779[7]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	4,944[7]	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	7,426	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	6,602	-	-	-	15.81
	Performance Rights	17 February 2021	24 February 2021	24 February 2026	11,156	-	-	-	18.08
	WEP Equity Rights	1 October 2017	-	1 October 2020	-	1,747[7]	100	-	20.33

Name	Type of equity[1]	Grant date	Allocation date	Vesting date[2,3]	Awarded but not vested	Vested in 2020	% of total vested	Lapsed in 2020	Fair value of equity[4,5,6]
M O'Neill	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	14,097	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	15,379	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	15,025	-	-	-	22.76
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	16,391	-	-	-	22.76
	Restricted Shares	17 February 2021	24 February 2021	24 February 2024	17,697	-	-	-	17.48
	Restricted Shares	17 February 2021	24 February 2021	24 February 2026	17,697	-	-	-	17.48
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	15,379	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	16,391	-	-	-	15.81
	Performance Rights	17 February 2021	24 February 2021	24 February 2026	23,596	-	-	-	18.08
	Restricted Shares	1 May 2018	1 May 2018	1 May 2021	37,048	-	-	-	24.45
	Restricted Shares	1 May 2018	1 May 2018	1 May 2023	37,048	-	-	-	24.45
M Abbott[9]	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	-	5,339	100	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	4,721	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	10,145	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	11,068	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	7,400	-	-	-	22.76
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	8,073	-	-	-	22.76
	RTSR Tested VPRs	1 January 2014	20 February 2015	13 March 2020	-	966	13.3	2,400	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	5,876[7]	3,645	38.3	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,017[7]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	6,987[7]	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2016	19 February 2024	11,068	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	8,073	-	-	-	15.81
	Performance Rights	17 February 2021	24 February 2021	24 February 2026	8,734	-	-	-	18.08
	WEP Equity Rights	1 October 2017	-	1 October 2020	-	1,161[7]	100	-	20.33
R Matisons[10]	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	-	5,583	100	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	3,712[7]	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	10,948	-	-	-	24.71
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	11,943	-	-	-	24.71
	Restricted Shares	12 February 2020	18 February 2020	18 February 2023	8,333	-	-	-	22.76
	Restricted Shares	12 February 2020	18 February 2020	18 February 2025	9,091	-	-	-	22.76
	RTSR Tested VPRs	1 January 2014	20 February 2015	13 March 2020	-	1,552	13.3	3,851	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	6,663[7]	4,134	38.3	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,368[7]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	7,327[7]	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	11,943	-	-	-	16.87
	Performance Rights	12 February 2020	18 February 2020	18 February 2025	9,091	-	-	-	15.81
	Performance Rights	17 February 2021	24 February 2021	24 February 2026	9,835	-	-	-	18.08
	WEP Equity Rights	1 October 2017	-	1 October 2020	-	1,161[7]	100	-	20.33

1. For valuation purposes all VPRs and equity rights are treated as if they will be equity settled.
2. Vesting date and exercise date are the same. Vesting is subject to the satisfaction of vesting conditions. Full details of the vesting conditions for all prior year equity grants to Executive KMP are included in the remuneration report for the relevant year. The minimum total value of the grants for future financial years is nil if relevant vesting conditions are not satisfied. An estimate of the maximum possible total value in future financial years is the fair value at grant date multiplied by the number of equity instruments awarded.
3. Any RTSR-tested VPRs allocated prior to 2017 that do not vest as a result of the first test will be re-tested over a five year performance period. RTSR-tested VPRs allocated in 2017 and performance rights will not be re-tested. The second test date for earlier VPR allocations is one year after the vesting date listed in the table.
4. In accordance with the requirements of AASB 2 *Share-based Payment*, the fair value of VPRs as at their date of grant has been determined by applying the Black-Scholes option pricing technique or binomial valuation method combined with a Monte Carlo simulation. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executives may ultimately realise should these equity instruments vest.
5. The fair value of Rights and Restricted Shares as at their date of grant has been determined by reference to the share price at acquisition. The fair value is not related to or indicative of the benefit (if any) that individual Executives may ultimately realise should these equity instruments vest.
6. Fair values for the 2019 EIS with a grant date of 12 February 2020 have been estimated as disclosed in footnotes 2 and 3 of Table 6. Fair values for the 2020 EIS with a grant date of 17 February 2021 have been estimated as disclosed in footnote 2 of Table 6.
7. The RTSR-tested VPRs allocated for the 2014, 2015 and 2016 performance years and the 2017 WEP allocations have been updated to include any adjustments made as part of the Retail Entitlement Offer.
8. Ms F Hick commenced as an Executive KMP on 1 July 2020.
9. Mr M Abbott ceased being an Executive KMP on 31 July 2020. Mr Abbott's Restricted Shares will vest in full from his contract end date of 31 December 2020, while his VPRs and Performance Rights remain on foot and will vest in the ordinary course subject to the satisfaction of applicable conditions. The vesting of Mr Abbott's Restricted Shares is subject to his maximum termination cap.
10. Mr R Matisons ceased being an Executive KMP on 31 July 2020. Mr Matisons' Restricted Shares will vest in full from his contract end date of 31 December 2020, while his VPRs and Performance Rights remain on foot and will vest in the ordinary course subject to the satisfaction of applicable conditions. The vesting of Mr Matison's Restricted Shares is subject to his maximum termination cap.

Table 14 - Total remuneration paid to NEDs in 2020 and 2019

The following table provides a detailed breakdown of the components of remuneration for each of the company's NEDs.

		Short-term	Post employment	
		Cash salary and fees	Pension/Superannuation	
Non-executive director		Salaries, fees $	Company contributions to superannuation $	Total $
R Goyder	2020	530,166	14,687	544,853
	2019	543,915	14,269	558,184
L Archibald	2020	213,914	-	213,914
	2019	243,256	-	243,256
F Cooper	2020	209,846	19,935	229,781
	2019	216,241	19,820	236,061
S C Goh	2020	204,468	-	204,468
	2019	-	-	-
C Haynes	2020	213,914	-	213,914
	2019	250,868	-	250,868
I Macfarlane	2020	195,695	7,224	202,919
	2019	195,759	14,436	210,195
A Pickard	2020	227,651	-	227,651
	2019	258,683	-	258,683
S Ryan	2020	189,073	17,962	207,035
	2019	195,005	17,802	212,807
G Tilbrook	2020	208,542	19,811	228,353
	2019	208,721	18,829	227,550

Table 15 - KMP share and equity holdings

Details of shares held by KMP including their personally related entities[1] for the 2020 financial year are as follows:

Name	Type of equity[1]	Opening holding at 1 January 2020[2]	NEDSP[3]	Rights allocated in 2020	Rights vested in 2020	Restricted Shares granted	Net changes - other	Closing holding at 31 December 2020[4]
Non-executives directors								
R Goyder	Shares	23,634	-	-	-	-	-	23,634
L Archibald	Shares	4,403	3,846	-	-	-	-	8,249
F Cooper	Shares	9,571	1,970	-	-	-	-	11,541
S C Goh	Shares	-	5,089	-	-	-	-	5,089
C Haynes	Shares	10,811	1,923	-	-	-	-	12,734
I Macfarlane	Shares	3,835	4,006	-	-	-	-	7,841
A Pickard	Shares	6,060	4,136	-	-	-	-	10,196
S Ryan	Shares	8,532	1,715	-	-	-	-	10,247
G Tilbrook	Shares	7,949	-	-	-	-	-	7,949
Executives								
P Coleman	Equity Rights	511,790	-	45,812	(81,998)	-	(55,778)	419,826
	Shares	656,092	-	-	81,998	106,895	(314,000)	530,985
S Duhe	Equity Rights	31,952	-	12,890	(15,153)	-	-	29,689
	Shares	30,974	-	-	15,153	24,706	-	70,833
S Gregory	Equity Rights	45,352	-	11,018	(7,272)	-	(3,760)	45,338
	Shares	45,877	-	-	7,272	21,117	(7,038)	67,228
F Hick[5]	Equity Rights	-	-	-	(1,747)	-	26,316	24,569
	Shares	-	-	-	1,747	-	27,810	29,557
M O'Neill	Equity Rights	15,379	-	16,391	-	-	-	31,770
	Shares	162,842	-	-	-	31,416	-	194,258
M Abbott[6]	Equity Rights	39,120	-	8,073	(4,611)	-	(42,582)	-
	Shares	38,202	-	-	4,611	15,473	(58,286)	-
R Matisons[7]	Equity Rights	43,999	-	9,091	(5,686)	-	(47,404)	-
	Shares	55,833	-	-	5,686	17,424	(78,943)	-

1. Personally related entities include a KMP's spouse, dependants or entities over which they have direct control or significant influence.
2. Opening holding represents amounts carried forward in respect of KMP.
3. Related to participation in the Non-executive Directors' Share Plan (NEDSP).
4. Closing equity rights holdings represents unvested options and rights held at the end of the reporting period. There are no options and rights vested but unexercised as at 31 December 2020.
5. Ms F Hick commenced as an Executive KMP on 1 July 2020. Ms Hick did not meet the definition of a KMP under AASB 124 *Related Party Disclosures* prior to this date.
6. Mr M Abbott ceased being an Executive KMP on 31 July 2020.
7. Mr R Matisons ceased being an Executive KMP on 31 July 2020.

Glossary

Key terms used in the Remuneration Report

Term	Meaning
Committee	The Human Resources & Compensation Committee
Corporate Scorecard	A corporate scorecard of key measures that aligns with Woodside's overall business performance
EIP	The Executive Incentive Plan
EIS	The Executive Incentive Scheme
Equity Award Rules	The rules which govern offers of incentive securities to eligible employees
ER	Equity right. ERs are awarded under the WEP and SWEP and each one entitles participants to receive a fully paid share in Woodside on the vesting date (or a cash equivalent in the case of international assignees). No amount is payable by the participants on the grant or vesting of an ER
Executive	A senior employee whom the Board has determined to be eligible to participate in the EIS
Executive Director	Peter Coleman
Executive KMP	The Executive Director and Senior Executives listed in Table 1a on page 62
FAR	Fixed Annual Reward
KMP	Key management personnel
KPI	Key performance indicator
LTA	Long-term award
MSR	Minimum shareholding requirements
NED	Non-executive director
NEDSP	The Non-executive Director Share Plan
Performance Rights	Each Performance Right is a right to receive a fully paid ordinary share in Woodside (or, at the Board's discretion, as cash equivalent). No amount is payable by the Executive on the grant or vesting of a Performance Right
Restricted Shares	Woodside ordinary shares that are awarded to Executives as the deferred component of their STA or as a part of their VAR under the EIS. No amount is payable by the Executive on the grant or vesting of a Restricted Share
Retail Entitlement Offer	The pro rata renounceable offer made to Eligible Retail Shareholders to subscribe for 1 new share for every 9 existing shares on 19 February 2018
RTSR	Relative total shareholder return
Senior Executive	A Senior Executive listed as KMP in Table 1a on page 62, excluding the Executive Director
STA	Short-term award
SWEP	The Supplementary Woodside Equity Plan
VAR	Variable Annual Reward
VPR	Variable Pay Right. Each VPR is a right to receive a fully paid ordinary share in Woodside (or, at the Board's discretion, as cash equivalent). No amount is payable by the Executive on the grant or vesting of a VPR
WEP	The Woodside Equity Plan

CONTENTS

Significant changes in the current reporting period

The financial performance and position of the Group were particularly affected by the following events and transactions during the reporting period:

- In January 2020, the Group took unconditional FID on Sangomar Field Development Phase 1. Exploration and evaluation assets were transferred to oil and gas properties (refer to Notes B.2 and B.3).
- In January 2020, the Group completed a $600 million syndicated facility with a term of seven years (refer to Note C.2).
- In August 2020, the Group exercised its right to pre-empt the sale of Capricorn Senegal Limited's interest in the Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore (RSSD) Joint Venture. The transaction was completed on 22 December 2020. In December 2020, the Group also exercised its right to pre-empt the sale of FAR Senegal RSSD SA's interest in the RSSD Joint Venture (refer to Note B.5).
- The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic has affected general activity levels within the global community, economy and business operations. The COVID-19 crisis and a decline in oil prices have impacted and will continue to impact the Group's earnings, cash flow and financial position. The financial statements have been prepared based on assumptions and conditions prevalent as at 31 December 2020. Given ongoing economic uncertainty, these assumptions could change in the future. Key impacts in the reporting period are:
  - The decline in forecast prices, weaker demand and ongoing uncertainties, resulted in impairment losses (pre-tax) of $5,269 million (refer to Note B.4) and recognition of an onerous contract provision of $447 million (refer to Note D.5);
  - The decline in long-term government bond rates increased restoration liabilities by $173 million (refer to Note D.5); and
  - The Group hedged a percentage of its exposure to commodity price risk through several commodity swaps and call option derivative financial instruments (refer to Note D.6).

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2020

	Notes	**2020 US$m**	2019 US$m
Operating revenue	A.1	**3,600**	4,873
Cost of sales	A.1	**(2,985)**	(2,727)
Gross profit		**615**	2,146
Other income	A.1	**31**	100
Other expenses	A.1	**(5,817)**	(1,155)
Profit/(loss) before tax and net finance costs		**(5,171)**	1,091
Finance income		**58**	91
Finance costs	A.2	**(327)**	(320)
Profit/(loss) before tax		**(5,440)**	862
Petroleum resource rent tax (PRRT) benefit	A.5	**439**	31
Income tax benefit/(expense)	A.5	**1,026**	(511)
Profit/(loss) after tax		**(3,975)**	382
Profit/(loss) attributable to:			
Equity holders of the parent		**(4,028)**	343
Non-controlling interest	E.8	**53**	39
Profit/(loss) for the period		**(3,975)**	382
Basic and diluted earnings/(losses) per share attributable to equity holders of the parent (US cents)	A.4	**(423.5)**	36.7

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	2020 US$m	2019 US$m
Profit/(loss) for the period	**(3,975)**	382
Other comprehensive income/(loss)		
Items that may be reclassified to the income statement in subsequent periods:		
Gains/(losses) on hedges	**(59)**	2
Items that will not be reclassified to the income statement in subsequent periods:		
Remeasurement gains on defined benefit plan	**2**	2
Other comprehensive income/(loss) for the period, net of tax	**(57)**	4
Total comprehensive income/(loss) for the period	**(4,032)**	386
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	**(4,085)**	347
Non-controlling interest	**53**	39
Total comprehensive income/(loss) for the period	**(4,032)**	386

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Notes	2020 US$m	2019 US$m
Current assets			
Cash and cash equivalents	C.1	**3,604**	4,058
Receivables	D.2	**303**	343
Inventories	D.3	**125**	176
Other financial assets	D.6	**172**	28
Other assets		**48**	42
Total current assets		**4,252**	4,647
Non-current assets			
Receivables	D.2	**423**	245
Inventories	D.3	**40**	-
Other financial assets	D.6	**54**	35
Other assets		**55**	21
Exploration and evaluation assets	B.2	**2,045**	3,809
Oil and gas properties	B.3	**15,267**	18,298
Other plant and equipment		**199**	177
Deferred tax assets	A.5	**1,304**	1,173
Lease assets	D.7	**984**	948
Total non-current assets		**20,371**	24,706
Total assets		**24,623**	29,353
Current liabilities			
Payables	D.4	**505**	581
Interest-bearing liabilities	C.2	**776**	77
Other financial liabilities	D.6	**37**	12
Other liabilities		**136**	34
Provisions	D.5	**500**	272
Tax payable	A.5	**46**	86
Lease liabilities	D.7	**94**	69
Total current liabilities		**2,094**	1,131
Non-current liabilities			
Interest-bearing liabilities	C.2	**5,438**	5,602
Deferred tax liabilities	A.5	**549**	2,193
Other financial liabilities	D.6	**34**	15
Other liabilities		**42**	46
Provisions	D.5	**2,407**	1,856
Lease liabilities	D.7	**1,184**	1,101
Total non-current liabilities		**9,654**	10,813
Total liabilities		**11,748**	11,944
Net assets		**12,875**	17,409
Equity			
Issued and fully paid shares	C.3	**9,297**	9,010
Shares reserved for employee share plans	C.3	**(23)**	(39)
Other reserves	C.4	**1,403**	992
Retained earnings		**1,398**	6,654
Equity attributable to equity holders of the parent		**12,075**	16,617
Non-controlling interest	E.8	**800**	792
Total equity		**12,875**	17,409

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 US$m	2019 US$m
Cash flows from operating activities			
Profit/(loss) after tax for the period		**(3,975)**	382
Adjustments for:			
Non-cash items			
Depreciation and amortisation		**1,730**	1,617
Depreciation of lease assets		**94**	86
Change in fair value of derivative financial instruments		**31**	(1)
Net finance costs		**269**	229
Tax (benefit)/expense		**(1,465)**	480
Exploration and evaluation written off		**2**	46
Impairment losses		**5,269**	737
Restoration		**28**	77
Onerous contract provision		**347**	-
Other		**(12)**	39
Changes in assets and liabilities			
Decrease in trade and other receivables		**41**	118
Decrease/(increase) in inventories		**51**	(21)
Increase in provisions		**155**	33
Increase in lease liabilities		**40**	-
Increase in other assets and liabilities		**(137)**	(48)
Decrease in trade and other payables		**(121)**	(11)
Cash generated from operations		**2,347**	3,763
Purchases of shares and payments relating to employee share plans		**(32)**	(66)
Interest received		**64**	85
Dividends received		**4**	5
Borrowing costs relating to operating activities		**(180)**	(157)
Income tax paid		**(331)**	(313)
Payments for restoration		**(23)**	(12)
Net cash from operating activities		**1,849**	3,305
Cash flows used in investing activities			
Payments for capital and exploration expenditure		**(1,418)**	(1,213)
Proceeds from disposal of non-current assets held for sale		**-**	12
Borrowing costs relating to investing activities		**(57)**	(37)
Advances to other external entities		**(110)**	-
Payments for acquisition of joint arrangements	B.5	**(527)**	-
Net cash used in investing activities		**(2,112)**	(1,238)
Cash flows (used in)/from financing activities			
Proceeds from borrowings	C.2	**600**	1,700
Repayment of borrowings	C.2	**(83)**	(84)
Borrowing costs relating to financing activities		**(21)**	(30)
Repayment of lease liabilities		**(71)**	(41)
Borrowing costs relating to lease liabilities		**(86)**	(89)
Contributions to non-controlling interests		**(111)**	(77)
Dividends paid (outside of DRP)		**-**	(852)
Dividends paid (net of DRP)		**(454)**	(210)
Net proceeds from share issuance		**23**	-
Net cash (used in)/from financing activities		**(203)**	317
Net (decrease)/increase in cash held		**(466)**	2,384
Cash and cash equivalents at the beginning of the period		**4,058**	1,674
Effects of exchange rate changes		**12**	-
Cash and cash equivalents at the end of the period	C.1	**3,604**	4,058

The accompanying notes form part of the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Issued and fully paid shares	Shares reserved for employee share plans	Employee benefits reserve	Foreign currency translation reserve	Hedging reserve	Distributable profits reserve	Retained earnings	Equity holders of the parent	Non-controlling interest	Total equity
Notes	C.3	C.3	C.4	C.4	C.4	C.4			E.8	
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
At 1 January 2020	**9,010**	**(39)**	**211**	**793**	**(12)**	**-**	**6,654**	**16,617**	**792**	**17,409**
Transfers	**-**	**-**	**-**	**-**	**-**	**710**	**(710)**	**-**	**-**	**-**
Profit/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(4,028)**	**(4,028)**	**53**	**(3,975)**
Other comprehensive income/(loss)	**-**	**-**	**2**	**-**	**(59)**	**-**	**-**	**(57)**	**-**	**(57)**
Total comprehensive income/(loss) for the period	**-**	**-**	**2**	**-**	**(59)**	**-**	**(4,028)**	**(4,085)**	**53**	**(4,032)**
Dividend Reinvestment Plan	**264**	**-**	**-**	**-**	**-**	**-**	**-**	**264**	**-**	**264**
Shares issued	**23**	**-**	**-**	**-**	**-**	**-**	**-**	**23**	**-**	**23**
Employee share plan purchases	**-**	**(32)**	**-**	**-**	**-**	**-**	**-**	**(32)**	**-**	**(32)**
Employee share plan redemptions	**-**	**48**	**(48)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments (net of tax)	**-**	**-**	**54**	**-**	**-**	**-**	**-**	**54**	**-**	**54**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(248)**	**(518)**	**(766)**	**(45)**	**(811)**
At 31 December 2020	**9,297**	**(23)**	**219**	**793**	**(71)**	**462**	**1,398**	**12,075**	**800**	**12,875**
At 1 January 2019	8,880	(31)	206	793	(14)	-	7,500	17,334	833	18,167
Profit for the period	-	-	-	-	-	-	343	343	39	382
Other comprehensive income	-	-	2	-	2	-	-	4	-	4
Total comprehensive income for the period	-	-	2	-	2	-	343	347	39	386
Dividend Reinvestment Plan	130	-	-	-	-	-	-	130	-	130
Employee share plan purchases	-	(66)	-	-	-	-	-	(66)	-	(66)
Employee share plan redemptions	-	58	(58)	-	-	-	-	-	-	-
Share-based payments (net of tax)	-	-	61	-	-	-	-	61	-	61
Dividends paid	-	-	-	-	-	-	(1,189)	(1,189)	(80)	(1,269)
At 31 December 2019	9,010	(39)	211	793	(12)	-	6,654	16,617	792	17,409

The accompanying notes form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

About these statements

Woodside Petroleum Ltd (Woodside or the Group) is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report and in the segment information in Note A.1.

The financial statements were authorised for issue in accordance with a resolution of the directors on 18 February 2021.

Statement of compliance

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AASBs) and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The accounting policies are consistent with those disclosed in the 2019 Financial Statements, except for the impact of all new or amended standards and interpretations adopted with effect from 1 January 2020. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies, with the exception of AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business* (refer to Note E.9(c)).

The Group early adopted AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform* (AASB 2019-3) in the prior year, effective from 1 January 2019.

Currency

The functional and presentation currency of Woodside Petroleum Ltd and all its subsidiaries is the US dollar.

Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling at that date. Exchange differences in the consolidated financial statements are taken to the income statement.

Rounding of amounts

The amounts contained in these financial statements have been rounded to the nearest million dollars under the option available to the Group under Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and certain other financial assets and financial liabilities, which have been measured at fair value or amortised cost adjusted for changes in fair value attributable to the risks that are being hedged in effective hedge relationships.

If the carrying value of financial assets and financial liabilities does not approximate their fair value, the fair value has been included in the notes to the financial statements.

The financial statements comprise the financial results of the Group as at 31 December each year (refer to Note E.8).

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which the Group ceases to have control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits and losses arising from intra-group transactions, have been eliminated in full.

The consolidated financial statements provide comparative information in respect of the previous period. Where required, a reclassification of items in the financial statements of the previous period has been made in accordance with the classification of items in the financial statements of the current period.

Non-controlling interests are allocated their share of the net profit after tax in the consolidated income statement and their share of other comprehensive income net of tax in the consolidated statement of comprehensive income, and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Financial and capital risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework, including review and approval of the Group's risk management strategy, policy and key risk parameters. The Board of Directors and the Audit and Risk Committee have oversight of the Group's internal control system and risk management process, including oversight of the internal audit function.

The Group's management of financial and capital risks is aimed at ensuring that available capital, funding and cash flows are sufficient to:

- meet the Group's financial commitments as and when they fall due;
- maintain the capacity to fund its committed project developments;
- pay a reasonable dividend; and
- maintain a long-term credit rating of not less than 'investment grade'.

The Group monitors and tests its forecast financial position against these criteria and, in general, will undertake hedging activity only when necessary to ensure that these objectives are achieved.

Other circumstances that may lead to hedging activities include the management of exposures relating to trading activities and the underpinning of the economics of a new project. It is, and has been throughout the period, the Group Treasury policy that no speculative trading in financial instruments shall be undertaken. Refer to the Risk section of Corporate on pages 38-41 for more information on the Group's objectives, policies and processes for managing financial risk.

The below risks arise in the normal course of the Group's business. Risk information can be found in the following sections:

Section A	Commodity price risk	Page 91
Section A	Foreign exchange risk	Page 91
Section C	Capital risk	Page 105
Section C	Liquidity risk	Page 105
Section C	Interest rate risk	Page 105
Section D	Credit risk	Page 109

Key estimates and judgements

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances known to management, and actual results may differ. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are found in the following notes:

Note A.1	Revenue from contracts with customers	Page 92
Note A.5	Taxes	Page 96
Note B.2	Exploration and evaluation	Page 99
Note B.3	Oil and gas properties	Page 100
Note B.4	Impairment of exploration and evaluation and oil and gas properties	Page 103
Note D.5	Provisions	Page 112
Note D.6	Other financial assets and liabilities	Page 113
Note D.7	Leases	Page 114
Note E.6	Joint arrangements	Page 118

In this section

This section addresses financial performance of the Group for the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made. This section also includes the tax position of the Group for and at the end of the reporting period.

Key financial and capital risks in this section

Commodity price risk management

The Group's revenue is exposed to commodity price fluctuations. Commodity price risks are measured by monitoring and stress testing the Group's forecast financial position to sustained periods of low oil and gas prices. This analysis is regularly performed on the Group's portfolio and, as required, for discrete projects and acquisitions.

As at the reporting date, the Group had no financial instruments with material exposure to commodity price risk.

Foreign exchange risk management

Foreign exchange risk arises from future commitments, financial assets and financial liabilities that are not denominated in US dollars. The majority of the Group's revenue is denominated in US dollars. The Group is exposed to foreign currency risk arising from operating and capital expenditure incurred in currencies other than US dollars, particularly Australian dollars.

Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

A reasonably possible change in the exchange rate of the US dollar to the Australian dollar (+12%/-12% (2019: +12%/-12%)), with all other variables held constant, would not have a material impact on the Group's equity or the profit or loss in the current period. Refer to Notes C1, C2, D2, D4 and D7 for details of the denominations of cash and cash equivalents, interest-bearing liabilities, receivables, payables and lease liabilities held at 31 December 2020.

In order to hedge the foreign exchange risk and interest rate risk (refer to Section C) of a Swiss Franc (CHF) denominated medium term note, Woodside holds a number of cross-currency interest rate swaps (refer to Note C.2 and D.6). The aim of this hedge is to convert the fixed interest CHF bond into variable interest US dollar debt.

A.1 Segment revenue and expenses

Operating segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources.

The operating segments are consistent with the 2019 Financial Statements. In the period, the following changes were made to information presented to the executive management team and 2019 amounts have been restated:

- Revenue from sale of hydrocarbons – the Group changed the presentation of LNG revenue to align with the marketing and sale of LNG on a portfolio basis. LNG revenue includes the sale of produced and purchased LNG and is measured for each segment at the average realised price of all LNG sold. The sale of purchased LNG was previously classified as trading revenue or other hydrocarbon revenue.
- Shipping and other revenue – was previously classified as trading revenue.

Management monitors the performance of the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. The performance of operating segments is evaluated based on profit before tax and net finance costs and is measured in accordance with the Group's accounting policies.

Financing requirements, including cash and debt balances, finance income, finance costs and taxes are managed at a Group level.

Operating segments outlined below are identified by management based on the nature and geographical location of the business or venture.

Producing

North West Shelf Project – Exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas, condensate and liquefied petroleum gas in assigned permit areas.

Pluto LNG – Exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas and condensate in assigned permit areas.

Australia Oil – Exploration, evaluation, development, production and sale of crude oil in assigned permit areas (North West Shelf, Greater Enfield and Vincent).

Wheatstone – Exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas and condensate in assigned permit areas.

Development

Development segments – This segment comprises exploration, evaluation and development of liquefied natural gas, crude oil and condensate in the Browse, Scarborough, Kitimat, Sunrise and Sangomar projects.

Other

Other segments – This segment comprises trading and shipping activities and activities undertaken in other international locations.

Unallocated items – Unallocated items comprise primarily corporate non-segmental items of revenue and expenses and associated assets and liabilities not allocated to operating segments as they are not considered part of the core operations of any segment.

Major customer information

The Group has two major customers which account for 15% and 13% of the Group's external revenue. The sales are generated by the Pluto and North West Shelf operating segments (2019: three customers; 16%, 15% and 11% generated by Pluto, North West Shelf and Wheatstone).

Geographic information	Revenue from external customers[1]		Non-current assets[2]	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Oceania	**286**	202	**17,559**	21,934
Asia	**3,076**	4,435	**229**	199
Canada	**-**	2	**34**	777
Africa	**-**	-	**1,244**	621
Other	**238**	234	**1**	2
Consolidated	**3,600**	4,873	**19,067**	23,533

1. Revenue is attributable to geographic region based on the location of the customer.
2. Non-current assets exclude deferred tax of $1,304 million (2019: $1,173 million).

Recognition and measurement

Revenue from contracts with customers

Revenue is recognised when or as the Group transfers control of products or provides services to a customer at the amount to which the Group expects to be entitled. If the consideration includes a variable component, the Group estimates the amount of the expected consideration receivable. Variable consideration is estimated throughout the contract and is constrained until it is highly probable a significant revenue reversal in the amount of cumulative revenue recognised will not occur.

- Revenue from sale of hydrocarbons - Revenue from the sale of hydrocarbons is recognised at a point in time when control of the product is transferred to the customer, which is typically on delivery.
  Revenue from take or pay contracts is recorded as unearned revenue until the product has been drawn by the customer (transfer of control), at which time it is recognised in earnings.
- Other operating revenue - Revenue earned from LNG processing and other services is recognised over time as the services are rendered.

Expenses

- Royalties and excise duty - Royalties and excise duty under existing regimes are considered to be production-based taxes and are therefore accrued on the basis of the Group's entitlement to physical production.
- Depreciation and amortisation - Refer to Note B.3 for details on depreciation and amortisation.
- Impairment - Refer to Note B.4 for details on impairment.
- Leases - Refer to Note D.7 for details on leases.
- Employee benefits - Refer to Note E.2 for details.

Key estimates and judgements

Revenue from contracts with customers

Judgement is required to determine the point at which the customer obtains control of hydrocarbons. Factors including transfer of legal title, transfer of significant risks and rewards of ownership and the existence of a present right to payment for the hydrocarbons typically result in control transferring on delivery of hydrocarbons at port of loading or port of discharge.

The transaction price at the date control passes for sales made subject to provisional pricing periods in oil and condensate contracts is determined with reference to quoted commodity prices.

Judgement is also used to determine if it is probable that a significant reversal will occur in relation to revenue recognised during open pricing periods in LNG contracts. The Group estimates variable consideration based on reasonably available information from contract negotiations and market indicators.

Progress of performance obligations for LNG processing services revenue recognised over time is measured using the output method which most accurately measures the progress towards satisfaction of the performance obligation of the services provided.

A.1 Segment revenue and expenses (cont.)

	Producing								Development		Other					
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other segments		Unallocated items		Consolidated	
	2020 US$m	2019[1] US$m	**2020 US$m**	2019[1] US$m	**2020 US$m**	2019[1] US$m	**2020 US$m**	2019[1] US$m	**2020 US$m**	2019[1] US$m	**2020 US$m**	2019[1] US$m	**2020 US$m**	2019[1] US$m	**2020 US$m**	2019[1] US$m
Liquefied natural gas[2]	**722**	1,102	**1,320**	1,753	**-**	-	**365**	572	**-**	-	**112**	237	**-**	-	**2,519**	3,664
Domestic gas	**44**	69	**11**	4	**-**	-	**18**	10	**-**	2	**-**	-	**-**	-	**73**	85
Condensate	**194**	271	**114**	188	**-**	-	**103**	127	**-**	-	**-**	-	**-**	-	**411**	586
Oil	**-**	-	**-**	-	**432**	360	**-**	-	**-**	-	**-**	-	**-**	-	**432**	360
Liquefied petroleum gas	**16**	44	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**16**	44
Revenue from sale of hydrocarbons	**976**	1,486	**1,445**	1,945	**432**	360	**486**	709	**-**	2	**112**	237	**-**	-	**3,451**	4,739
Processing and services revenue	**-**	-	**142**	119	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**142**	119
Shipping and other revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**7**	15	**-**	-	**7**	15
Other revenue	**-**	-	**142**	119	**-**	-	**-**	-	**-**	-	**7**	15	**-**	-	**149**	134
Operating revenue from contracts with customers	**976**	1,486	**1,587**	2,064	**432**	360	**486**	709	**-**	2	**119**	252	**-**	-	**3,600**	4,873
Production costs	**(118)**	(132)	**(189)**	(225)	**(107)**	(87)	**(72)**	(62)	**-**	(2)	**-**	-	**8**	3	**(478)**	(505)
Royalties and excise	**(79)**	(187)	**-**	-	**(3)**	(6)	**-**	-	**-**	-	**-**	-	**-**	-	**(82)**	(193)
Insurance	**(7)**	(6)	**(19)**	(13)	**(3)**	(2)	**(3)**	(1)	**-**	-	**-**	-	**1**	5	**(31)**	(17)
Inventory movement	**(1)**	(1)	**(7)**	6	**(21)**	23	**(3)**	1	**-**	-	**-**	-	**-**	-	**(32)**	29
Costs of production	**(205)**	(326)	**(215)**	(232)	**(134)**	(72)	**(78)**	(62)	**-**	(2)	**-**	-	**9**	8	**(623)**	(686)
Land and buildings	**(4)**	(4)	**(27)**	(24)	**-**	-	**(24)**	(29)	**-**	-	**-**	-	**-**	-	**(55)**	(57)
Transferred exploration and evaluation	**(13)**	(17)	**(32)**	(36)	**(32)**	(22)	**(22)**	(26)	**-**	-	**-**	-	**-**	-	**(99)**	(101)
Plant and equipment	**(228)**	(243)	**(823)**	(755)	**(251)**	(148)	**(231)**	(266)	**-**	-	**-**	-	**-**	-	**(1,533)**	(1,412)
Marine vessels and carriers	**(2)**	(4)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2)**	(4)
Oil and gas properties depreciation and amortisation	**(247)**	(268)	**(882)**	(815)	**(283)**	(170)	**(277)**	(321)	**-**	-	**-**	-	**-**	-	**(1,689)**	(1,574)
Shipping and direct sales costs	**(49)**	(56)	**(53)**	(44)	**-**	-	**(44)**	(36)	**-**	-	**35**	26	**-**	-	**(111)**	(110)
Trading costs[3]	**(8)**	(27)	**(49)**	(98)	**-**	-	**(10)**	(4)	**-**	-	**(144)**	(120)	**-**	-	**(211)**	(249)
Other hydrocarbon costs	**-**	-	**-**	(48)	**-**	-	**(4)**	(60)	**-**	-	**-**	-	**-**	-	**(4)**	(108)
Movement in onerous contract provision[4]	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(347)**	-	**-**	-	**(347)**	-
Other cost of sales	**(57)**	(83)	**(102)**	(190)	**-**	-	**(58)**	(100)	**-**	-	**(456)**	(94)	**-**	-	**(673)**	(467)
Cost of sales	**(509)**	(677)	**(1,199)**	(1,237)	**(417)**	(242)	**(413)**	(483)	**-**	(2)	**(456)**	(94)	**9**	8	**(2,985)**	(2,727)
Gross profit	**467**	809	**388**	827	**15**	118	**73**	226	**-**	-	**(337)**	158	**9**	8	**615**	2,146
Other income[5]	**13**	10	**3**	2	**-**	-	**12**	81	**-**	2	**1**	-	**2**	5	**31**	100
Exploration and evaluation expenditure	**(3)**	(4)	**(1)**	(2)	**(1)**	(3)	**(3)**	(1)	**(3)**	(4)	**(56)**	(89)	**-**	-	**(67)**	(103)
Amortisation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(12)**	(15)	**-**	-	**(12)**	(15)
Write-offs	**-**	(4)	**-**	-	**-**	-	**-**	-	**-**	-	**(2)**	(42)	**-**	-	**(2)**	(46)
Exploration and evaluation	**(3)**	(8)	**(1)**	(2)	**(1)**	(3)	**(3)**	(1)	**(3)**	(4)	**(70)**	(146)	**-**	-	**(81)**	(164)
General, administrative and other costs	**(1)**	7	**(1)**	-	**(1)**	(8)	**(1)**	-	**(14)**	(1)	**(6)**	3	**(166)**	(81)	**(190)**	(80)
Depreciation of other plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(29)**	(28)	**(29)**	(28)
Depreciation of lease assets	**-**	-	**(26)**	(26)	**-**	-	**-**	-	**-**	-	**(34)**	(31)	**(34)**	(29)	**(94)**	(86)
Restoration movement	**(5)**	3	**-**	-	**(62)**	(80)	**-**	-	**39**	-	**-**	-	**-**	-	**(28)**	(77)
Impairment losses[6]	**(454)**	(17)	**(1,291)**	-	**(674)**	-	**(1,401)**	-	**(1,298)**	(720)	**(151)**	-	**-**	-	**(5,269)**	(737)
Other[5]	**(16)**	2	**3**	(4)	**(12)**	8	**(3)**	24	**(4)**	(5)	**(1)**	-	**(93)**	(8)	**(126)**	17
Other costs	**(476)**	(5)	**(1,315)**	(30)	**(749)**	(80)	**(1,405)**	24	**(1,277)**	(726)	**(192)**	(28)	**(322)**	(146)	**(5,736)**	(991)
Other expenses	**(479)**	(13)	**(1,316)**	(32)	**(750)**	(83)	**(1,408)**	23	**(1,280)**	(730)	**(262)**	(174)	**(322)**	(146)	**(5,817)**	(1,155)
Profit/(loss) before tax and net finance costs	**1**	806	**(925)**	797	**(735)**	35	**(1,323)**	330	**(1,280)**	(728)	**(598)**	(16)	**(311)**	(133)	**(5,171)**	1,091

1. 2019 amounts have been restated for the application of reporting on a LNG portfolio basis as detailed in 'Operating segment information'.
2. Includes an adjustment of $113 million related to price reviews currently under negotiation for multiple contracts across North West Shelf and Pluto, reducing revenue recognised in the current and prior periods and increasing other liabilities.
3. Trading costs includes trading intersegment adjustments which eliminate to nil in the Group's consolidated results.
4. Comprises new provisions recognised of $447 million, offset by changes in estimates of $54 million, provisions used of $41 million and a revision of discount rates of $5 million. Refer to Note D.5 for more details.
5. Other comprises foreign exchange gains and losses, gains and losses on hedging activities, and other expenses not associated with the ongoing operations of the business.
6. Impairment losses represent charges on exploration and evaluation of $1,557 million and oil and gas properties of $3,712 million. Refer to Note B.4 for further details.

A.2 Finance costs

	2020 US$m	2019 US$m
Interest on interest-bearing liabilities	**237**	215
Interest on lease liabilities	**86**	89
Accretion charge	**32**	40
Other finance costs	**29**	17
Less: Finance costs capitalised against qualifying assets	**(57)**	(41)
	327	320

A.3 Dividends paid and proposed

Woodside Petroleum Ltd, the parent entity, paid and proposed dividends set out below:

	2020 US$m	2019 US$m
(a) Dividends paid during the financial year		
Prior year fully franked final dividend US$0.55, paid on 20 March 2020 (2019: US$0.91, paid on 20 March 2019)	**518**	852
Current year fully franked interim dividend US$0.26, paid on 18 September 2020 (2019: US$0.36, paid on 20 September 2019)	**248**	337
	766	1,189
(b) Dividend declared subsequent to the reporting period (not recorded as a liability)		
Final dividend US$0.12 (2019: US$0.55)	**115**	518
(c) Other information		
Franking credits available for subsequent periods	**1,823**	1,565
Current year dividends per share (US cents)	**38**	91

The dividend reinvestment plan (DRP) was approved by the shareholders at the Annual General Meeting in 2003 for activation as required to fund future growth. The DRP was reactivated for the 2019 interim dividend and remains in place until further notice.

A.4 Earnings/(losses) per share

	2020	2019
Profit/(loss) attributable to equity holders of the parent (US$m)	**(4,028)**	343
Weighted average number of shares on issue	**951,113,086**	935,833,092
Basic and diluted earnings/(losses) per share (US cents)	**(423.5)**	36.7

Earnings/(losses) per share is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares on issue during the year. The weighted average number of shares makes allowance for shares reserved for employee share plans.

Total awards of 9,392,203 (2019: 10,501,088) are considered to be contingently issuable and therefore not dilutive.

There have been no significant transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

A.5 Taxes

	2020 US$m	2019 US$m
(a) Tax expense comprises		
PRRT		
Deferred tax benefit	(439)	(31)
PRRT benefit	(439)	(31)
Income tax		
Current year		
Current tax expense	275	325
Deferred tax (benefit)/expense	(1,308)	184
Adjustment to prior years		
Current tax expense	16	-
Deferred tax (benefit)/expense	(9)	2
Income tax (benefit)/expense	(1,026)	511
Tax (benefit)/expense	(1,465)	480
(b) Reconciliation of income tax expense		
Profit/(loss) before tax	(5,440)	862
PRRT benefit	439	31
Profit/(loss) before income tax	(5,001)	893
Income tax (benefit)/expense calculated at 30%	(1,500)	268
Foreign income tax benefit	(11)	-
Non-deductible items	2	-
Foreign expenditure not brought to account	473	242
Adjustment to prior years	7	2
Foreign exchange impact on tax expense/(benefit)	3	(1)
Income tax (benefit)/expense	(1,026)	511
(c) Reconciliation of PRRT benefit		
Profit/(loss) before tax	(5,440)	862
Non-PRRT assessable (profit)/loss	3,080	(528)
PRRT projects profit/(loss) before tax[1]	(2,360)	334
PRRT (benefit)/expense calculated at 40%	(944)	134
Augmentation	(138)	(168)
Derecognition of Pluto general expenditure[1]	627	-
Other	16	3
PRRT benefit	(439)	(31)
(d) Deferred tax income statement reconciliation		
PRRT		
Production and growth assets	(242)	190
Augmentation for current year	(138)	(168)
Provisions	(32)	(52)
Other	(27)	(1)
PRRT benefit	(439)	(31)
Income tax		
Oil and gas properties	(981)	94
Exploration and evaluation assets	(210)	92
Provisions	(106)	(97)
PRRT liabilities	134	6
Lease assets and liabilities	(16)	(23)
Unused tax losses and tax credits	(149)	73
Other	11	23
Income tax deferred tax (benefit)/expense	(1,317)	168
Deferred tax (benefit)/expense	(1,756)	137
(e) Deferred tax balance sheet reconciliation		
Deferred tax assets		
PRRT		
Production and growth assets	1,098	989
Augmentation for current year	124	145
Provisions	46	37
Other	36	2
	1,304	1,173

	2020 US$m	2019 US$m
(e) Deferred tax balance sheet reconciliation (cont.)		
Deferred tax liabilities		
PRRT		
Production and growth assets	224	525
Augmentation for current year	(14)	(23)
Provisions	(214)	(191)
Other	4	(3)
Income tax		
Oil and gas properties	846	1,827
Exploration and evaluation assets	255	465
Lease assets and liabilities	(39)	(23)
Provisions	(696)	(590)
PRRT liabilities	391	257
Unused tax losses and tax credits	(149)	-
Other[2]	(59)	(51)
	549	2,193
(f) Tax payable reconciliation		
Income tax payable	46	86
	46	86
(g) Effective income tax rate: Australian and global operations		
Effective income tax rate[3]		
Australia	29.6%	29.3%
Global	20.5%	57.2%
(h) Current income tax expense reconciliation		
Profit/(loss) before income tax	(5,001)	893
Income tax (benefit)/expense at the statutory tax rate of 30%	(1,500)	268
Foreign income tax benefit	(11)	-
Non-temporary differences[4,5]	475	242
Temporary differences: deferred tax[5]	1,308	(184)
Foreign exchange impact on tax expense/(benefit)	3	(1)
Current income tax expense	275	325

1. A net $348 million reduction of the Pluto PRRT deferred tax asset includes derecognition of general expenditure of $627 million (based on expected future utilisation) offset by a reduction in the Pluto asset accounting base of $279 million (included within 'PRRT projects profit/(loss) before tax').
2. $19 million tax benefit recognised in other comprehensive income (2019: Nil).
3. The global operations effective income tax rate (ETR) is calculated as the Group's income tax expense/(benefit) divided by profit/(loss) before income tax. The Australian operations ETR is calculated with reference to all Australian companies and excludes foreign exchange on settlement and revaluation of income tax liabilities. The global ETR is impacted by one-off items including the impairment of foreign assets and onerous contract provision.
4. Primarily expenditure in respect of foreign operations, including the impairment of foreign assets and onerous contract provision.
5. Excludes adjustment to prior years.

A.5 Taxes (cont.)

Tax transparency code

Woodside participates in the Australian Board of Taxation's voluntary Tax Transparency Code (TTC). To increase public confidence in the contributions and compliance of corporate taxpayers, the TTC recommends public disclosure of tax information. Woodside has addressed the recommended disclosures in two parts. The Part A disclosures are addressed within this Taxes note; the Part B disclosures are addressed in our Sustainable Development Report.

Recognition and measurement

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised. The tax rates and laws used to determine the amount are based on those that have been enacted or substantially enacted by the end of the reporting period. Income taxes relating to items recognised directly in equity are recognised in equity.

Current taxes

Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred taxes

Deferred tax expense represents movements in the temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

With the exception of those noted below, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and tax credits only if it is probable that sufficient future taxable income will be available to utilise those temporary differences and losses.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither accounting profit nor the taxable profit.

In relation to PRRT, the impact of future augmentation on expenditure is included in the determination of future taxable profits when assessing the extent to which a deferred tax asset can be recognised in the statement of financial position.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that the Group intends to settle its current tax assets and liabilities on a net basis. Refer to Notes E.8 and E.9 for detail on the tax consolidated group.

Key estimates and judgements

(a) Income tax classification

Judgement is required when determining whether a particular tax is an income tax or another type of tax. Accounting for deferred tax is applied to income taxes as described above, but is not applied to other types of taxes, e.g. North West Shelf royalties and excise. Such taxes are recognised in the income statement on an appropriate basis. PRRT is considered, for accounting purposes, to be an income tax.

(b) Deferred tax asset recognition

Australian tax losses: A deferred tax asset of $149 million (2019: nil) has been recognised for carry forward unused tax losses and credits. The Group has determined that it is probable that sufficient future taxable income will be available to utilise those losses and credits.

Foreign tax losses: Deferred tax assets of $477 million (2019: $471 million) relating to unused foreign tax losses have not been recognised on the basis that it is not probable that the assets will be utilised based on current planned activities in those regions.

PRRT: The recoverability of PRRT deferred tax assets is primarily assessed with regard to future oil price assumptions. As a result of the decrease in long-term oil prices (as disclosed in Note B.4), $348 million of the Pluto PRRT deferred tax asset (DTA) has been derecognised, being the portion for which it is no longer probable that future taxable profits will be in excess of the deductible expenditure including augmentation. The Pluto PRRT DTA of $1,053 million continues to be recognised on the basis that it is probable that future taxable profits will be available to utilise the deductible expenditure. A long-term bond rate of 1.0% (31 December 2019: 1.3%) was used for the purposes of augmentation. All other deferred PRRT and income tax movements are a result of the effective income tax rates applicable to each Australian or foreign jurisdiction.

Certain deferred tax assets on deductible temporary differences have not been recognised on the basis that deductions from future augmentation of the deductible temporary difference will be sufficient to offset future taxable profit. $4,167 million (2019: $3,831 million) relates to the North West Shelf Project, $1,345 million (2019: $654 million) relates to the quarantined exploration spend and impaired general spend of Pluto LNG and $1,049 million (2019: $856 million) relates to Wheatstone. A long-term bond rate of 1.0% (31 December 2019: 1.3%) was used for the purposes of augmentation.

Had an alternative approach been used to assess recovery of the deferred tax assets, whereby future augmentation was not included in the assessment, the additional deferred tax assets would be recognised, with a corresponding benefit to income tax expense. It was determined that the approach adopted provides the most meaningful information on the implications of the PRRT regime, whilst ensuring compliance with AASB 112 *Income Taxes*.

In this section

This section addresses the strategic growth (exploration and evaluation) and core producing (oil and gas properties) assets position of the Group at the end of the reporting period including, where applicable, the accounting policies and key estimates and judgements applied. This section also includes the impairment position of the Group at the end of the reporting period.

B.1 Segment production and growth assets

	Producing								Development		Other			
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other		Consolidated	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Balance as at 31 December														
Oceania	9	19	-	429	13	21	3	2	1,727	1,624	-	148	1,752	2,243
Asia	-	-	-	-	-	-	-	-	-	-	229	199	229	199
Canada	-	-	-	-	-	-	-	-	-	742	-	-	-	742
Africa	-	-	-	-	-	-	-	-	51	607	13	16	64	623
Other	-	-	-	-	-	-	-	-	-	-	-	2	-	2
Total exploration and evaluation	9	19	-	429	13	21	3	2	1,778	2,973	242	365	2,045	3,809
Balance as at 31 December														
Land and buildings	9	15	307	388	-	-	432	664	-	-	1	1	749	1,068
Transferred exploration and evaluation	61	89	167	258	90	189	113	193	-	-	-	-	431	729
Plant and equipment	1,574	2,123	7,498	8,891	784	1,509	2,074	3,287	-	-	3	3	11,933	15,813
Marine vessels and carriers	11	36	-	-	-	-	-	-	-	-	-	-	11	36
Projects in development	131	113	549	321	10	7	395	210	1,055	-	3	1	2,143	652
Total oil and gas properties	1,786	2,376	8,521	9,858	884	1,705	3,014	4,354	1,055	-	7	5	15,267	18,298
Balance as at 31 December														
Land and buildings	12	-	22	20	-	-	3	-	38	34	317	342	392	396
Marine vessels and carriers	1	-	156	177	-	-	-	-	-	-	435	375	592	552
Total lease assets	13	-	178	197	-	-	3	-	38	34	752	717	984	948
Additions to exploration and evaluation:														
Exploration	-	4	-	3	-	-	1	2	26	-	18	49	45	58
Evaluation	-	3	-	9	-	-	-	14	294	383	16	7	310	416
Restoration	-	-	-	3	-	-	-	-	44	2	-	-	44	5
	-	7	-	15	-	-	1	16	364	385	34	56	399	479
Additions to oil and gas properties:														
Oil and gas properties	68	81	322	297	93	257	287	90	767	-	2	1	1,539	726
Capitalised borrowings costs[1]	1	-	17	5	2	34	10	2	27	-	-	-	57	41
Restoration	34	65	68	42	42	62	43	17	-	-	-	-	187	186
	103	146	407	344	137	353	340	109	794	-	2	1	1,783	953
Additions to lease assets:														
Land and buildings	12	-	6	-	-	-	3	-	1	-	2	1	24	1
Marine vessels and carriers	1	-	-	-	-	-	-	-	-	-	101	12	102	12
	13	-	6	-	-	-	3	-	1	-	103	13	126	13

1. Borrowing costs capitalised were at a weighted average interest rate of 3.8% (2019: 4.2%).

Refer to Note A.1 for descriptions of the Group's segments and geographical regions.

B.2 Exploration and evaluation

	Oceania US$m	Asia US$m	Canada US$m	Africa US$m	Other US$m	Total US$m
Year ended 31 December 2020						
Carrying amount at 1 January 2020	**2,243**	**199**	**742**	**623**	**2**	**3,809**
Additions	**272**	**34**	**67**	**26**	**-**	**399**
Amortisation of licence acquisition costs	**(5)**	**(4)**	**-**	**(3)**	**-**	**(12)**
Expensed[1]	**-**	**-**	**-**	**-**	**(2)**	**(2)**
Impairment losses[2]	**(748)**	**-**	**(809)**	**-**	**-**	**(1,557)**
Transferred exploration and evaluation	**(10)**	**-**	**-**	**(582)**	**-**	**(592)**
Carrying amount at 31 December 2020	**1,752**	**229**	**-**	**64**	**-**	**2,045**
Year ended 31 December 2019						
Carrying amount at 1 January 2019	2,002	192	1,408	563	15	4,180
Additions	325	11	54	60	29	479
Amortisation of licence acquisition costs	(11)	(4)	-	-	-	(15)
Expensed[1]	(4)	-	-	-	(42)	(46)
Impairment losses[2]	-	-	(720)	-	-	(720)
Transferred exploration and evaluation	(69)	-	-	-	-	(69)
Carrying amount at 31 December 2019	2,243	199	742	623	2	3,809
Exploration commitments						
Year ended 31 December 2020	**11**	**55**	**-**	**46**	**3**	**115**
Year ended 31 December 2019	13	32	-	44	15	104

1. $2 million of exploration and evaluation expensed relates to unsuccessful wells written off during the period (2019: $46 million).
2. Refer to Note B.4 for details on impairment.

Recognition and measurement

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. The Group's application of the accounting policy is closely aligned to the US GAAP-based successful efforts method.

Areas of interest are based on a geographical area for which the rights of tenure are current. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and new venture activity costs, is expensed as incurred except for the following:

- where the expenditure relates to an exploration discovery for which the assessment of the existence or otherwise of economically recoverable hydrocarbons is not yet complete; or
- where the expenditure is expected to be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of acquiring interests in new exploration and evaluation licences are capitalised. The costs of drilling exploration wells are initially capitalised pending the results of the well.

Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons and the recognition of an area of interest.

Subsequent to the recognition of an area of interest, all further evaluation costs relating to that area of interest are capitalised.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil and gas properties.

In the statement of cash flows, those cash flows associated with capitalised exploration and evaluation expenditure, including unsuccessful wells, are classified as cash flows used in investing activities.

Exploration commitments

The Group has exploration expenditure obligations which are contracted for, but not provided for in the financial statements. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of the Group's operations.

Impairment

Refer to Note B.4 for details on impairment, including any write-offs.

Key estimates and judgements

Area of interest

Typically, an area of interest (AOI) is defined by the Group as an individual geographical area whereby the presence of hydrocarbons is considered favourable or proved to exist. The Group has established criteria to recognise and maintain an AOI.

B.3 Oil and gas properties

	Land and buildings US$m	Transferred exploration and evaluation US$m	Plant and equipment US$m	Marine vessels and carriers US$m	Projects in development US$m	Total US$m
Year ended 31 December 2020						
Carrying amount at 1 January 2020	**1,068**	**729**	**15,813**	**36**	**652**	**18,298**
Additions	**-**	**-**	**150**	**-**	**1,633**	**1,783**
Disposals at written down value	**-**	**-**	**(3)**	**-**	**(2)**	**(5)**
Depreciation and amortisation	**(55)**	**(99)**	**(1,533)**	**(2)**	**-**	**(1,689)**
Impairment losses[1]	**(264)**	**(199)**	**(2,636)**	**(23)**	**(590)**	**(3,712)**
Completions and transfers	**-**	**-**	**142**	**-**	**450**	**592**
Carrying amount at 31 December 2020	**749**	**431**	**11,933**	**11**	**2,143**	**15,267**
At 31 December 2020						
Historical cost	**1,722**	**1,348**	**31,225**	**184**	**2,791**	**37,270**
Accumulated depreciation and impairment	**(973)**	**(917)**	**(19,292)**	**(173)**	**(648)**	**(22,003)**
Net carrying amount	**749**	**431**	**11,933**	**11**	**2,143**	**15,267**
Year ended 31 December 2019						
Carrying amount at 1 January 2019	1,100	625	15,460	66	1,630	18,881
Additions	-	-	122	-	831	953
Disposals at written down value	-	-	(3)	(13)	(2)	(18)
Depreciation and amortisation	(57)	(101)	(1,412)	(4)	-	(1,574)
Impairment losses[1]	-	-	-	(17)	-	(17)
Completions and transfers	25	205	1,646	4	(1,807)	73
Carrying amount at 31 December 2019	1,068	729	15,813	36	652	18,298
At 31 December 2019						
Historical cost	1,722	1,348	30,928	184	710	34,892
Accumulated depreciation and impairment	(654)	(619)	(15,115)	(148)	(58)	(16,594)
Net carrying amount	1,068	729	15,813	36	652	18,298

1. Refer to Note B.4 for details on impairment.

Recognition and measurement

Oil and gas properties are stated at cost less accumulated depreciation and impairment charges. Oil and gas properties include the costs to acquire, construct, install or complete production and infrastructure facilities such as pipelines and platforms, capitalised borrowing costs, transferred exploration and evaluation assets, development wells and the estimated cost of dismantling and restoration.

Subsequent capital costs, including major maintenance, are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured.

Depreciation and amortisation

Oil and gas properties and other plant and equipment are depreciated to their estimated residual values at rates based on their expected useful lives.

Transferred exploration and evaluation and offshore plant and equipment are depreciated using the unit of production basis over proved plus probable reserves or proved reserves for late life assets. Onshore plant and equipment is depreciated using a straight-line basis over the lesser of useful life and the life of proved plus probable reserves. On a straight-line basis the assets have an estimated useful life of 5-50 years.

All other items of oil and gas properties are depreciated using the straight-line method over their useful life. They are depreciated as follows:

- Buildings – 24-40 years;
- Marine vessels and carriers – 10-40 years;
- Other plant and equipment – 5-15 years; and
- Land is not depreciated.

Impairment

Refer to Note B.4 for details on impairment.

Capital commitments

The Group has capital expenditure commitments contracted for, but not provided for in the financial statements, of $1,569 million (2019: $865 million).

Key estimates and judgements

(a) Reserves

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries.

Estimates of oil and natural gas reserves are used to calculate depreciation and amortisation charges for the Group's oil and gas properties. Judgement is used in determining the reserve base applied to each asset. Typically, late life oil assets use proved reserves.

Estimates are reviewed at least annually or when there are changes in the economic circumstances impacting specific assets or asset groups. These changes may impact depreciation, asset carrying values, restoration provisions and deferred tax balances. If proved plus probable (2P) reserves estimates are revised downwards, earnings could be affected by higher depreciation expense or an immediate write-down of the asset's carrying value.

For more information regarding reserve assumptions, refer to the reserves and resources statement on pages 48-51 of the Annual Report.

(b) Depreciation and amortisation

Judgement is required to determine when assets are available for use to commence depreciation and amortisation. Depreciation and amortisation generally commences on first production.

B.4 Impairment of exploration and evaluation and oil and gas properties

Exploration and evaluation

Impairment testing

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective AOI.

Each AOI is reviewed half-yearly to determine whether economic quantities of hydrocarbons have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. Where a potential impairment is indicated for an AOI, an assessment is performed using a fair value less costs to dispose (FVLCD) method to determine its recoverable amount. Upon approval for commercial development, exploration and evaluation assets are also assessed for impairment before they are transferred to oil and gas properties.

Impairment calculations

The recoverable amounts of exploration and evaluation assets are determined using FVLCD as there is no value in use (VIU). Costs to dispose are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

If the carrying amount of an AOI exceeds its recoverable amount, the AOI is written down to its recoverable amount and an impairment loss is recognised in the income statement.

For assets previously impaired, if the recoverable amount exceeds the carrying amount, the impairment loss is reversed, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Oil and gas properties

Impairment testing

The carrying amounts of oil and gas properties are assessed half-yearly to determine whether there is an indication of impairment or impairment reversal for those assets which have previously been impaired. Indicators of impairment and impairment reversals include changes in future selling prices, future costs and reserves.

Oil and gas properties are assessed for impairment indicators and impairments on a cash-generating unit (CGU) basis. CGUs are determined as an FPSO and associated oil fields for an oil asset, and an LNG plant, offshore infrastructure and associated gas fields for a gas asset.

If there is an indicator of impairment or impairment reversal for a CGU then the recoverable amount is calculated.

Impairment calculations

The recoverable amount of an asset or CGU is determined as the higher of its VIU and FVLCD. VIU is determined by estimating future cash flows after taking into account the risks specific to the asset and discounting to present value using an appropriate discount rate.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is written down and an impairment loss is recognised in the income statement.

For assets previously impaired, if the recoverable amount exceeds the carrying amount, the impairment loss is reversed. The carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

B.4 Impairment of exploration and evaluation and oil and gas properties (cont.)

Recognised impairment

As at 30 June 2020 the Group assessed each AOI and CGU and identified the following indicators of impairment for certain AOIs and all CGUs:

- AOIs – uncertainties on fiscal conditions and/or development strategies have led to a lack of substantive ongoing and/or planned activity; and
- CGUs – the decrease in global oil and gas prices due to the impacts of the COVID-19 pandemic, oversupply and weakened global demand.

Impairment losses before tax are recognised in other expenses, refer to Note A.1.

The results are set out in the following table, which includes the AOIs and CGUs which were subject to impairment testing:

			Impairment losses							
				Oil and gas properties						
Segment	AOI/CGU	Recoverable amount[1] US$m	Exploration and evaluation US$m	Land and buildings US$m	Transferred exploration and evaluation US$m	Plant and equipment US$m	Marine vessels and carriers US$m	Projects in development US$m	Total US$m
Producing	Pluto (WA-404-P)[2,4]	-	429	-	-	-	-	-	-
Development	Kitimat LNG[5]	-	809	-	-	-	-	-	-
	Sunrise[6]	-	168	-	-	-	-	-	-
Other segments	Toro (WA-93-R)/ Ragnar (WA-94-R)[3,7]	-	151	-	-	-	-	-	-
Producing	North West Shelf	1,922	-	2	15	387	23	27	454
	Pluto	9,712	-	54	59	666	-	83	862
	Australia Oil								
	Vincent (Ngujima-Yin)	836	-	-	64	517	-	26	607
	NWS Oil (Okha)	102	-	-	3	61	-	3	67
	Wheatstone	3,029	-	208	58	1,005	-	130	1,401
Development	Sangomar	415	-	-	-	-	-	321	321
	Total	16,016	1,557	264	199	2,636	23	590	3,712

1. The recoverable amounts for exploration and evaluation assets and oil and gas properties have been determined using the FVLCD and VIU methods, respectively. The carrying amount of the CGUs includes all assets allocated to the CGU. Refer to key estimates and judgements for further details.
2. The impairment of Pluto (WA-404-P) has resulted in a reclassification of the Greater Pluto (WA-404-P) Proved (1P) Undeveloped Reserves of 91 MMboe and Proved plus Probable (2P) Undeveloped Reserves of 123 MMboe, to Best Estimate (2C) Contingent Resources.
3. Converted from WA-430-P.

Impairment indicators for exploration and evaluation assets:

4. Increased uncertainty of development timing, given the prioritisation of the higher-value Scarborough resource.
5. The revision of long-term oil and Alberta natural gas market spot price assumptions, and a change to the development concept to a standalone LNG facility, de-linked from the upstream resource, with different accounting requirements.
6. Increased uncertainty of regulatory conditions, fiscal terms and development concept.
7. Increased uncertainty of development timing.

Sensitivity analysis

It is estimated that changes in the following key assumptions would result in a higher or lower impairment than what was determined as at 30 June 2020:

			Sensitivity[1]					
			Discount rate: increase of 1%[2]	Discount rate: decrease of 1%[2]	Oil price: increase of 10%	Oil price: decrease of 10%	FX: increase of 12%	FX: decrease of 12%
Oil and gas properties	Producing	North West Shelf	(72)	78	269	(269)	(89)	89
		Pluto	(487)	528	1,210	(1,244)	(219)	219
		Australia Oil						
		Vincent (Ngujima-Yin)	(24)	26	105	(105)	(33)	33
		NWS Oil (Okha)	(5)	5	40	(40)	(25)	25
		Wheatstone	(266)	305	514	(514)	(118)	118
	Development	Sangomar	(61)	67	122	(130)	N/A	N/A

1. The sensitivities represent reasonable possible changes to the discount rate, oil price and FX assumptions.
2. A change of 1% represents 100 basis points.

B.4 Impairment of exploration and evaluation and oil and gas properties (cont.)

Following the impairment recognised at 30 June 2020, the Group assessed each AOI and CGU for indicators of impairment as at 31 December 2020 in accordance with the Group's accounting policy. In assessing whether there was an indicator of impairment or impairment reversal, the Group considered whether there have been any significant changes in the key estimates and judgements and underlying project assumptions used for the 30 June 2020 impairment assessment and determined that there had been none. No indicators of additional impairment or impairment reversal were identified.

For the year ended 31 December 2019 the following impairments were recognised:

Exploration and evaluation

On 10 December 2019, the operator of the Kitimat LNG project announced its decision to exit the project and subsequently announced an impairment of its interest in the asset. This was considered to be an indicator of impairment and the recoverable amount of the Kitimat AOI was calculated as $742 million as at 31 December 2019. An impairment loss of $720 million was recognised in other expenses in the Development segment of Note A.1. The FVLCD for the Kitimat LNG AOI was determined as the present value of the estimated future cash flows (expressed in real terms) expected to arise from the development and use of the asset using assumptions that an independent market participant would take into account. These cash flows were discounted using a post-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the Kitimat LNG AOI. The FVLCD was classified as Level 3 on the fair value hierarchy.

Oil and gas properties

The sale of two LNG vessels in the North West Shelf operating segment resulted in an impairment loss of $17 million as the assets' carrying value exceeded their FVLCD, which was determined based on the underlying sale agreements, classified as Level 3 on the fair value hierarchy. An impairment loss of $17 million was recognised in other expenses in the North West Shelf operating segment of Note A.1.

Key estimates and judgements

Recoverable amount calculation key assumptions

In determining the recoverable amounts of exploration and evaluation assets, the market comparison approach using adjusted market multiples (fair value hierarchy Level 3) has been utilised to determine FVLCD.

In determining the recoverable amount of CGUs, estimates are made regarding the present value of future cash flows when determining the VIU. These estimates require significant management judgement and are subject to risk and uncertainty, and hence changes in economic conditions can also affect the assumptions used and the rates used to discount future cash flow estimates.

The basis for the estimates used to determine recoverable amounts as at 30 June 2020 is set out below:

- Resource estimates – 2P reserves for oil and gas properties as disclosed in the reserves and resources statement in the 31 December 2019 Annual Report on pages 44 to 47.
- Inflation rate – an inflation rate of 2.0% has been applied (31 December 2019: 2.0%).
- Foreign exchange rates – a rate of $0.75 US$:AU$ (31 December 2019: $0.75) is based on management's view of long-term exchange rates.
- Discount rates – a range of pre-tax discount rates between 9.3% and 14.8% (post-tax discount rates 7.5% and 11.0%) for CGUs has been applied. The discount rate reflects an assessment of the risks specific to the asset, including country risk.
- An evaluation of climate risk impacts, including a long-term Australian carbon price of US$80/tonne (real terms 2020), applicable to Australian emissions that exceed facility-specific baselines in accordance with Australian regulations.
- LNG price – the majority of LNG sales contracts are linked to an oil price marker; accordingly the LNG prices used are consistent with oil price assumptions.
- Oil prices – derived from long-term views of global supply and demand, building upon past experience of the industry and consistent with external sources. Prices are adjusted for premiums and discounts based on the nature and quality of the product. The nominal Brent oil prices (US$/bbl) used were:

	2020	2021	2022	2023	2024	2025
30 June 2020	35	45	57	62	67	72[1]
31 December 2019	63	63	68	72	76	80[1]

1. Based on US$65/bbl (2020 real terms) from 2025 and prices are escalated at 2.0% onwards (31 December 2019: US$72.5/bbl (2020 real terms) and prices are escalated at 2.0% onwards).

B.5 Significant production and growth asset acquisitions

On 22 December 2020, Woodside completed the acquisition of Capricorn Senegal Limited's (Cairn's) interest in the RSSD Joint Venture (36.44% interest in the Sangomar exploitation area and 40% interest in the remaining RSSD evaluation area) for an aggregate purchase price of $527 million. The transaction was accounted for as an asset acquisition.

Additional payments of up to $100 million are contingent on future commodity prices and the timing of first oil. The contingent payments are accounted for as contingent liabilities in accordance with the Group's accounting policies.

As at 31 December 2020, Woodside holds a 68.33% interest in the Sangomar exploitation area and a 75% interest in the remaining RSSD evaluation area.

Assets acquired and liabilities assumed

The identifiable assets and liabilities acquired as at the date of the acquisition inclusive of transaction costs were:

	US$m
Oil and gas properties	540
Exploration and evaluation	26
Cash acquired	5
Payables	(51)
Net other assets and liabilities assumed	7
Total identifiable net assets at acquisition	**527**

Cash flows on acquisition

	US$m
Purchase cash consideration	525
Transaction costs	2
Total purchase consideration	527
Net cash outflows on acquisition	**527**

In December 2020, the Group exercised its right to pre-empt the sale by FAR Senegal RSSD SA (FAR) to ONGC Videsh Vankorneft Pte Ltd (ONGC) of FAR's interest in the RSSD Joint Venture (13.67% interest in the Sangomar exploitation area and 15% interest in the remaining RSSD evaluation area). The transaction is subject to FAR shareholder approval and certain other conditions, and as at 31 December 2020 has not completed. The terms of the transaction will reflect those of the FAR/ONGC transaction including payment to FAR of $45 million, reimbursement of FAR's share of working capital from 1 January 2020 to completion of the transaction and certain contingent payments capped at $55 million. Woodside's interest will increase to 82% for the Sangomar exploitation area and 90% for the remaining RSSD evaluation area following the completion of the transaction.

In this section

This section addresses cash, debt and the capital position of the Group at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made.

Key financial and capital risks in this section

Capital risk management

Capital management is undertaken to ensure that a secure, cost-effective and flexible supply of funds is available to meet the Group's operating and capital expenditure requirements. A stable capital base is maintained from which the Group can pursue its growth aspirations, whilst maintaining a flexible capital structure that allows access to a range of debt and equity markets to both draw upon and repay capital.

The Dividend Reinvestment Plan (DRP) was approved by shareholders at the Annual General Meeting in 2003 for activation as required to fund future growth. The DRP was reactivated for the 2019 interim dividend and will remain in place until further notice.

A range of financial metrics are monitored, including gearing and cash flow leverage, and Treasury policy breaches and exceptions.

Liquidity risk management

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay financial liabilities as and when they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet its financial commitments in a timely and cost-effective manner.

The Group's liquidity is continually reviewed, including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. At 31 December 2020, the Group had a total of $6,704 million (2019: $6,952 million) of available undrawn facilities and cash at its disposal. The maturity profile of interest-bearing liabilities is disclosed in Note C.2, trade and other payables are disclosed in Note D.4 and lease liabilities are disclosed in Note D.7. Financing facilities available to the Group are disclosed in Note C.2.

Interest rate risk management

Interest rate risk is the risk that the Group's financial position will fluctuate due to changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to financial instruments with floating interest rates including long-term debt obligations, cash and short-term deposits. The Group manages its interest rate risk by maintaining an appropriate mix of fixed and floating rate debt. To manage the ratio of fixed rate debt to floating rate debt, the Group may enter into interest rate swaps. The Group holds cross-currency interest rate swaps to hedge the foreign exchange risk (refer to Section A) and interest rate risk of the CHF denominated medium term note. The Group also holds interest rate swaps to hedge the interest rate risk associated with the $600 million syndicated facility. Refer to Notes C.2 and D.6 for further details.

At the reporting date, the Group was exposed to various benchmark interest rates that were not designated in cash flow hedges, $3,527 million (2019: $3,981 million) on cash and cash equivalents, $450 million (2019: $533 million) on interest-bearing liabilities (excluding transaction costs) and $15 million (2019: $7 million) on cross-currency interest rate swaps.

A reasonably possible change in the USD London Interbank Offered Rate (LIBOR) (+0.5%/-0.5% (2019: +1.0%/-1.0%)), with all variables held constant, would not have a material impact on the Group's equity or the income statement in the current period.

The Group's Treasury function is closely monitoring the market and the output from the various industry working groups managing the transition to new benchmark interest rates. The Treasury function is assessing the implications of the Interbank Offered Rates (IBOR) reform across the Group and will manage and execute the transition from current benchmark rates to alternative benchmark rates.

C.1 Cash and cash equivalents

	2020 US$m	2019 US$m
Cash and cash equivalents		
Cash at bank	367	175
Term deposits	3,237	3,883
Total cash and cash equivalents	3,604	4,058

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are stated at face value in the statement of financial position.

Foreign exchange risk

The Group held $78 million of cash and cash equivalents at 31 December 2020 (2019: $47 million) in currencies other than US dollars.

C.2 Interest-bearing liabilities and financing facilities

	Bilateral Facilities US$m	Syndicated Facilities US$m	JBIC Facility US$m	US Bonds US$m	Medium Term Notes US$m	Total US$m
Year ended 31 December 2020						
At 1 January 2020	(3)	(4)	333	4,775	578	5,679
Repayments	-	-	(83)	-	-	(83)
Drawdowns	-	600	-	-	-	600
Fair value adjustment and foreign exchange movement	-	-	-	-	19	19
Transaction costs capitalised and amortised	(1)	(3)	-	3	-	(1)
Carrying amount at 31 December 2020	(4)	593	250	4,778	597	6,214
Current	(1)	(2)	83	696	-	776
Non-current	(3)	595	167	4,082	597	5,438
Carrying amount at 31 December 2020	(4)	593	250	4,778	597	6,214
Undrawn balance at 31 December 2020	1,900	1,200	-	-	-	3,100
Year ended 31 December 2019						
At 1 January 2019	(2)	(1)	417	3,284	373	4,071
Repayments	-	-	(84)	-	-	(84)
Drawdowns	-	-	-	1,500	200	1,700
Fair value adjustment and foreign exchange movement	-	-	-	-	4	4
Transaction costs capitalised and amortised	(1)	(3)	-	(9)	1	(12)
Carrying amount at 31 December 2019	(3)	(4)	333	4,775	578	5,679
Current	(1)	(1)	83	(4)	-	77
Non-current	(2)	(3)	250	4,779	578	5,602
Carrying amount at 31 December 2019	(3)	(4)	333	4,775	578	5,679
Undrawn balance at 31 December 2019	1,694	1,200	-	-	-	2,894

Recognition and measurement

All borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds received and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings designated as a hedged item are measured at amortised cost adjusted to record changes in the fair value of risks that are being hedged in fair value hedges. The changes in the fair value risks of the hedged item resulted in a loss of $19 million being recorded (2019: loss of $4 million), and a gain of $18 million recorded on the hedging instrument (2019: gain of $5 million).

All bonds, notes and facilities are subject to various covenants and a negative pledge restricting future secured borrowings, subject to a number of permitted lien exceptions. Neither the covenants nor the negative pledges have been breached at any time during the reporting period.

Fair value

The carrying amount of interest-bearing liabilities approximates their fair value, with the exception of the Group's unsecured bonds and the medium term notes. The unsecured bonds have a carrying amount of $4,778 million (2019: $4,775 million) and a fair value of $5,196 million (2019: $5,060 million). The medium term notes have a carrying amount of $597 million (2019: $578 million) and a fair value of $617 million (2019: $594 million). The fair value of the bonds and notes was determined using quoted prices in an active market, classified as Level 1 on the fair value hierarchy. The Group's repayment obligations remain unchanged.

Foreign exchange risk

All interest-bearing liabilities are denominated in US dollars, excluding the CHF175 million medium term note.

C.2 Interest-bearing liabilities and financing facilities (cont.)

Maturity profile of interest-bearing liabilities

The table below presents the contractual undiscounted cash flows associated with the Group's interest-bearing liabilities, representing principal and interest. The figures will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position.

	2020 US$m	2019 US$m
Due for payment in:		
1 year or less	979	297
1-2 years	470	980
2-3 years	462	462
3-4 years	178	439
4-5 years	1,161	171
More than 5 years	4,266	4,800
	7,516	7,149

Amounts exclude transaction costs.

Bilateral facilities

The Group has 14 bilateral loan facilities totalling $1,900 million (2019: 13 bilateral loan facilities totalling $1,694 million). Details of bilateral loan facilities at the reporting date are as follows:

Number of facilities	Term (years)	Currency	Extension option
6	5	US$	Evergreen
2	4	US$	Evergreen
6	3	US$	Evergreen

Interest rates are based on USD LIBOR and margins are fixed at the commencement of the drawdown period. Interest is paid at the end of the drawdown period. Evergreen facilities may be extended continually by a year subject to the bank's agreement.

Syndicated facility

On 3 July 2015, the Group executed an unsecured $1,000 million syndicated loan facility, which was increased to $1,200 million on 22 March 2016 and amended to $800 million on 15 November 2017. On 14 October 2019, Woodside increased the existing facility to $1,200 million, with $400 million expiring on 11 October 2022 and $800 million expiring on 11 October 2024. Interest rates are based on USD LIBOR and margins are fixed at the commencement of the drawdown period.

On 17 January 2020, the Group completed a new $600 million syndicated facility with a term of seven years. Interest is based on the USD London Interbank Offered Rate (LIBOR) plus 1.2%. Interest is paid on a quarterly basis.

Japan Bank for International Cooperation (JBIC) facility

On 24 June 2008, the Group entered into a two tranche committed loan facility of $1,000 million and $500 million respectively. The $500 million tranche was repaid in 2013. There is a prepayment option for the remaining balance. Interest rates are based on LIBOR. Interest is payable semi-annually in arrears and the principal amortises on a straight-line basis, with equal instalments of principal due on each interest payment date (every six months).

Under this facility, 90% of the receivables from designated Pluto LNG sale and purchase agreements are secured in favour of the lenders through a trust structure, with a required reserve amount of $30 million.

To the extent that this reserve amount remains fully funded and no default notice or acceleration notice has been given, the revenue from Pluto LNG continues to flow directly to the Group from the trust account.

Medium term notes

On 28 August 2015, the Group established a $3,000 million Global Medium Term Notes Programme listed on the Singapore Stock Exchange. Three notes have been issued under this programme as set out below:

Maturity date	Currency	Carrying amount (million)	Nominal interest rate
15 July 2022	US$	200	Floating three month US$ LIBOR
11 December 2023	CHF	175	1%
29 January 2027	US$	200	3%

The unutilised program is not considered to be an unused facility.

US bonds

The Group has five unsecured bonds issued in the United States of America as defined in Rule 144A of the *US Securities Act of 1933* as set out below:

Maturity date	Carrying amount US$m	Nominal interest rate
10 May 2021	700	4.60%
5 March 2025	1,000	3.65%
15 September 2026	800	3.70%
15 March 2028	800	3.70%
4 March 2029	1,500	4.50%

Interest on the bonds is payable semi-annually in arrears.

During the period, the 2021 US bond for $700 million was reclassified from non-current to current interest-bearing liabilities due to its maturity date. The bond was redeemed on 10 February 2021.

C.3 Contributed equity

Recognition and measurement

Issued capital

Ordinary shares are classified as equity and recorded at the value of consideration received. The cost of issuing shares is shown in share capital as a deduction, net of tax, from the proceeds.

Reserved shares

The Group's own equity instruments, which are reacquired for later use in employee share-based payment arrangements (reserved shares), are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(a) Issued and fully paid shares

	Number of shares	US$m
Year ended 31 December 2020		
Opening balance	**942,286,900**	**9,010**
DRP - ordinary shares issued at A$25.61 (2019 final dividend)	**12,072,034**	**181**
DRP - ordinary shares issued at A$18.79 (2020 interim dividend)	**6,091,035**	**83**
Employee share plan - ordinary shares issued at A$18.27 (2017 Woodside equity plan)	**1,775,845**	**23**
Amounts as at 31 December 2020	**962,225,814**	**9,297**
Year ended 31 December 2019		
Opening balance	936,151,549	8,880
DRP - ordinary shares issued at A$31.34 (2019 interim dividend)	6,135,351	130
Amounts as at 31 December 2019	942,286,900	9,010

All shares are a single class with equal rights to dividends, capital, distributions and voting. The Company does not have authorised capital nor par value in relation to its issued shares.

(b) Shares reserved for employee share plans

	Number of shares	US$m
Year ended 31 December 2020		
Opening balance	**1,985,306**	**(39)**
Purchases during the year	**2,242,345**	**(32)**
Vested during the year	**(2,461,552)**	**48**
Amounts at 31 December 2020	**1,766,099**	**(23)**
Year ended 31 December 2019		
Opening balance	1,130,104	(31)
Purchases during the year	3,052,348	(66)
Vested during the year	(2,197,146)	58
Amounts at 31 December 2019	1,985,306	(39)

C.4 Other reserves

	2020 US$m	2019 US$m
Other reserves		
Employee benefits reserve	**219**	211
Foreign currency translation reserve	**793**	793
Hedging reserve	**(71)**	(12)
Distributable profits reserve	**462**	-
	1,403	992

Nature and purpose

Employee benefits reserve

Used to record share-based payments associated with the employee share plans and remeasurement adjustments relating to the defined benefit plan.

Foreign currency translation reserve

Used to record foreign exchange differences arising from the translation of the financial statements of foreign entities from their functional currency to the Group's presentation currency.

Hedging reserve

Used to record gains and losses on hedges designated as cash flow hedges, and foreign currency basis spread arising from the designation of a financial instrument as a hedging instrument. Gains and losses accumulated in the cash flow hedge reserve are taken to the income statement in the same period during which the hedged expected cash flows affect the income statement.

Distributable profits reserve

Used to record distributable profits generated by the Parent entity, Woodside Petroleum Ltd. As approved by resolution of the Directors on 29 June 2020, current and prior period profits of $710 million were transferred to the reserve that was established during the period.

In this section

This section addresses the other assets and liabilities position at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made.

Key financial and capital risks in this section

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss to the Group. Credit risk arises from the financial assets of the Group, which comprise trade and other receivables, loans receivables and deposits with banks and financial institutions.

The Group manages its credit risk on trade receivables and financial instruments by predominantly dealing with counterparties with an investment grade credit rating. Sufficient collateral is obtained to mitigate the risk of financial loss when transacting with counterparties with below investment grade credit ratings. Customers who wish to trade on unsecured credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis. As a result, the Group's exposure to bad debts is not significant. The Group's maximum credit risk is limited to the carrying amount of its financial assets.

Customer credit risk is managed by the Treasury function subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 December 2020, the Group had four customers (2019: seven customers) that owed the Group more than $10 million each and accounted for approximately 82% (2019: 85%) of all trade receivables. Payment terms are typically 14 to 30 days providing only a short credit exposure.

At 31 December 2020, the Group had a provision for credit losses of nil (2019: $1 million). Subsequent to 31 December 2020, 100% (2019: 100%) of the trade receivables balance of $164 million (2019: $208 million) has been received.

Credit risk from balances with banks is managed by the Treasury function in accordance with the Group's policy. The Group's main funds are placed as short-term deposits with reputable financial institutions with strong investment grade credit ratings.

D.1 Segment assets and liabilities

	2020 US$m	2019 US$m
(a) Segment assets		
NWS	**1,943**	2,541
Pluto	**9,250**	10,917
Australia Oil	**978**	1,803
Wheatstone	**3,108**	4,423
Development	**3,055**	3,028
Other segments	**697**	752
Unallocated items	**5,592**	5,889
	24,623	29,353

	2020 US$m	2019 US$m
(b) Segment liabilities		
NWS	**679**	643
Pluto	**950**	823
Australia Oil	**848**	755
Wheatstone	**281**	212
Development	**265**	189
Other segments	**953**	510
Unallocated items	**7,772**	8,812
	11,748	11,944

Refer to Note A.1 for descriptions of the Group's segments. Unallocated assets mainly comprise cash and cash equivalents, deferred tax assets and lease assets. Unallocated liabilities mainly comprise interest-bearing liabilities, deferred tax liabilities and lease liabilities.

D.2 Receivables

	2020 US$m	2019 US$m
(a) Receivables (current)		
Trade receivables[1]	**164**	208
Other receivables[1]	**75**	72
Loans receivable	**59**	52
Lease receivables	**3**	-
Interest receivable	**1**	10
Dividend receivable	**1**	1
	303	343
(b) Receivables (non-current)		
Loans receivable	**394**	222
Lease receivables	**10**	5
Defined benefit plan asset	**19**	18
	423	245

1. Interest-free and settlement terms are usually between 14 and 30 days.

Recognition and measurement

Trade receivables are initially recognised at the transaction price determined under AASB 15 *Revenue from Contracts with Customers.* Other receivables are initially recognised at fair value. Receivables that satisfy the contractual cash flow and business model tests are subsequently measured at amortised cost less an allowance for uncollectable amounts. Uncollectable amounts are determined using the expected loss impairment model. Collectability and impairment are assessed on a regular basis. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement. Certain receivables that do not satisfy the contractual cash flow and business model tests are subsequently measured at fair value (refer to Note D.6).

The Group's customers are required to pay in accordance with agreed payment terms. Depending on the product, settlement terms are 14 to 30 days from the date of invoice or bill of lading and customers regularly pay on time. There are no significant overdue trade receivables as at the end of the reporting period (2019: nil).

Fair value

The carrying amount of trade and other receivables approximates their fair value.

Foreign exchange risk

The Group held $68 million of receivables at 31 December 2020 (2019: $73 million) in currencies other than US dollars (predominantly Australian dollars).

Loans receivable

On 9 January 2020, Woodside Energy Finance (UK) Ltd entered into a secured loan agreement with Petrosen (the Senegal National Oil Company), to provide up to $450 million for the purpose of funding Sangomar project costs. The facility has a maximum term of 12 years and semi-annual repayments of the loan are due to commence at the earlier of 12 months after RFSU or 30 June 2025. The carrying amount of the loan receivable is $113 million at 31 December 2020 (2019: nil), which approximates its fair value. The remaining balance of loans receivable is due from non-controlling interests.

D.3 Inventories

	2020 US$m	2019 US$m
(a) Inventories (current)		
Petroleum products		
Goods in transit	**18**	39
Finished stocks	**33**	47
Warehouse stores and materials	**74**	90
	125	176
(b) Inventories (non-current)		
Warehouse stores and materials	**40**	-
	40	-

Recognition and measurement

Inventories include hydrocarbon stocks, consumable supplies and maintenance spares. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed and variable production overheads where applicable. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

D.4 Payables

The following table shows the Group's payables balances and maturity analysis.

	< 30 days US$m	30-60 days US$m	> 60 days US$m	Total US$m
Year ended 31 December 2020				
Trade payables[1]	**100**	**-**	**-**	**100**
Other payables[1]	**342**	**-**	**-**	**342**
Interest payable[2]	**7**	**5**	**51**	**63**
Total payables	**449**	**5**	**51**	**505**
Year ended 31 December 2019				
Trade payables[1]	136	-	88	224
Other payables[1]	294	-	-	294
Interest payable[2]	4	-	59	63
Total payables	434	-	147	581

1. Interest-free and normally settled on 30 day terms.
2. Details regarding interest-bearing liabilities are contained in Note C.2.

Recognition and measurement

Trade and other payables are carried at amortised cost and are recognised when goods and services are received, whether or not billed to the Group, prior to the end of the reporting period.

Fair value

The carrying amount of payables approximates their fair value.

Foreign exchange risk

The Group held $210 million of payables at 31 December 2020 (2019: $369 million) in currencies other than US dollars (predominantly Australian dollars).

D.5 Provisions

	Restoration of operating locations[1] US$m	Employee benefits US$m	Onerous contracts[2] US$m	Other US$m	Total US$m
Year ended 31 December 2020					
At 1 January 2020	**1,869**	**189**	**-**	**70**	**2,128**
Change in provision	**237**	**106**	**347**	**59**	**749**
Unwinding of present value discount	**28**	**-**	**2**	**-**	**30**
Carrying amount at 31 December 2020	**2,134**	**295**	**349**	**129**	**2,907**
Current	**54**	**272**	**46**	**128**	**500**
Non-current	**2,080**	**23**	**303**	**1**	**2,407**
Net carrying amount	**2,134**	**295**	**349**	**129**	**2,907**
Year ended 31 December 2019					
At 1 January 2019	1,572	171	-	55	1,798
Change in provision	259	18	-	15	292
Unwinding of present value discount	38	-	-	-	38
Carrying amount at 31 December 2019	1,869	189	-	70	2,128
Current	35	167	-	70	272
Non-current	1,834	22	-	-	1,856
Net carrying amount	1,869	189	-	70	2,128

1. 2020 change in provision is due to a revision of discount rates of $173 million, new provisions and changes in estimates of $86 million offset by provisions used of $22 million.
2. 2020 change in provision is due to new provisions of $447 million offset by changes in estimates of $54 million, provisions used of $41 million and a revision of discount rates of $5 million.

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Restoration of operating locations

Provision is made for the obligation to restore operating locations. The provision is first recognised in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

Restoration provisions are updated annually, with the corresponding movement recognised against the related exploration and evaluation assets or oil and gas properties.

Over time, the liability is increased for the change in the present value based on a pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset (refer to Note B.3).

Costs incurred that relate to an existing condition caused by past operations, and which do not have a future economic benefit, are expensed.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages, salaries, annual leave and long service leave.

Liabilities in respect of employees' services rendered that are not expected to be wholly settled within one year after the end of the period in which the employees render the related services are recognised as long-term employee benefits.

These liabilities are measured at the present value of the estimated future cash outflow to the employees using the projected unit credit method. Liabilities expected to be wholly settled within one year after the end of the period in which the employees render the related services are classified as short-term benefits and are measured at the amount due to be paid.

Onerous contract provision

Provision is made for loss-making contracts at the present value of the lower of the net cost of fulfilling and the cost arising from failure to fulfill each contract.

More closely connected global gas markets and the Group's view of likely reduced margins available between North American and other gas markets, has given rise to a loss-making contract.

D.5 Provisions (cont.)

Key estimates and judgements

(a) Restoration obligations

The Group estimates the future removal costs of offshore oil and gas platforms, production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, environmental legislation and regulations, the extent of restoration activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and liability-specific discount rates to determine the present value of these cash flows. A range of pre-tax discount rates between 0.1% and 2% has been applied. If the discount rates were decreased by 0.5% then the provision would be $146 million higher. The proportion of the non-current balance not expected to be settled within 10 years is 73% (2019: 76%).

(b) Long service leave

Long service leave is measured at the present value of benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management uses judgement to determine key assumptions used in the calculation including future increases in salaries and wages, future on-cost rates and future settlement dates of employees' departures.

(c) Legal case outcomes

Provisions for legal cases are measured at the present value of the amount expected to settle the claim. Management is required to use judgement when assessing the likely outcome of legal cases, estimating the risked amount and whether a provision or contingent liability should be recognised.

(d) Onerous contracts

The onerous contract provision assessment requires management to make certain estimates regarding the unavoidable costs and the expected economic benefits from the contract. These estimates require significant management judgement and are subject to risk and uncertainty, and hence changes in economic conditions can affect the assumptions. The present value of the provision was estimated using the assumptions set out below:

- Contract term – 20 years; the provision is released as contract deliveries are made from 2020 to 2040.
- Discount rate – a pre-tax, risk free US government bond rate of 1.390% has been applied.
- LNG pricing – forecast sales and purchase prices are subject to a number of price markers. Price assumptions are derived from long-term views of global supply and demand, building upon past experience of the industry and consistent with external sources. The nominal Brent oil prices and Henry Hub gas prices used at 31 December 2020 were:

	2021	2022	2023	2024	2025
Brent (US$/bbl)	50	57	62	67	72
Henry Hub (US$/MMBtu)	3.1	3.1	2.6	2.7	3.3

The effects of changes to discount rate and long-term oil prices on the carrying value of the provision are estimated as follows:

Change in assumption	US$m
Discount rate: increase of 1%[3]	17
Discount rate: decrease of 1%[3]	(19)
Oil price[1] increase of 10%	650
Oil price[1] decrease of 10%	(650)
Gas price[2] increase of 10%	(318)
Gas price[2] decrease of 10%	318

1. Long-term oil prices are based on US$65/bbl (2020 real terms) from 2025 and prices are escalated at 2.0% onwards.
2. Long-term gas prices are based on US$3.0/MMBtu (2020 real terms) from 2025 to 2030 and thereafter, US$3.5/MMBtu (2020 real terms). All prices are escalated at 2.0%.
3. A change of 1% represents 100 basis points.

D.6 Other financial assets and liabilities

	2020 US$m	2019 US$m
Other financial assets		
Financial instruments at fair value through profit and loss		
Derivative financial instruments designated as hedges	31	-
Other financial assets	195	63
Total other financial assets	226	63
Current	172	28
Non-current	54	35
Net carrying amount	226	63
Other financial liabilities		
Financial instruments at fair value through profit and loss		
Derivative financial instruments designated as hedges	68	7
Other financial liabilities	3	20
Total other financial liabilities	71	27
Current	37	12
Non-current	34	15
Net carrying amount	71	27

Recognition and measurement

Other financial assets and liabilities

Receivables subject to provisional pricing adjustments are initially recognised at the transaction price and subsequently measured at fair value with movements recognised in the income statement.

Derivative financial instruments

Derivative financial instruments that are designated within qualifying hedge relationships are initially recognised at fair value on the date the contract is entered into. For relationships designated as fair value hedges, subsequent fair value movements of the derivative are recognised in the income statement.
For relationships designated as cash flow hedges, subsequent fair value movements of the derivative for the effective portion of the hedge are recognised in other comprehensive income and accumulated in reserves in equity; fair value movements for the ineffective portion are recognised immediately in the income statement. Costs of hedging have been separated from the hedging arrangements and deferred to other comprehensive income and accumulated in reserves in equity. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss.

Fair value

Except for the other financial assets and other financial liabilities set out in this note, there are no material financial assets or financial liabilities carried at fair value. The fair value of derivative financial instruments is determined based on observable quoted forward pricing and swap rates and is classified as Level 2 on the fair value hierarchy. The fair values of other financial assets and other financial liabilities are predominantly determined based on observable quoted forward pricing and are predominantly classified as Level 2 on the fair value hierarchy.

D.6 Other financial assets and liabilities (cont.)

Foreign exchange

The Group had no material other financial assets and liabilities denominated in currencies other than US dollars.

Derivatives and hedging activities

During the period, the Group hedged a percentage of its exposure to commodity price risk, entering into 13.4 million barrels of oil swap derivatives to achieve a minimum average sales price of $33 per barrel. The Group also entered into 7.9 million barrels of oil call options, to take advantage of increases in oil prices above $40 per barrel, for a premium of $37 million. Most of the derivatives settled between April 2020 and December 2020, with swaps and options for 1.3 million barrels of oil not yet settled as at period end. The swaps and call options were designated as cash flow hedges.

The Group also has the following hedging relationships which are exposed to interest rate benchmarks impacted by the Interest Rate Benchmark Reform:

- Interest rate swaps were entered into in the period to hedge the LIBOR interest rate risk associated with the $600 million syndicated facility (refer to Note C.2). The interest rate swaps were designated as cash flow hedges, converting the variable interest into fixed interest US dollar debt, and mature in 2027.
- The Group has a fixed rate 175 million Swiss Franc (CHF) denominated medium term note, which it hedges with cross-currency interest rate swaps designated in both fair value and cash flow hedge relationships. The cross-currency interest rate swaps are referenced to LIBOR.

For relationships designated as cash flow hedges, a loss for the period of $136 million has been recognised in the hedging reserve within equity and losses of $52 million have been reclassified to profit and loss. $1 million has been recognised in profit and loss for hedge ineffectiveness.

The Group early adopted AASB 2019-3 in the prior financial year. This Accounting Standard amended AASB 9 *Financial Instruments* (AASB 9) to provide temporary relief from applying specific hedge accounting requirements to hedge relationships directly affected by interest rate benchmark reforms. The relief provided by the amendment to AASB 9 allows the Group to assume that the interest rate benchmark component at initial designation is separately identifiable and that the interest rate benchmark rate is not altered for the purposes of assessing the economic relationship between the hedged item and the hedging instrument.

Key estimates and judgements

Fair value of other financial assets and liabilities

Estimates have been applied in the measurement of other financial assets and liabilities and, where required, judgement is applied in the settlement of any financial assets or liabilities. In the current period, this included a $12 million periodic adjustment which decreased other financial liabilities, reflecting the arrangements governing Wheatstone LNG sales (2019: $81 million).

D.7 Leases

	Land and buildings US$m	Plant and equipment US$m	Marine vessels and carriers US$m	Total US$m
Lease assets				
Year ended 31 December 2020				
Carrying amount at 1 January 2020	**396**	**-**	**552**	**948**
Additions	**24**	**-**	**102**	**126**
Lease remeasurements	**1**	**-**	**4**	**5**
Depreciation	**(29)**	**-**	**(66)**	**(95)**
Carrying amount at 31 December 2020	**392**	**-**	**592**	**984**
At 31 December 2020				
Historical cost	**447**	**-**	**718**	**1,165**
Accumulated depreciation and impairment	**(55)**	**-**	**(126)**	**(181)**
Net carrying amount	**392**	**-**	**592**	**984**
Lease liabilities				
Year ended 31 December 2020				
At 1 January 2020	**431**	**-**	**739**	**1,170**
Additions	**24**	**3**	**107**	**134**
Repayments (principal and interest)	**(34)**	**-**	**(123)**	**(157)**
Accretion of interest	**23**	**-**	**63**	**86**
Lease remeasurements	**40**	**-**	**5**	**45**
Carrying amount at 31 December 2020	**484**	**3**	**791**	**1,278**
Current	**16**	**1**	**77**	**94**
Non-current	**468**	**2**	**714**	**1,184**
Carrying amount at 31 December 2020	**484**	**3**	**791**	**1,278**
Lease assets				
Year ended 31 December 2019				
Carrying amount at 1 January 2019	429	-	600	1,029
Additions	1	-	12	13
Lease remeasurements	(8)	-	-	(8)
Depreciation	(26)	-	(60)	(86)
Carrying amount at 31 December 2019	396	-	552	948
At 31 December 2019				
Historical cost	430	-	612	1,042
Accumulated depreciation and impairment	(34)	-	(60)	(94)
Net carrying amount	396	-	552	948
Lease liabilities				
Year ended 31 December 2019				
At 1 January 2019	444	-	758	1,202
Additions	6	-	12	18
Repayments (principal and interest)	(32)	-	(98)	(130)
Accretion of interest	23	-	66	89
Lease remeasurements	(10)	-	1	(9)
Carrying amount at 31 December 2019	431	-	739	1,170
Current	9	-	60	69
Non-current	422	-	679	1,101
Carrying amount at 31 December 2019	431	-	739	1,170

D.7 Leases (cont.)

Recognition and measurement

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use. The leases recognised by the Group predominantly relate to LNG vessels and property.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Leases as a lessee

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Refer to Note B.3 for the useful lives of assets. Periodic adjustments are made for any re-measurements of the lease assets and for impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments or index-based variable payments incorporating the Group's expectations of extension options and do not include non-lease components of a contract. A portfolio approach was taken when determining the implicit discount rate for five LNG vessels with similar terms and conditions on transition.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated income statement.

There are no restrictions placed upon the lessee by entering into these leases.

Short-term leases and leases of low value

Short-term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated income statement. Low value assets comprise plant and equipment.

Foreign exchange risk

The Group held $518 million of lease liabilities at 31 December 2020 (2019: $461 million) in currencies other than the US dollar (predominantly Australian dollars).

Maturity profile of lease liabilities

The table below presents the contractual undiscounted cash flows associated with the Group's lease liabilities, representing principal and interest. The figures will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position.

	2020 US$m	2019 US$m
Due for payment in:		
1 year or less	**184**	154
1-2 years	**181**	154
2-3 years	**180**	150
3-4 years	**174**	149
4-5 years	**174**	148
More than 5 years	**994**	1,045
	1,887	1,800

Lease commitments

The table below presents the contractual undiscounted cash flows associated with the Group's future lease commitments for non-cancellable leases not yet commenced, representing principal and interest.

	2020 US$m	2019 US$m
Due for payment:		
Within one year	**90**	24
After one year but not more than five years	**365**	130
Later than five years	**45**	73
	500	227

Payments of $101 million (2019: $64 million) for short-term leases (lease term of 12 months or less) and payments of $17 million (2019: $14 million) for leases of low value assets were expensed in the consolidated income statement.

The Group has short-term and low value lease commitments for marine vessels and carriers, property, drill rigs and plant and equipment contracted for, but not provided for in the financial statements, of $94 million (2019: $74 million).

Key estimates and judgements

(a) Control

Judgement is required to assess whether a contract is or contains a lease at inception by assessing whether the Group has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.

(b) Lease term

Judgement is required when assessing the term of the lease and whether to include optional extension and termination periods. Option periods are only included in determining the lease term at inception when they are reasonably certain to be exercised. Lease terms are reassessed when a significant change in circumstances occurs. On this basis, possible additional lease payments amounting to $1,670 million (2019: $1,768 million) were not included in the measurement of lease liabilities.

(c) Interest in joint arrangements

Judgement is required to determine the Group's rights and obligations for lease contracts within joint operations, to assess whether lease liabilities are recognised gross (100%) or in proportion to the Group's participating interest in the joint operation. This includes an evaluation of whether the lease arrangement contains a sublease with the joint operation.

(d) Discount rates

Judgement is required to determine the discount rate, where the discount rate is the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to the Group's borrowing portfolio at the inception of the arrangement or the time of the modification.

In this section

This section addresses information on items which require disclosure to comply with Australian Accounting Standards and the Australian *Corporations Act 2001,* however are not considered critical in understanding the financial performance or position of the Group.
This section includes Group structure information and other disclosures.

E.1 Contingent liabilities and assets

	2020 US$m	2019 US$m
Contingent liabilities at reporting date		
Not otherwise provided for in the financial statements:		
Contingent liabilities	587	505
Guarantees	10	9
	597	514

Contingent liabilities relate predominantly to possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events, and therefore the Group has not provided for such amounts in these financial statements. Additionally, there are a number of other claims and possible claims that have arisen in the course of business against entities in the Group, the outcome of which cannot be estimated at present and for which no amounts have been included in the table above.

Included in the table above are contingent payments totalling $450 million (31 December 2019: $450 million) that are due on a positive final investment decision to develop the Scarborough field and the contingent payments of up to $100 million on the Sangomar development, dependant on commodity prices and the timing of first oil (refer to Note B.5 for more details).

Additionally, the Group has issued guarantees relating to workers' compensation liabilities.

There were no contingent assets as at 31 December 2020 or 31 December 2019.

E.2 Employee benefits

(a) Employee benefits

	2020 US$m	2019 US$m
Employee benefits	252	246
Share-based payments	19	21
Defined contribution plan costs	27	28
Defined benefit plan expense	2	1
	300	296

Employee benefits for the reporting period are as follows:

Recognition and measurement

The Group's accounting policy for employee benefits other than superannuation is set out in Note D.5. The policy relating to share-based payments is set out in Note E.2(c).

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The majority of employees are party to a defined contribution scheme and receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. The Group also operates a defined benefit superannuation scheme, the membership of which is now closed. The net defined benefit plan asset at 31 December 2020 was $19 million (2019: $18 million).

(b) Compensation of key management personnel

Key management personnel (KMP) compensation for the financial year was as follows:

	2020 US$	2019 US$
Short-term employee benefits	5,868,476	6,416,430
Post-employment benefits	63,805	71,137
Share-based payments	7,201,653	7,253,672
Long-term employee benefits	515,585	281,882
Termination benefits	390,087	-
	14,039,606	14,023,121

(c) Share plans

The Group provides benefits to its employees (including KMP) in the form of share-based payments whereby employees render services for shares (equity-settled transactions).

Woodside equity plan (WEP) and supplementary Woodside equity plan (SWEP)

The WEP is available to all permanent employees, but since 1 January 2018 has excluded EIS participants. The number of Equity Rights (ERs) offered to each eligible employee is calculated with reference to salary and performance. The linking of performance to an allocation allows the Group to recognise and reward eligible employees for high performance. The ERs have no further ongoing performance conditions after allocation, and do not require participants to make any payment in respect of the ERs at grant or at vesting.

Each ER relating to the WEP for 2018 and prior years entitles the participant to receive a Woodside share on a vesting date three years after the grant date. From the 2019 WEP onwards, 75% of the ERs offered to each participant will vest three years after the grant date, with the remaining 25% vesting five years after the grant date.

The SWEP award is available to employees identified as being retention critical. Each ER entitles the participant to receive a Woodside share on the vesting date three years after the effective grant date. Participants do not make any payment in respect of the ERs at grant or at vesting.

Executive incentive plans (EIP)

The EIP operated as Woodside's Executive incentive framework until the end of 2017, after which the Board introduced the EIS. The EIP was used to deliver short-term award (STA) and long-term award (LTA) to Senior Executives.

Short-term awards (STA)

STAs were delivered in the form of restricted shares to executives, including all executive KMP. There are no further performance conditions for vesting of deferred STA. Participants are not required to make any payments in respect of STA awards at grant or at vesting. Restricted shares entitle their holders to receive dividends.

Long-term awards (LTA)

LTAs were granted in the form of Variable Pay Rights (VPRs) to executives, including all executive KMP. Vesting of LTA is subject to achievement of relative total shareholder return (RTSR) targets, with 33% measured against the ASX 50 and the remaining 67% tested against an international group of oil and gas companies.

Participants are not entitled to receive dividends and are not required to make any payments in respect of LTA awards at grant or at vesting.

E.2 Employee benefits (cont.)

Executive incentive scheme (EIS)

The EIS was introduced for the 2018 performance year for all executives including executive KMP. The EIS is delivered in the form of a cash incentive, Restricted Shares and Performance Rights. The grant date of the Restricted Shares and Performance Rights has been determined to be subsequent to the performance year, being the date of the Board of Directors' approval. Accordingly, the 2020 Restricted Shares and Performance Rights have not been included in the table below as they have not been approved as at 31 December 2020. An expense related to the 2020 performance year has been estimated for Restricted Shares and Performance Rights, using fair value estimates based on inputs at 31 December 2020.

The Restricted Shares and Performance Rights relating to the 2019 performance year were granted on 12 February 2020 and have been included in the table below. The expense estimated as at 31 December 2019 in relation to the 2019 performance year was updated to the fair value on grant date during the period.

Recognition and measurement

All compensation under WEP, SWEP and executive share plans is accounted for as share-based payments to employees for services provided. The cost of equity-settled transactions with employees is measured by reference to the fair values of the equity instruments at the date at which they are granted. The fair value of share-based payments is recognised, together with the corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the shares. At each balance sheet date, the Group reassesses the number of awards that are expected to vest based on service conditions. The expense recognised each year takes into account the most recent estimate.

The fair value of the benefit provided for the WEP and SWEP is estimated using the Black-Scholes option pricing technique. The fair value of the restricted shares is estimated as the closing share price at grant date. The fair value of the benefit provided for the RTSR VPRs was estimated using the Binomial or Black-Scholes option pricing technique combined with a Monte Carlo simulation methodology, where relevant, using historical volatility to estimate the volatility of the share price in the future.

The number of awards and movements for all share plans are summarised as follows:

	Number of awards			
	Employee plans		Executive plans	
	WEP	SWEP	Short-term awards[3]	Long-term awards[3]
Year ended 31 December 2020				
Opening balance	**6,911,551**	**17,678**	**867,716**	**2,704,143**
Granted during the year[1,2]	**1,127,546**	**-**	**373,774**	**617,091**
Vested during the year	**(1,943,777)**	**(17,678)**	**(257,489)**	**(242,608)**
Forfeited during the year	**(476,717)**	**-**	**(8,706)**	**(280,321)**
Awards at 31 December 2020	**5,618,603**	**-**	**975,295**	**2,798,305**
	US$m	**US$m**	**US$m**	**US$m**
Fair value of awards granted during the year	**13**	**-**	**9**	**12**

	Number of awards			
	Employee plans		Executive plans	
	WEP	SWEP	Short-term awards[3]	Long-term awards[3]
Year ended 31 December 2019				
Opening balance	6,325,364	17,678	813,968	2,545,915
Granted during the year[1,2]	2,537,991	-	417,166	731,799
Vested during the year	(1,645,915)	-	(338,537)	(212,694)
Forfeited during the year	(305,889)	-	(24,881)	(360,877)
Awards at 31 December 2019	6,911,551	17,678	867,716	2,704,143
	US$m	**US$m**	**US$m**	**US$m**
Fair value of awards granted during the year	47	-	10	15

1. For the purpose of valuation, the share price on grant date for the 2020 WEP allocations was $12.57 (2019: $21.72).
2. For the purpose of valuation, the share price on grant date for the 2020 Restricted Shares was $22.76 (2019: $24.71) and the 2020 Performance Rights was $15.81 (2019: $16.87).
3. Includes awards issued under EIP and EIS.

For more detail on these share plans and performance rights issued to KMPs, refer to the Remuneration Report on pages 59-82.

E.3 Related party transactions

Transactions with directors

There were no transactions with directors during the year. Key management personnel compensation is disclosed in Note E.2(b).

E.4 Auditor remuneration

The auditor of Woodside Petroleum Ltd is Ernst & Young (EY).

	2020 US$000	2019 US$000
Amounts received or due and receivable to:		
Ernst & Young (Australia)		
Audit of the financial reports of the Group and controlled entities	**1,521**	1,574
Other assurance and agreed-upon procedures services	**110**	276
Other services	**164**	298
	1,795	2,148
Other overseas member firms of Ernst & Young (Australia)		
Audit of the financial reports of controlled entities	**165**	193
Other assurance and agreed-upon procedures services	**30**	192
Other services	**14**	14
	209	399

E.5 Events after the end of the reporting period

- On 10 February 2021, the Group redeemed the $700 million 2021 US bond (refer to Note C.2 for more details).
- Woodside is monitoring the situation in Myanmar following the political developments that occurred subsequent to the reporting period. It is not currently possible to determine the impact, if any, of these events on the carrying value of the Group's Myanmar exploration and evaluation assets.

E.6 Joint arrangements

(a) Interest percentage in joint ventures

Entity	Principal activity	Group Interest % 2020	Group Interest % 2019
North West Shelf Gas Pty Ltd	Marketing services for ventures in the sale of gas to the domestic market.	**16.67**	16.67
North West Shelf Liaison Company Pty Ltd	Liaison for ventures in the sale of LNG to the Japanese market.	**16.67**	16.67
China Administration Company Pty Ltd	Marketing services for ventures in the sale of LNG to international markets.	**16.67**	16.67
North West Shelf Shipping Service Company Pty Ltd	LNG vessel fleet advisor.	**16.67**	16.67
North West Shelf Lifting Coordinator Pty Ltd	Coordinator for venturers for all equity liftings.	**16.67**	16.67

(b) Interest percentage in joint operations

	Group Interest % 2020	Group Interest % 2019
Producing and developing assets		
Oceania		
North West Shelf	**12.5 - 50.0**	12.5 - 50.0
Greater Enfield and Vincent	**60.0**	60.0
Stybarrow	**50.0**	50.0
Balnaves	**65.0**	65.0
Pluto	**90.0**	90.0
Wheatstone	**13.0 - 65.0**	13.0 - 65.0
Africa		
Senegal[1]	**68.3**	35.0
Exploration and evaluation assets		
Oceania		
Browse Basin	**30.6**	30.6
Carnarvon Basin[2,3]	**15.8 - 73.5**	15.8 - 90.0
Bonaparte Basin	**26.7 - 35.0**	26.7 - 35.0
Africa		
Congo[4]	**42.5**	-
Senegal[1]	**75.0**	35.0
The Americas		
Peru[5]	**-**	35.0
Kitimat	**50.0**	50.0
Asia		
Republic of Korea	**50.0**	50.0
Myanmar[6]	**40.0 - 50.0**	40.0 - 50.0
Europe		
Ireland	**90.0**	90.0
Bulgaria	**30.0**	30.0

1. Includes the acquisition of Cairn's 36.44% participating interest in the RSSD Joint Venture, increasing Woodside's interest to 68.33% in the exploitation area and 75% in the exploration area. Following the completion of the acquisition of FAR's interest in the RSSD Joint Venture, Woodside's participating interest will increase to 82% in the exploitation area and 90% in the exploration area (refer to Note B.5 for more details).
2. Scarborough is included in the Carnarvon Basin.
3. Titles surrendered for WA-271-P, WA-428-P and WA-483-P, title transferred for WA-520-P in 2020 and title surrendered for WA-430-P (Ragnar/Toro) and then converted to retention leases WA-93-R and WA-94-R in 2020.
4. Production Sharing Contract awarded in 2020. Woodside holds a 42.5% working interest in Congo Marine XX.
5. Expiration of Block 108 licence in 2020.
6. Expiration of licence for Myanmar Blocks AD-6 in 2020.

The principal activities of the joint operations above are exploration, development and production of hydrocarbons.

Key estimates and judgements

Accounting for interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, Woodside may obtain control, joint control or significant influence over the entity or arrangement. Judgement is applied when determining the relevant activities of a project and if joint control is held over them.

Relevant activities include, but are not limited to, work program and budget approval, investment decision approval, voting rights in joint operating committees, amendments to permits and changes to joint arrangement participant holdings. Transactions which give Woodside control of a business are business combinations. If Woodside obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture.

If Woodside has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then accounted for as an associate.

E.6 Joint arrangements (cont.)

Recognition and measurement

Joint arrangements are arrangements in which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation, and as such the Group recognises its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method.

Joint arrangements acquired which are deemed to be carrying on a business are accounted for applying the principles of AASB 3 *Business Combinations*. Joint arrangements which are not deemed to be carrying on a business are treated as asset acquisitions.

E.7 Parent entity information

	2020 US$m	2019 US$m
Woodside Petroleum Ltd:		
Current assets	**444**	404
Non-current assets	**10,257**	9,949
Current liabilities	**-**	(133)
Non-current liabilities	**(579)**	(484)
Net Assets	**10,122**	9,736
Issued and fully paid shares	**9,297**	9,010
Shares reserved for employee share plans	**(23)**	(39)
Employee benefits reserve	**117**	120
Foreign currency translation reserve	**296**	296
Distributable profits reserve	**462**	-
Retained earnings	**(27)**	349
Total shareholders equity	**10,122**	9,736
Profit of parent entity	**852**	1,288
Total comprehensive income of parent entity	**852**	1,288

Guarantees

Woodside Petroleum Ltd and Woodside Energy Ltd (a subsidiary company) are parties to a Deed of Cross Guarantee as disclosed in Note E.8. The effect of the Deed is that Woodside Petroleum Ltd has guaranteed to pay any deficiency in the event of winding up of the subsidiary company under certain provisions of the *Corporations Act 2001*. The subsidiary company has also given a similar guarantee in the event that Woodside Petroleum Ltd is wound up.

Woodside Petroleum Ltd has guaranteed the discharge by a subsidiary company of its financial obligations under debt facilities disclosed in Note C.2. Woodside Petroleum Ltd has guaranteed certain obligations of subsidiaries to unrelated parties on behalf of their performance in contracts. No liabilities are expected to arise from these guarantees.

E.8 Subsidiaries

(a) Subsidiaries

Name of entity	Notes
Ultimate Parent Entity	
Woodside Petroleum Ltd	(1,2,3)
Subsidiaries	
Company name	
Woodside Energy Ltd	(2,3,4)
Woodside Browse Pty Ltd	(2,4)
Woodside Burrup Pty Ltd	(2,4)
Burrup Facilities Company Pty Ltd	(5)
Burrup Train 1 Pty Ltd	(5)
Pluto LNG Pty Ltd	(5)
Woodside Burrup Train 2 A Pty Ltd	(2,4)
Woodside Burrup Train 2 B Pty Ltd	(2,4)
Woodside Energy (LNG Fuels and Power) Pty Ltd	(2,4)
Woodside Energy (Domestic Gas) Pty Ltd	(2,4)
Woodside Energy (Algeria) Pty Ltd	(2,4)
Woodside Energy Australia Asia Holdings Pte Ltd ◢	(4)
Woodside Energy Holdings International Pty Ltd	(2,4)
Woodside Energy Mediterranean Pty Ltd	(2,4)
Woodside Energy International (Canada) Limited ◀	(4)
Woodside Energy (Canada LNG) Limited ◀	(4)
Woodside Energy (Canada PTP) Limited ◀	(4)
KM LNG Operating General Partnership ◀	(4,8)
KM LNG Operating Ltd ◀	(4)
Woodside Energy Holdings Pty Ltd	(2,4)
Woodside Energy Holdings (USA) Inc ▼	(4)
Woodside Energy (USA) Inc ▼	(4)
Gryphon Exploration Company ▼	(4)
Woodside Energy (Cameroon) SARL ■	(4)
Woodside Energy (Gabon) Pty Ltd	(2,4)
Woodside Energy (Indonesia) Pty Ltd	(2,4)
Woodside Energy (Indonesia II) Pty Ltd	(2,4)
Woodside Energy (Indonesia III) Pty Ltd	(2,4)
Woodside Energy (Ireland) Pty Ltd	(2,4)
Woodside Energy (Korea) Pte Ltd ◢	(4)
Woodside Energy (Korea II) Pte Ltd ◢	(4)
Woodside Energy (Myanmar) Pte Ltd ◢	(4)
Woodside Energy (Morocco) Pty Ltd	(2,4)
Woodside Energy (New Zealand) Limited ◤	(4)
Woodside Energy (New Zealand 55794) Limited ◤	(4)
Woodside Energy (Peru) Pty Ltd	(2,4)
Woodside Energy (Senegal) Pty Ltd	(2,4)
Woodside Energy (Tanzania) Limited ◘	(6)
Woodside Energy Holdings II Pty Ltd	(2,4)
Woodside Power Pty Ltd	(2,4)
Woodside Power (Generation) Pty Ltd	(2,4)
Woodside Energy Holdings (South America) Pty Ltd	(2,4)
Woodside Energia (Brasil) Apoio Administrativo Ltda ●	(7)
Woodside Energy Holdings (UK) Pty Ltd	(2,4)
Woodside Energy (UK) Limited ▲	(4)
Woodside Energy Finance (UK) Limited ▲	(4)
Woodside Energy (Congo) Limited ▲	(4)
Woodside Energy (Bulgaria) Limited ▲	(4)
Woodside Energy Holdings (Senegal) Limited ▲	(4)
Woodside Energy (Senegal) B.V. ⬢	(4)
Woodside Energy (France) SAS ○	(4)
Woodside Energy Iberia S.A. ◖	(4)
Woodside Energy (N.A.) Ltd ▲	(4)
Woodside Energy Services (Qingdao) Co Ltd ◆	(4,10)
Woodside Energy Julimar Pty Ltd	(2,4)
Woodside Energy (Norway) Pty Ltd	(2,4)
Woodside Energy Technologies Pty Ltd	(2,4,9)
Woodside Technology Solutions Pty Ltd	(2,4,11)
Woodside Energy Trading Singapore Pte Ltd ◢	(4)
WelCap Insurance Pte Ltd ◢	(4)
Woodside Energy Shipping Singapore Pte Ltd ◢	(4)
Metasource Pty Ltd	(2,4)
Mermaid Sound Port and Marine Services Pty Ltd	(2,4)
Woodside Finance Limited	(2,4)
Woodside Petroleum (Timor Sea 19) Pty Ltd	(2,4)
Woodside Petroleum (Timor Sea 20) Pty Ltd	(2,4)
Woodside Petroleum Holdings Pty Ltd	(2,4)

1. Woodside Petroleum Ltd is the ultimate holding company and the head entity within the tax consolidated group.
2. These companies were members of the tax consolidated group at 31 December 2020.
3. Pursuant to ASIC Instrument 2016/785, relief has been granted to the controlled entity, Woodside Energy Ltd, from the *Corporations Act 2001* requirements for the preparation, audit and publication of accounts. As a condition of the Instrument, Woodside Petroleum Ltd and Woodside Energy Ltd are parties to a Deed of Cross Guarantee.
4. All subsidiaries are wholly owned except those referred to in Notes 5, 6, 7 and 8.
5. Kansai Electric Power Australia Pty Ltd and Tokyo Gas Pluto Pty Ltd each hold a 5% interest in the shares of these subsidiaries. These subsidiaries are controlled.
6. As at 31 December 2020, Woodside Energy Holdings Pty Ltd held a 99.99% interest in the shares of Woodside Energy (Tanzania) Limited and Woodside Energy Ltd held the remaining 0.01% interest.
7. As at 31 December 2020, Woodside Energy Holdings (South America) Pty Ltd held a 99.99% interest in the shares of Woodside Energia (Brasil) Apoio Administrativo Ltda and Woodside Energy Ltd held the remaining 0.01% interest.
8. As at 31 December 2020, Woodside Energy International (Canada) Limited and Woodside Energy (Canada LNG) Limited were the general partners of the KM LNG Operating General Partnership holding a 99.99% and 0.01% partnership interest, respectively.
9. Woodside Energy Technologies Pty Ltd owns 30% in Blue Ocean Seismic Services Limited which is accounted for as an investment in associate.
10. Woodside Energy Services (Qingdao) Co Ltd was incorporated on 16 July 2020.
11. Woodside Technology Solutions Pty Ltd was incorporated on 27 August 2020.

All subsidiaries were incorporated in Australia unless identified with one of the following symbols:

● Brazil	⬢ The Netherlands	◘ Tanzania
■ Cameroon	◤ New Zealand	▲ England and Wales
◀ Canada	◢ Singapore	▼ USA
○ France	◖ Spain	◆ China

Classification

Subsidiaries are all the entities over which the Group has the power over the investee such that the Group is able to direct the relevant activities, has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns.

E.8 Subsidiaries (cont.)

(b) Subsidiaries with material non-controlling interests

The Group has two Australian subsidiaries with material non-controlling interests (NCI).

Name of entity	Principal place of business	% held by NCI
Burrup Facilities Company Pty Ltd	Australia	10%
Burrup Train 1 Pty Ltd	Australia	10%

The NCI in both subsidiaries is 10% held by the same parties (refer to Note E.8(a) footnote 5 for details).

The summarised financial information (including consolidation adjustments but before intercompany eliminations) of subsidiaries with material NCI is as follows:

	2020 US$m	2019 US$m
Burrup Facilities Company Pty Ltd		
Current assets	425	423
Non-current assets	5,224	5,185
Current liabilities	(51)	(6)
Non-current liabilities	(571)	(577)
Net assets	5,027	5,025
Accumulated balance of NCI	503	503
Revenue	859	718
Profit	318	263
Profit allocated to NCI	32	26
Dividends paid to NCI	(32)	(48)
Operating	652	492
Investing	(69)	(34)
Financing	(583)	(458)
Net increase/(decrease) in cash and cash equivalents	-	-
Burrup Train 1 Pty Ltd		
Current assets	372	371
Non-current assets	3,081	2,989
Current liabilities	(103)	(71)
Non-current liabilities	(385)	(396)
Net assets	2,965	2,893
Accumulated balance of NCI	297	289
Revenue	1,423	1,189
Profit	208	132
Profit allocated to NCI	21	13
Dividends paid to NCI	(13)	(32)
Operating	473	275
Investing	(2)	(10)
Financing	(471)	(265)
Net increase/(decrease) in cash and cash equivalents	-	-

(c) Deed of Cross Guarantee and Closed Group

Woodside Petroleum Ltd and Woodside Energy Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the other. By entering into the Deed, the entities have been granted relief from the *Corporations Act 2001* requirements for the preparation, audit and publication of accounts, pursuant to ASIC Instrument 2016/785. The two entities represent a Closed Group for the purposes of the Instrument.

The consolidated income statement and statement of financial position of the members of the Closed Group are set out below:

	2020 US$m	2019 US$m
Closed Group Consolidated Income Statement and Statement of Retained Earnings		
Profit/(loss) before tax	(3,195)	3,471
Tax benefit	955	33
Profit/(loss) after tax	(2,240)	3,504
Retained earnings at the beginning of the financial year	3,579	1,261
Transfer of retained earnings to distributable profits reserve	(710)	-
Adoption of AASB 16 (net of tax)	-	3
Dividends	(518)	(1,189)
Retained earnings at the end of the financial year	111	3,579
Closed Group Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	131	93
Receivables	488	445
Inventories	46	62
Other financial assets	118	9
Other assets	20	18
Total current assets	803	627
Non-current assets		
Receivables	29	23
Inventories	19	-
Other financial assets	31,771	30,250
Exploration and evaluation assets	1,059	1,634
Oil and gas properties	2,688	4,101
Other plant and equipment	185	176
Deferred tax assets	580	38
Lease assets	340	360
Total non-current assets	36,671	36,582
Total assets	37,474	37,209
Current liabilities		
Payables	156	313
Other financial liabilities	46	22
Other liabilities	48	46
Provisions	261	238
Tax payable	-	133
Lease liabilities	24	17
Total current liabilities	535	769
Non-current liabilities		
Payables	24,570	20,974
Deferred tax liabilities	-	507
Other financial liabilities	-	15
Other liabilities	12	20
Provisions	1,272	1,143
Lease liabilities	392	360
Total non-current liabilities	26,246	23,019
Total liabilities	26,781	23,788
Net assets	10,693	13,421
Equity		
Issued and fully paid shares	9,297	9,010
Shares held for employee share plan	(23)	(39)
Other reserves	1,308	871
Retained earnings	111	3,579
Total equity	10,693	13,421

E.9 Other accounting policies

(a) Summary of other significant accounting policies

Tax consolidation

The parent and its wholly owned Australian controlled entities have elected to enter a tax consolidation, with Woodside Petroleum Ltd as the head entity of the tax consolidated group. The members of the tax consolidated group are identified in Note E.8(a).

The tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group, using the stand-alone approach.

Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the tax funding agreement, Woodside Petroleum Ltd and each of the entities in the tax consolidated group have agreed to pay or receive a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities, should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(b) New and amended accounting standards and interpretations issued but not yet effective

A number of new standards, amendments of standards and interpretations have recently been issued but are not yet effective and have not been adopted by the Group as at the financial reporting date.

The Group has reviewed these standards and interpretations and has determined that none of the new or amended standards will significantly affect the Group's accounting policies, financial position or performance.

(c) New and amended accounting standards and interpretations adopted

The Group adopted AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business* as of 1 January 2020.

The standard makes amendments to AASB 3 *Business Combinations* and provides a simplified assessment (including clarification of minimum requirements) of what represents a business, and introduces an optional 'concentration test', which limits the identification of a business to where there is a substantial concentration of fair value within a single asset or group of assets.

The Group applied the amended definition of a business to determine the accounting treatment of the significant production and growth asset acquisition completed during the period. The Group concluded that the transaction is an asset acquisition. For more details, refer to Note B.5.

A number of other new standards are also effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of directors of Woodside Petroleum Ltd, we state that:

1. In the opinion of the directors:
   (a) the financial statements and notes thereto, and the disclosures included in the audited 2020 Remuneration Report, comply with Australian Accounting Standards and the *Corporations Act 2001*;
   (b) the financial statements and notes thereto give a true and fair view of the financial position of the Group as at 31 December 2020 and of the performance of the Group for the financial year ended 31 December 2020;
   (c) the financial statements and notes thereto also comply with International Financial Reporting Standards as disclosed in the 'About these statements' section within the notes to the 2020 Financial Statements;
   (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
   (e) there are reasonable grounds to believe that the members of the Closed Group identified in Note E.8 will be able to meet any obligations or liabilities which they are or may become subject to, by virtue of the Deed of Cross Guarantee.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 31 December 2020.

For and on behalf of the Board

R J Goyder, AO
Chairman
Perth, Western Australia
18 February 2021

P J Coleman
Chief Executive Officer and Managing Director
Perth, Western Australia
18 February 2021

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Independent auditor's report to the members of Woodside Petroleum Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Woodside Petroleum Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year ended on that date.

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Impairment of oil and gas properties

Why significant	How our audit addressed the key audit matter
Australian Accounting Standards require the Group to assess whether there are any indicators that oil and gas properties may be impaired. If an indicator exists, the Group must estimate the recoverable amount of the asset. At 30 June 2020, the Group concluded that there were impairment indicators for all Cash Generating Units (CGUs) and impairment testing was undertaken. The principal indicators of impairment were the decline in oil price and deficit between the net assets and market capitalisation of the Company. The Group undertook impairment testing at 30 June 2020, and recognised an impairment expense of $3,712 million pertaining to oil and gas properties. Key assumptions, judgements and estimates, used in the formulation of the Group's impairment of the oil and gas properties are disclosed in Note B.4. At 31 December 2020, the Group concluded that there were no impairment indicators present for any CGU. The assessment of indicators of impairment and reversal of impairment and the impairment testing process is complex and highly judgemental, and is based on assumptions which are impacted by expected future performance and market conditions. The recoverable amounts of the CGUs are also sensitive to changes in the key assumptions, judgements and estimates used. Accordingly, this matter was considered to be a key audit matter.	We evaluated the Group's consideration of internal and external sources of information in assessing whether indicators of impairment or reversal of impairment existed. Where impairment indicators were present and impairment testing was conducted by the Group, we evaluated the assumptions and methodologies used by the Group and the estimates made in conducting this testing. In particular, we considered those judgements and estimates related to the determination of CGUs, the forecast cash flows and the inputs used to formulate those cash flows such as discount rates, reserves, inflation rates, operating costs, foreign exchange rates and commodity prices. We involved our valuations, modelling and economics specialists to assist in the impairment assessment for the audit. Our audit procedures were undertaken across all CGUs for which impairment indicators were identified. Specifically, we evaluated the discounted cash flow models and other data supporting the Group's assessment. In doing so, we: ▸ considered future production profiles compared to reserves, current approved budgets and historical production, and ensured variations were in accordance with our expectations based upon other information obtained throughout the audit ▸ evaluated commodity prices with reference to contractual arrangements, market prices (where available), broker consensus, analyst views and historical performance ▸ evaluated discount rates, inflation rates and foreign exchange rates with reference to market prices (where available), market indices, broker consensus and historical performance ▸ compared future operating and development expenditure to current sanctioned budgets, historical expenditure and ensured variations were in accordance with our expectations based upon other information obtained throughout the audit ▸ evaluated how the Group's response to climate risk has been reflected in the assessment of the recoverable amount of the CGUs ▸ assessed whether the impairment charge recorded in the financial statements agreed to the underlying impairment testing models ▸ assessed the impact of changes to key assumptions on the recoverable amount of the CGUs ▸ tested the mathematical accuracy of the discounted cash flow models and the sensitivity analysis. We used the work of the Group's internal experts with respect to the hydrocarbon reserve estimates used in the Group's impairment testing. This included understanding the reserve estimation processes carried out, the Group's internal certification process for technical and commercial experts who are responsible for reserves, the design of the Group's Petroleum Resources Management procedures and its alignment with the guidelines prepared by the Society of Petroleum Engineers. We also examined the competence and objectivity of the Group's internal and external experts and the scope and appropriateness of their work. We also considered the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's impairment assessments, and in respect of sensitivity analysis for CGUs impaired. These disclosures are included in Note B.4.

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2. Impairment assessment of exploration and evaluation (E&E) assets

Why significant	How our audit addressed the key audit matter
The impairment testing process for E&E assets commences with an assessment against indicators of impairment under Australian Accounting Standard - AASB 6 *Exploration for and Evaluation of Mineral Resources*. If there is an indication that an E&E asset may be impaired, the Group is required to estimate the recoverable amount of the asset. At 30 June 2020, the Group identified impairment indicators in respect of a number of E&E assets. Impairment testing was undertaken which resulted in an impairment charge of $1,557 million being recorded. At 31 December 2020, the Group concluded that there were no impairment indicators present for any recognised E&E assets. The key assumptions, judgements and estimates used in the formulation of the Group's impairment assessment of E&E assets, and those used in the determination of the recoverable amount of E&E assets for which indicators of impairment were present, are set out in Note B.4 of the financial report. The assessment of indicators of impairment and, where required, the determination of recoverable amount, is complex and highly judgemental. Accordingly, this matter was considered to be a key audit matter.	We assessed the impairment analysis prepared by the Group, evaluating the assumptions and methodologies used and the estimates made. Our audit procedures included the following: ‣ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and correspondence with relevant government agencies ‣ Considered the Group's intention to carry out substantive E&E activity in the relevant exploration area, or plans to move the asset into development. This included assessment of the Group's approved budgets and cashflow forecasts for evidence of planned future activity, and enquiries with senior management as to the intentions and strategy of the Group ‣ Considered the Group's assessment of the commercial viability of results relating to E&E activities carried out in the relevant license area ‣ Assessed the Group's ability to finance both planned future E&E activity and asset development plans ‣ Assessed the capabilities of management's internal experts for the purposes of estimating the potential resources associated with E&E assets ‣ Assessed, in conjunction with our valuation specialists, the key assumptions used in the determination of the recoverable value of the E&E asset, with reference to market information where available ‣ Assessed whether the impairment charge recorded in the financial statements agreed to the Group's assessment of the recoverable amount. We also considered the adequacy of the financial report disclosure of the assumptions, key estimates and judgements applied by management for the Group's assessment of impairment of E&E assets. These have been disclosed in Notes B.2 and B.4 of the financial report.

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3. Accounting for petroleum resources rent tax (PRRT) deferred tax assets

Why significant	How our audit addressed the key audit matter
The consolidated financial statements of the Group include deferred tax assets arising from PRRT. The determination of the quantum, likelihood and timing of the realisation of deferred tax assets arising from PRRT is highly judgemental and is assessed on a basis consistent with the impairment assessment set out above, as well as other factors such as the long term bond rate applied to the augmentation of deductible expenditure. As such, this matter was considered to be a key audit matter. The Group's disclosures about PRRT are included in the summary of significant accounting policies in Note A.5 of the financial report.	We considered the application of the judgements and methodologies used by the Group to calculate the deferred tax assets arising from PRRT and estimate their utilisation in the future. In particular, we assessed those judgements and methodologies relating to the estimation of future PRRT assessable profits, the interpretation of PRRT legislation and the consistency in application of forecast performance with other forecasts made, including cash flow modelling for impairment purposes. We also considered the adequacy of the financial report disclosures regarding PRRT included in Note A.5 of the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 62 to 81 of the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Woodside Petroleum Ltd for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
18 February 2021

SHAREHOLDER STATISTICS

as at February 3 2021

Number of shareholdings

There were 276,431 shareholders. All issued shares carry voting rights on a one-for-one basis.

Distribution of shareholdings

Size of shareholding	Number of holders	Number of shares	% of issued capital
1–1,000	191,637	71,853,874	7.47
1,001–5,000	73,894	156,004,394	16.21
5,001–10,000	7,422	51,986,464	5.40
10,001–100,000	3,361	66,118,652	6.87
Greater than 100,000	117	616,262,430	64.05
Total	**276,431**	**962,225,814**	**100.00**

Unmarketable parcels

There were 3,843 members holding less than a marketable parcel of shares in the company.

Twenty largest shareholders

	Shares Held	% of issued capital
HSBC Custody Nominees (Australia) Limited	267,141,449	27.76
J P Morgan Nominees Australia Pty Limited	136,302,919	14.17
Citicorp Nominees Pty Limited	75,771,197	7.87
National Nominees Limited	23,752,017	2.47
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	23,267,393	2.42
BNP Paribas Noms Pty Ltd <DRP>	14,244,989	1.48
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	6,048,324	0.63
Pacific Custodians Pty Limited <WPL Plans Ctrl A/C>	6,038,074	0.63
Citicorp Nominees Pty Limited <Citibank NY ADR Dep A/C>	5,396,858	0.56
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	4,444,170	0.46
Netwealth Investments Limited <Wrap Services A/C>	3,699,601	0.38
Australian Foundation Investment Company Limited	3,354,652	0.35
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	3,319,608	0.34
McCusker Holdings Pty Ltd	1,945,000	0.20
Pacific Custodians Pty Limited <WPL 2013 WEP TST A/C>	1,733,452	0.18
Argo Investments Limited	1,700,873	0.18
Navigator Australia Ltd <MLC Investment Sett A/C>	1,604,852	0.17
Netwealth Investments Limited <Super Services A/C>	1,579,934	0.16
AMP Life Limited	1,467,902	0.15
HSBC Custody Nominees (Australia) Limited-Gsco Eca	1,439,408	0.15
Total	**584,252,672**	**60.72**

Substantial shareholders as disclosed in substantial shareholder notices given to the company are as follows:

Vanguard Group (Vanguard Group Inc. (USA) and subsidiaries)	56,772,669	6.02

Vanguard Group's substantial shareholder notice was given on 31 October 2019. There has been no notice of a change of interest of the substantial shareholder since that date.

Blackrock Group (Blackrock Inc. and subsidiaries)	57,411,550	6.09

Blackrock Group's substantial shareholder notice was given on 30 May 2019. There has been no notice of a change of interest of the substantial shareholder since that date.

Annual General Meeting

The 2021 Annual General Meeting (AGM) of Woodside Petroleum Ltd will be held at 2.00 pm (AWST) on Thursday, 15 April 2021. Details of the business of the meeting will be provided in the AGM notice. The AGM will be webcast live on the internet. An archived version of the webcast will be placed on the Woodside website to enable the proceedings to be viewed at a later time.

Refer to Woodside's website for copies of the Chairman's and CEO's speeches (www.woodside.com.au).

Share registry enquiries

Investors seeking information about their shareholdings should contact Woodside's share registry:

Computershare Investor Services Pty Limited

Address:	Level 11, 172 St Georges Terrace Perth WA 6000
Postal address:	GPO Box D182 Perth WA 6840
Telephone:	1300 558 507 (within Australia) +61 3 9415 4632 (outside Australia)
Facsimile:	+61 3 9473 2500
Email:	web.queries@computershare.com.au
Website:	investorcentre.com/wpl

The share registry can assist with queries on share transfers, dividend payments, the dividend reinvestment plan, notification of tax file numbers and changes of name, address or bank account details.

For security reasons, you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) when communicating with the share registry. The share registry website allows shareholders to make changes to address and banking details online.

Refer to the share registry website for details of shareholdings (www.investorcentre.com/wpl).

Dividend payments

Woodside declares its dividends in US dollars as this is our functional and presentation currency. Woodside pays its dividends in Australian dollars, unless a shareholder's registered address is in the United Kingdom (UK), where they are paid in UK pounds sterling, or in the United States of America (USA), where they are paid in US dollars.

Shareholders may have their dividends paid directly into any bank or building society account in Australia, the USA or the UK. Payments are electronically credited on the dividend payment date and confirmed by payment advice. To request direct crediting of dividend payments, please contact the share registry or visit the share registry website (www.investorcentre.com/wpl).

Shareholders must make an election to alter their dividend currency by the business day after the record date for the dividend.

Shareholders who reside outside the USA, the UK and Australia may elect to receive their dividend electronically in their local currency using the share registry's Global Wire Payment Service. For a list of currencies offered and how to subscribe to the service, please contact the share registry.

Refer to Woodside's website for the history of dividends paid by the company (www.woodside.com.au).

Change of address or banking details

Shareholders should immediately notify the share registry of any change to their address or banking arrangements for dividends electronically credited to a bank account.

Refer to the share registry website to change details (www.investorcentre.com/wpl).

Australian Securities Exchange listing

Woodside Petroleum Ltd securities are listed on the ASX under the code WPL.

American Depositary Receipts

Citibank (Citi) sponsors a level-one American Depositary Receipts (ADR) program in the USA. One Woodside share equals one ADR and trades over the counter under the symbol 'WOPEY'.

ADR holders should deal directly with Citi on all matters related to their ADRs.

Enquiries should be directed to:
Citibank Shareholder Services

Address:	PO Box 43077 Providence Rhode Island 02940-3077
USA Toll Free Number:	1-877-CITI-ADR
International callers:	+1 781 575 4555
Facsimile:	+1 201 324 3284
Email:	citibank@shareholders-online.com

Investor Relations enquiries

Requests for specific information on Woodside can be directed to Investor Relations:

Address:	Woodside Petroleum Ltd Mia Yellagonga 11 Mount Street Perth WA 6000
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Key announcements 2020

January	Sangomar Field Development approved
February	Full-year 2019 results and briefing
	Annual Report 2019
	Sustainable Development Report 2019
	Scarborough participating interest alignment
March	Response to market conditions
April	First quarter 2020 report
	Annual General Meeting
July	Asset value review and other items
	Second quarter 2020 report
August	Half-year 2020 results
	Woodside pre-empts Sangomar transaction
October	Third quarter 2020 results
November	Investor Briefing Day 2020
December	CEO succession
	NWS early ORO gas processing agreements
	Long-term LNG supply contract

Events calendar 2021

Key calendar dates for Woodside shareholders in 2021. Please note dates are subject to review.

February	18	Full-year 2020 results and briefing
	18	Annual Report 2020
	18	Sustainable Development Report 2020
	25	Ex-dividend date for dividend entitlement
	26	Record date for final dividend entitlement
March	24	Payment of dividend
April	15	Annual General Meeting
	22	First quarter 2021 results
May		Investor update
June	30	Half-year end 2021
July	15	Second quarter 2021 results
August	12	Half-year 2021 results
October	21	Third quarter 2021 results
November		Investor Briefing Day 2021
December	31	Year-end 2021

Unreasonable prejudice

As permitted by sections 299(3) and 299A(3) of the *Corporations Act 2001*, we have omitted certain information from this operating and financial review in relation to our business strategy, future prospects and likely developments in our operations and the expected results of those operations in future financial years. We have done this on the basis that such information, if disclosed, would be likely to result in unreasonable prejudice to Woodside (for example, because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage). The omitted information relates to our internal budgets, forecasts and estimates, details of our business strategy, and LNG contractual pricing.

Forward-looking statements

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 that 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.

Further information on some important factors that could cause actual results or performance to differ materially from those projected in such statements is contained in the 'Risk' section on pages 38-41. 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 Australian Securities Exchange (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.

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Asset facts

Producing facilities

Australia[1]							
North West Shelf	Karratha Gas Plant	North Rankin Complex	Goodwyn A Platform	Angel Platform	**Pluto LNG**	Pluto A Platform	Pluto LNG Plant
Role	Operator	Operator	Operator	Operator	**Role**	Operator	Operator
Equity	16.67%	16.67%	16.67%	16.67%	**Equity**	90%	90%
Product	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	**Product**	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate
Australia Oil	Ngujima-Yin FPSO	Okha FPSO	**Wheatstone**				
Role	Operator	Operator	Non-operator				
Equity	60%	33.33%	13%				
Product	Oil	Gas and oil	LNG, pipeline natural gas and condensate				

Developments

	Australia[1]		Senegal	Myanmar	Canada	Australia/Timor-Leste
	Greater Scarborough	Browse	Sangomar Phase 1	A-6 Development	Kitimat LNG	Sunrise
Role	Operator	Operator	Operator	Joint operator	Non-operator	Operator
Equity	50-73.5%	30.6%	68.33%	40%	50%	33.44%
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate	Oil	Pipeline natural gas	LNG, pipeline natural gas	LNG, pipeline natural gas and condensate
	Julimar-Brunello Phase 2	Greater Western Flank Phase 3				
Role	Operator	Operator				
Equity	65%	16.67%				
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate				

Exploration

Asia-Pacific					
Myanmar	A-7	AD-7	AD-1 and AD-8	**Republic of Korea**	8, 6-1N
Role	Operator	Joint operator	Joint operator	**Role**	Joint operator
Equity	45%	40%	50%	**Equity**	50%
Product	Gas prone basin	Gas prone basin	Gas prone basin	**Product**	Gas prone basin

Europe			
Bulgaria	1-14 Khan Kubrat	**Ireland**	FEL 5/13 and FEL 11/18
Role	Non-operator	**Role**	Operator
Equity	30%	**Equity**	FEL 5/13 100%, FEL 11/18 90%
Product	Oil or gas prone basin	**Product**	Oil or gas prone basin

Africa			
Senegal	Rufisque, Sangomar and Sangomar Deep	**Congo**	Marine XX
Role	Operator	**Role**	Non-operator
Equity	75%	**Equity**	42.5%
Product	Oil prone basin	**Product**	Oil or gas prone basin

1. For further information on Woodside's Australian titles, please refer to the titles register website (neats.nopta.gov.au).

Glossary, units of measure and conversion factors

Glossary

$, $m	US dollars unless otherwise stated, millions of dollars
1P	Proved reserves
2C	Best Estimate of Contingent resources
2P	Proved plus Probable reserves
AGM	Annual General Meeting
AOI	Area of interest
APPEA	Australian Petroleum Production & Exploration Association
Appraisal well	A well drilled to follow up a discovery and evaluate its commercial potential
ASX	Australian Securities Exchange
AWST	Australian Western Standard Time
A$	Australian dollars
Average unit cash sales	Average unit cash cost of sales includes production costs, cost of royalty and excise, shipping and direct sales costs, carbon costs and insurance; excludes exploration and evaluation, general administrative and other costs, depreciation and amortisation, PRRT and income tax
BJV	Browse Joint Venture
Brent	Intercontinental Exchange (ICE) Brent Crude deliverable futures contract (oil price)
Cash margin	Revenue from sale of produced hydrocarbons less production costs, royalties and excise, insurance and shipping and direct sales costs, divided by revenue from sale of produced hydrocarbons
CHF	Swiss francs
Condensate	Hydrocarbons that are gaseous in a reservoir but that condense to form liquids as they rise to the surface
cps	Cents per share
DBNGP	Dampier to Bunbury Natural Gas Pipeline
DRP	Dividend reinvestment plan
EBIT	Calculated as a profit before income tax, PRRT and net finance costs
EBITDA	Calculated as a profit before income tax, PRRT, net finance costs, depreciation and amortisation and impairment
EBITDAX	Calculated as a profit before income tax, PRRT, net finance costs, depreciation and amortisation, impairment and exploration and evaluation expense
EPC, EPCI	Engineering, procurement, construction and installation
EPS	Earnings per share
Equity lifted LNG	The proportion of LNG which Woodside is entitled to lift and sell, in its own right, as a result of its participating interest in the relevant project
Farm-in	Where one company acquires an interest in an exploration permit or production licence by paying some of the past or future costs of another company that is relinquishing its interest
FEED	Front-end engineering design
FEL	Frontier exploration licence
FID	Final investment decision
Flaring	The controlled burning of gas found in oil and gas reservoirs
FPSO	Floating production storage and offloading
FPU	Floating production unit
Free cashflow	Cashflow from operating activities less cashflow from investing activities
FVLCD	Fair value less costs to dispose
GDP	Gross domestic product
Gearing	Net debt divided by net debt and equity attributable to the equity holders of the parent
Gross margin	Gross profit divided by operating revenue. Gross profit excludes income tax, PRRT, net finance costs, other income and other expenses
GSPA	Gas sale and purchase agreement
GWF	Greater Western Flank
H1, H2	Halves of the calendar year (H1 is 1 January to 30 June and H2 is 1 July to 31 December)
HSE	Health, safety and environment
Infill well	Well drilled for the purpose of increasing production
ISO	International Organisation for Standardisation
JCC	The Japan Customs-cleared Crude is the average price of customs-cleared crude oil imports into Japan as reported in customs statistics (also known as 'Japanese Crude Cocktail') and is used as a reference price for long-term supply LNG contracts
JV	Joint venture
KGP	Karratha Gas Plant
Liquidity	Calculated as the sum of cash on hand and undrawn debt facilities
LHS	Left hand side
LNG	Liquefied natural gas
LOPC	Loss of primary containment
LPG	Liquefied petroleum gas
LTIF	Lost time injury frequency
MOU	Memorandum of understanding
Net debt	Total debt less cash and cash equivalents
NOPSEMA	National Offshore Petroleum Safety and Environmental Management Authority
NOPTA	National Offshore Petroleum Titles Administrator
NPAT	Net profit after tax
NT	Northern Territory
NWS	North West Shelf
PEP	Petroleum exploration permit
PRRT	Petroleum resources rent tax
PSC	Production sharing contract
PSE	Process safety event
Q1, Q2, Q3, Q4	Quarters of the calendar year (Q1 is 1 January to 31 March, Q2 is 1 April to 30 June, Q3 is 1 July to 30 September, Q4 is 1 October to 31 December)
RAP	Woodside's Reconciliation Action Plan
Return on equity	Return on shareholder funds is calculated as NPAT (excluding non-controlling interests) divided by equity attributable to the equity holders of the parent
RFSU	Ready for start-up
RHS	Right hand side
ROACE	Return on average capital employed, calculated as EBIT divided by average non-current liabilities and average equity attributable to equity holders of the parent
RSSD	Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore
SPA	Sale and purchase agreement
Spudded	Commenced well-drilling process
Tier 1 PSE	A typical Tier 1 process safety event is loss of containment of hydrocarbons greater than 500 kg (in any one-hour period)
Tier 2 PSE	A typical Tier 2 process safety event is loss of containment of hydrocarbons greater than 50 kg but less than 500 kg (in any one-hour period)
TRIR	Total recordable injury rate. The number of recordable injuries (fatalities, lost workday cases, restricted workday cases and medical treatment cases) per 1,000,000 work hours
TSR	Total shareholder return
Unit production	Production cost ($ million) divided by production volume (MMboe)
USA	United States of America
USD	US dollars
WA	Western Australia

Units of measure

bbl	barrel
bbl/d	barrels per day
Bcf	billion cubic feet
boe	barrel of oil equivalent
CO_2-e	carbon dioxide equivalent
kPa	thousand Pascals
kt	thousand tonnes
MMbbl	million barrels
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
mmscf	million standard cubic feet
mmscf/d	million standard cubic feet per day
MPa	million Pascals
Mtpa	million tonnes per annum
psi	pounds per square inch
t	tonnes
Tcf	trillion cubic feet
TJ	terajoules

Conversion factors[1]

Product	Factor	Conversion factors[1]
Pipeline natural gas	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
Dry gas	1 MMBoe	5.7 Bcf

1. Minor changes to some conversion factors can occur over time due to gradual changes in the process stream.

Summary charts

Product view

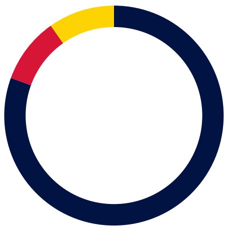
Investment

	2020	2019
● Gas and condensate*	50%	63%
● Oil	42%	23%
● Exploration and other	8%	14%

*Indicative only as some assets produce oil and gas.

Our investment expenditure was primarily on Sangomar and subsea tie-backs to Pluto, NWS Project and Wheatstone.

Production

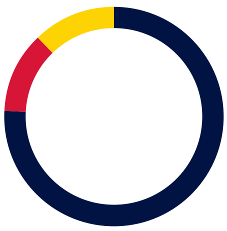


	2020	2019
● Natural Gas*	80%	83%
● Oil	10%	6%
● Condensate	10%	11%

*Includes LNG, LPG and pipeline gas.

The majority of our production is natural gas produced through Pluto LNG and NWS Project.

Revenue from sale of hydrocarbons



	2020	2019
● Natural Gas*	76%	80%
● Oil	12%	8%
● Condensate	12%	12%

*Includes LNG, LPG and pipeline gas.

Gas, largely sold as LNG, continues to provide the majority of our sales revenue.

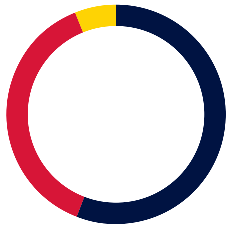
Reserves (Proved plus Probable)

	2020	2019
● Dry gas	76%	82%
● Oil	17%	10%
● Condensate	7%	8%

Gas represents the largest portion of Woodside's Proved plus Probable reserves.

Regional view

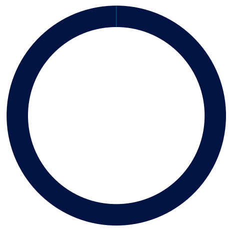
Investment



	2020	2019
● Australia	56%	90%
● Senegal	39%	4%
● Rest of World	5%	6%

The majority of our 2020 investment was in Australia, with increased expenditure in Senegal.

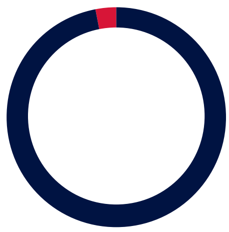
Production



	2020	2019
● Australia	100%	>99%
● Rest of World	0%	<1%

Australian assets provide all of Woodside's production volumes.

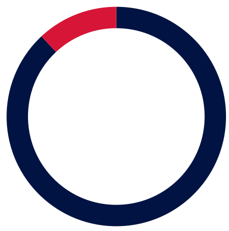
Revenue from sale of hydrocarbons



	2020	2019
● Australia	97%	95%
● Purchased LNG	3%	5%
● Rest of World	0%	<1%

Our revenue is currently derived from Australian sources, supplemented with LNG purchased in the international market.

Reserves (Proved plus Probable)



	2020	2019
● Australia	88%	95%
● Senegal	12%	5%
● Rest of World	0%	0%

The majority of Woodside's Proved plus Probable reserves are located in Australia.

Ten-year comparative data summary

		2020	2019[2,3]	2018	2017[1]	2016	2015	2014	2013	2012	2011
Profit and loss (USDm)[1,2,3]	Operating revenues										
	Group LNG	**2,519**	3,664	3,761	2,674	2,751	3,095	4,563	3,347	2,834	1,509
	Australia domestic gas	**73**	83	84	142	292	295	376	366	367	375
	Australia LPG	**16**	44	25	43	34	34	80	88	125	127
	Australia condensate	**411**	586	651	422	413	421	901	1,000	903	860
	Australia Oil	**432**	360	301	391	302	650	1,133	896	1,918	1,795
	Australia processing and services revenue	**142**	119	202	192	202	180	198	150	125	-
	Trading revenue	**-**	-	210	53	70	354	161	-	-	-
	Other hydrocarbon revenue	**-**	-	1	47	-	-	-	-	-	-
	Shipping and other revenue	**7**	15	-	-	-	-	-	-	-	-
	Other international	**-**	2	5	11	11	1	23	79	76	136
	Total	**3,600**	**4,873**	**5,240**	**3,975**	**4,075**	**5,030**	**7,435**	**5,926**	**6,348**	**4,802**
	EBITDAX	**1,991**	3,680	4,041	3,095	3,004	3,443	5,853	4,460	5,528	3,423
	EBITDA[4]	**1,922**	3,531	3,814	2,918	2,734	3,063	5,568	4,188	5,162	2,864
	EBIT[4]	**(5,171)**	1,091	2,278	1,714	1,388	441	3,672	2,538	3,795	2,212
	Exploration and evaluation (excluding amortisation of permit acquisition)	**69**	149	227	177	270	380	285	272	366	559
	Depreciation and amortisation	**1,812**	1,688	1,451	1,188	1,320	1,517	1,441	1,218	1,184	627
	Amortisation of license acquisition costs	**12**	15	46	16	26	22	21	45	26	28
	Impairment/(impairment reversal)	**5,269**	737	39	-	-	1,083	434	387	157	(3)
	Net finance costs	**269**	229	183	84	48	85	163	179	137	26
	Tax expense	**(1,465)**	480	628	465	367	243	993	545	614	677
	Non-controlling interest	**53**	39	103	96	105	87	102	65	61	2
	Reported NPAT	**(4,028)**	343	1,364	1,069	868	26	2,414	1,749	2,983	1,507
	Reported EPS (cents)[5]	**(424)**	37	148	123	104	3	293	213	366	190
	DPS (cents)	**38**	91	144	98	83	109	255	249	130	110
Balance sheet (USDm)[2]	Total assets	**24,623**	29,353	27,088	25,399	24,753	23,839	24,082	23,770	24,810	23,231
	Debt	**7,492**	6,849	4,071	5,065	4,973	4,441	2,586	3,764	4,340	5,102
	Net debt	**3,888**	2,791	2,397	4,747	4,688	4,319	(682)	1,541	1,918	5,061
	Shareholder equity	**12,075**	16,617	17,489	15,081	14,839	14,226	15,876	15,225	15,148	12,658
Cashflow (USDm) and capital expenditure (USDm)	Cashflow from operations	**1,849**	3,305	3,296	2,400	2,587	2,475	4,785	3,330	3,475	2,242
	Cashflow from investing	**(2,112)**	(1,238)	(1,772)	(1,568)	(2,473)	(5,555)	(617)	(1,059)	161	(3,533)
	Cashflow from financing	**(203)**	317	(159)	(805)	51	(58)	(3,119)	(2,470)	(1,252)	362
	Capital expenditure										
	Exploration and evaluation	**355**	443	728	328	965	1,305	261	166	383	778
	Oil and gas properties and property, plant and equipment	**1,591**	749	993	1,039	1,214	4,309	425	420	1,145	2,651
	ROACE[6] (%)	**(21.0)**	4.1	9.3	7.4	6.2	2.0	17.5	12.0	18.3	11.8
	Return on equity (%)	**(33.4)**	2.1	7.8	7.1	5.8	0.2	15.2	11.5	19.7	11.9
	Gearing (%)	**24.4**	14.4	12.1	23.9	24.0	23.3	(4.5)	9.2	11.2	28.6
Volumes[1,3]	**Sales (million boe)**										
	Group LNG	**81.2**	75.3	69.6	61.2	63.6	57.6	58.3	52.4	42.6	22.4
	Australia domestic gas	**5.3**	5.7	4.6	6.3	12.9	13.2	13.3	14.0	13.9	14.0
	Australia LPG	**0.4**	0.7	0.4	0.7	0.7	0.7	0.8	0.9	1.1	1.1
	Australia condensate	**10.2**	9.7	9.2	7.7	9.3	8.5	9.4	9.5	8.6	7.8
	Australia Oil	**9.7**	5.5	4.2	6.9	6.9	12.5	11.2	8.0	16.8	15.7
	Other international	**-**	0.5	1.2	1.3	1.6	0.2	0.2	0.9	0.8	2.9
	Total (million boe)	**106.8**	97.4	89.2	84.1	95.0	92.7	93.2	85.7	83.8	63.9
	Production (million boe)										
	Australia LNG	**75.0**	67.7	71.9	61.7	63.7	57.5	60.3	53.6	43.9	22.6
	Australia domestic gas	**5.3**	5.6	4.6	6.0	12.9	13.1	13.3	13.9	13.8	14.0
	Australia LPG	**0.5**	0.5	0.6	0.6	0.7	0.7	0.8	0.9	1.1	1.2
	Australia condensate	**9.8**	9.7	9.3	8.0	9.3	8.4	9.1	9.5	9.3	7.9
	Australia Oil	**9.7**	5.6	3.8	6.8	6.7	12.3	11.4	8.2	16.0	16.0
	Other international	**-**	0.5	1.2	1.3	1.6	0.2	0.2	0.9	0.8	2.9
	Total (million boe)	**100.3**	**89.6**	**91.4**	**84.4**	**94.9**	**92.2**	**95.1**	**87.0**	**84.9**	**64.6**
Other ASX data	Reserves (Proved plus Probable) Gas (Tcf)	**4.50**	5.65	6.05	6.54	7.09	7.59	6.65	7.09	7.51	7.80
	Reserves (Proved plus Probable) Condensate (MMbbl)	**72.9**	100	108.2	117.0	124.2	133.5	117.1	125.2	130.9	138.7
	Reserves (Proved plus Probable) Oil (MMbbl)	**177.8**	122.4	67.7	69.9	74.4	42.6	54.1	67.0	95.9	108.5
	Other										
	Employees	**3,670**	3,834	3,662	3,597	3,511	3,456	3,803	3,896	3,997	3,856
	Shares High (A$)	**36.14**	37.40	39.00	33.97	31.88	38.33	44.23	39.54	38.16	50.85
	Low (A$)	**15.27**	30.49	28.45	28.16	23.94	26.20	33.71	33.29	30.09	29.76
	Close (A$)	**22.74**	34.38	31.32	33.08	31.16	28.72	38.01	38.90	33.88	30.62
	Number (000's)	**962,226**	942,287	936,152	842,445	842,445	823,911	823,911	823,911	823,911	805,672
	Number of shareholders	**276,431**	220,065	209,753	209,383	214,350	225,138	227,798	217,383	208,277	205,868
	Market capitalisation (USD equivalent at reporting date)	**16,817**	22,666	20,681	21,762	18,922	17,250	25,664	28,579	28,983	25,287
	Market capitalisation (AUD equivalent at reporting date)	**21,881**	32,396	29,320	27,868	26,251	23,663	31,317	32,050	27,914	24,670
	Finding costs ($/boe) (3 year average)[7]	**30.44**	21.71	29.90	26.21	39.06	107.45	44.09	30.43	14.09	12.67
	Reported effective income tax rate (%)	**20.5**	57.2	31.7	34.0	35.9	49.8	30.1	29.8	27.2	30.5
	Net debt/total market capitalisation (%)	**23.1**	12.3	11.6	21.8	24.8	25.0	(2.7)	5.4	6.6	20.0

1. 2017 has been restated for the impact of AASB 15 Revenue from contracts with customers. Comparative financial information prior to 2016 has not been restated for AASB 15.
2. 2019 includes the adoption of AASB 16 Leases.
3. 2019 amounts have been restated for the application of reporting on a LNG Portfolio basis. Comparative financial information prior to 2018 has not been restated.
4. The calculation for EBITDA has been updated to exclude impairment and amortisation of license acquisition costs. 2011 to 2013 EBITDA numbers have been restated to reflect this change in calculation. EBIT is calculated as a profit before income tax, PRRT and net finance costs.
5. Earnings per share has been calculated using the following weighted average number of shares (2020: 951,113,086; 2019: 935,833,092; 2018: 921,165,018; 2017: 866,201,877; 2016: 835,011,896; 2015: 822,943,960; 2014: 822,771,118; 2013:822,983,715; 2012: 814,751,356; 2011: 791,668,973).
6. The calculation for ROACE has been revised in 2014 to use EBIT as the numerator, in addition to a change in the composition of capital employed. ROACE for 2011 to 2013 has been restated to include this change.
7. Finding cost methodology is in accordance with SEC industry standard. The 2020 outcome excludes the impact of Greater Pluto (WA-404-P) Proved (1P) Undeveloped Reserves of 91 MMboe being reclassified to Best Estimate (2C) Contingent Resources, resulting from impairment of Pluto (WA-404-P).

Annual Report 2020

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