



HALF-YEAR REPORT

INCORPORATING
APPENDIX 4D

30 JUNE 2019



Woodside

2019

Pluto LNG's first major turnaround was completed in June 2019 to support safe, reliable and efficient production for many years.

Strong cash flow generated by Pluto LNG will contribute significantly to delivery of Woodside's growth strategy.



APPENDIX 4D

Results for announcement to the market

 More information on page 25

				US\$ million
Revenue from ordinary activities	Decreased	5% ¹	to	2,260
Net profit for the period attributable to members	Decreased	23% ¹	to	419
Free cash flow ²	Increased	123% ^{1,3}	to	869
Dividends (distributions)				
Interim dividend – fully franked		36 US cps H1 2019		
Record date for determining entitlements to the dividend		27 August 2019		

1. Comparisons are to the half-year ended 30 June 2018.

2. This is a non-IFRS measure that is unaudited but derived from auditor reviewed half-year financial statements. This measure is presented to provide insight into Woodside's performance.


3. Effective percentage increase, adjusted for the impact of AASB 16 on H1 2019 free cash flow.

CONTENTS

Financial summary	4
Base business	6
Developments	7
Sustainability	10
Governance	11
Half-year financial statements	12
Shareholder information	26

About Woodside

Woodside is the pioneer of the LNG industry in Australia. We have a global portfolio and are recognised for our world-class capabilities as an integrated upstream supplier of energy.

 For more information about Woodside's assets and activities, visit:
<https://www.woodside.com.au/about-us>

On the cover

Karratha Gas Plant, the NWS Project's onshore processing facility.

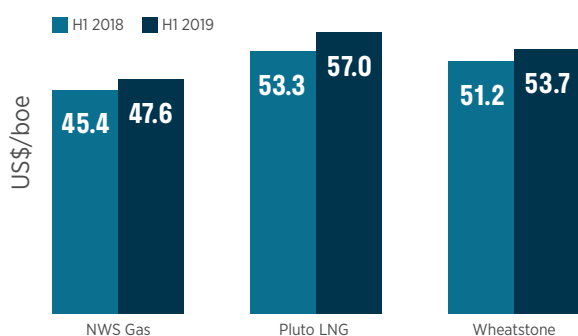
Inside cover

The LNG loading jetty at the Karratha Gas Plant.

FINANCIAL SUMMARY

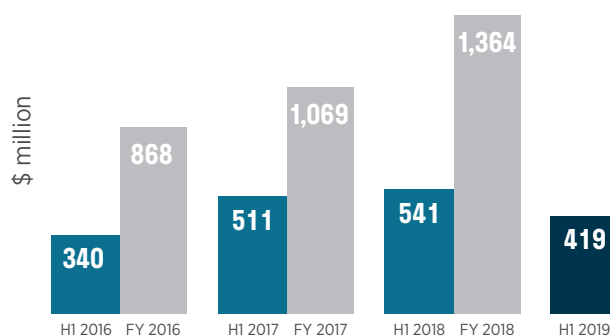
The first half of 2019 was characterised by strong production performance from the NWS Project and Wheatstone. Woodside's base business continued to generate strong cash flows and margins, as we prepare to deliver our growth opportunities.

LNG realised price



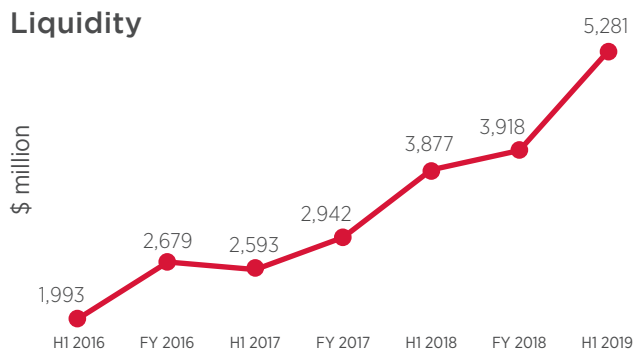
Average increase of **>5%** across the LNG portfolio

Net profit after tax⁵



H1 2019 NPAT reflects strong operating fundamentals, offset by the impact of cyclone activity and the Pluto LNG turnaround

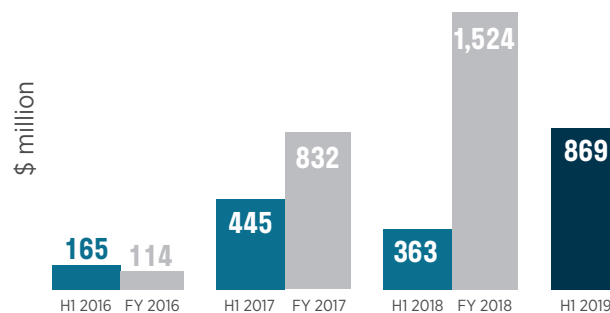
Liquidity



Increased **\$1,404 million** or **36%**⁶

H1 2019 concluded with a robust liquidity position of \$5,281 million

Free cash flow⁵



Increased **\$506 million** or **123%**^{6,7}

Prudent expenditure management positions us to deliver our growth plans

Key metrics

\$ million	H1 2019	H1 2018		H1 2019	H1 2018
Operating revenue	2,260	2,388	Interim dividend (US cps)	36	53
EBITDA ¹	1,462	1,718	Earnings (US cps)	44.8	59.6
EBIT ¹	699	987	Gearing %	17.9	14.7
NPAT	419	541	Production		
Underlying NPAT ^{1,2}	419	566	Gas (MMboe)	33.5	37.3
Net cash from operating activities	1,485	1,540	Liquids (MMboe)	5.5	7.0
Investment expenditure	637	1,269	Total	39.0	44.3
Capital investment expenditure ^{1,3}	545	1,070	Sales Volumes		
Exploration expenditure ^{1,4}	92	199	Gas (MMboe)	33.1	36.9
Free cash flow ¹	869	363	Liquids (MMboe)	5.6	7.1
			Total	38.7	44

- These are non-IFRS measures that are unaudited but derived from auditor reviewed half-year financial statements. These measures are presented to provide further insight into Woodside's performance.
- H1 2018 NPAT adjusted for the impact of foreign exchange options associated with the equity raising (\$5 million) and finance costs associated with the early redemption of the bond (\$20 million). No adjustments were made to the calculation of H1 2019 underlying NPAT.
- Excluding exploration capitalised.
- Excludes prior period expenditure written off and permit amortisation, includes evaluation expense.
- 2017 has been restated for the retrospective application of AASB 15 Revenue from Contracts with Customers (AASB 15). Comparative information from 2016 has not been restated for AASB 15.
- Compared to the corresponding period.
- Effective percentage increase, adjusted for the impact of AASB 16 on H1 2019 free cash flow.

Net profit after tax reconciliation



Key movements

Sales revenue: price

There was an increase in LNG realised prices in line with higher lagged JCC. This was partially offset by lower condensate realised prices due to lower average Dated Brent.

Sales revenue: volume

A decrease in volume was driven by the planned Pluto LNG turnaround, as well as the planned suspension of Ngujima-Yin FPSO operations in May 2018 for the Greater Enfield Project. This was partially offset by higher sales volumes for Wheatstone following the start-up of LNG Train 2 in June 2018, together with higher production and the timing of equity cargoes from the NWS Project.

Production costs

The increase in production costs was predominantly due to activities related to the planned Pluto LNG turnaround, partially offset by the cessation of Nganhurra FPSO (Enfield field) production in November 2018.

Exploration and evaluation

Exploration and evaluation expenditure decreased to \$111 million in H1 2019, consistent with our guidance provided in January 2019. No further exploration drilling is planned for the remainder of 2019.

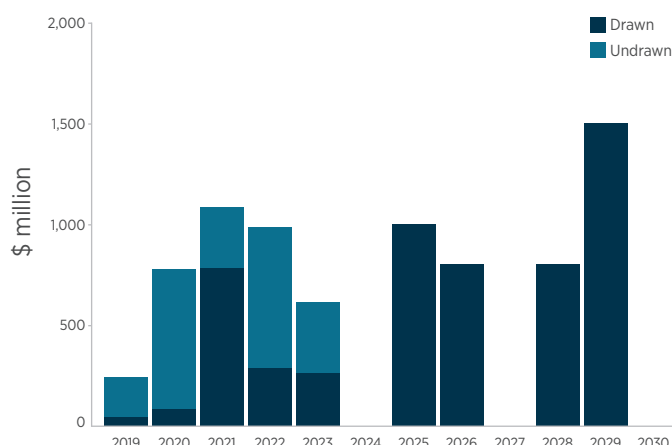
Income tax and PRRT

Income tax expense reduced by \$76 million primarily due to lower pre-tax profit. The PRRT credit increased by \$33 million primarily due to lower assessable receipts.

Other

Other items impacting NPAT include lower shipping and direct sales costs, and lower general administrative and other costs. This was partially offset by depreciation of leased assets due to the adoption of AASB 16 Leases (AASB 16) from 1 January 2019.

Debt maturity



Capital management

Capital allocation

During the first half of 2019 we generated \$1,485 million of cash flow from operating activities, and free cash flow increased by 123%¹ to \$869 million. A significant portion of current year capital investment expenditure was focused on completing the Greater Enfield Project which remained on schedule and budget as at 30 June 2019. Overall capital expenditure in the half reduced significantly compared to 2018.

Woodside continues to actively review future capital requirements, including our asset portfolio and equity positions.

Debt service

Woodside raised a \$1,500 million Rule 144A/Regulation S senior unsecured bond with a coupon of 4.50% and term of ten years maturing in March 2029. We ended the period with liquidity of \$5,281 million.

Our gearing ratio increased by 6% from year end 2018 to 18% as a result of lease liabilities recognised following adoption of AASB 16, and remains within our target range of 15-35%. Woodside's strong credit ratings of Baa1 and BBB+ were both reaffirmed during 2019 by Moody's and S&P Global respectively with a stable outlook.

We prudently manage our debt portfolio by minimising near-term maturities and maintaining a low cost of debt. The weighted average term to maturity increased from 4.7 to 5.3 years with no change in our portfolio cost of debt from 2018 year end, which remains a competitive 3.9%. We will continue to actively manage our debt portfolio throughout the remainder of 2019.

Dividend payments

A fully franked interim dividend of \$337 million has been declared in 2019, equivalent to 36 US cents per share (cps). To support our growth strategy, we have reactivated the dividend reinvestment plan for the 2019 interim dividend. Our eligible shareholders can reinvest their dividends directly into shares at a 1.5% discount.

1. Effective percentage increase, adjusted for the impact of AASB 16 on H1 2019 free cash flow.

BASE BUSINESS

Pluto LNG

Pluto LNG delivered 14.2 MMboe of production in the half (Woodside share). The facility's first major turnaround since startup in 2012 was completed in Q2 2019 to support continued safe, reliable and efficient production, resulting in lower production for the half.

The work completed during the turnaround will provide significant benefit in terms of ongoing high reliability and production optimisation. It also gave us the opportunity to install tie-ins for the proposed Pluto-NWS Interconnector, in support of our growth strategy and vision for the Burrup Hub.

The Pyxis Hub, comprising the tie-back of the Pyxis, Pluto North and Xena 2 infill wells, commenced front-end engineering design (FEED) in the half. Woodside is targeting a final investment decision (FID) in 2019 and ready for start-up (RFSU) in 2021.

The PLA07 infill well spudded in May 2019 and the project is on track for RFSU in 2019.

The Pluto water handling project, which involves construction and installation of a water handling module on the Pluto platform to enable wet gas production from 2021, is on schedule and on budget. Tie-ins for the Pluto water handling project were completed during the Pluto LNG turnaround, ahead of the planned module lift in 2020.

Woodside completed construction of the Pluto truck loading facility in March 2019. The facility will enable LNG to be transported across Western Australia for use in remote power generation and heavy transport for local mining companies, replacing higher-emissions fuels. Subsequent to the period, Woodside made our first sale of trucked LNG from the facility.

Woodside interest: 90%

Wheatstone

Wheatstone continued to deliver solid production, driven by improved reliability and increased flow rates.

Woodside's share of production delivered during the period was 6.8 MMboe.

Unit production costs for Wheatstone decreased significantly from \$6.8/boe for full year 2018 to \$4.4/boe for first half 2019.

Woodside interest: 13%

NWS Project

Woodside delivered strong LNG production from the North West Shelf (NWS) Project, implementing several improvements to increase the efficiency and capacity of Trains 4 and 5. Woodside's share of production delivered during the period was 16.8 MMboe.

Major turnarounds commenced in July 2019 for LNG Train 1 and the Goodwyn A platform. An integrated turnaround campaign is scheduled for September 2019 involving LNG Train 5, Fractionation, North Rankin Complex and North Rankin Train 2.

A comprehensive maintenance program, which commenced in 2013 to extend the life of KGP and reduce risks to production through the delivery of cost-effective maintenance and refurbishment scopes, is now approximately 43% complete.

Woodside interest: 16.67%

Exploration

Woodside completed all planned exploration drilling activities for 2019 and is progressing preparations for the 2020 drilling program.

The Boca Satipo Este-1 exploration well in Peru reached target depth in February 2019 with non-commercial hydrocarbon shows in the target reservoir. The well was plugged and abandoned. The Achernar-1 exploration well was drilled during May 2019 in WA-28-P, a NWS Project exploration permit, intersecting high porosity sands in the target reservoir, which were found to be water bearing. Post-well analysis is continuing. The Khan Kubrat-1 exploration well in Bulgaria reached target depth in late May 2019 with non-commercial hydrocarbon shows in target reservoirs. The well was plugged and abandoned as planned. Further studies are being undertaken to inform future activities in the block.

Marketing, Trading & Shipping

Woodside signed a number of LNG and domestic gas sales agreements during and subsequent to the half. A heads of agreement (HOA) was signed with ENN Group in April 2019 for the sale of 1.0 Mtpa of LNG for a period of 10 years, commencing in 2025. The HOA is conditional on the execution of a sale and purchase agreement, obtaining all necessary approvals and FID for Scarborough. We expanded our domestic gas sales commitments by the execution of short term gas sales and purchase agreements, contributing to record Woodside equity pipeline gas sales in June 2019.

Our trading activities during the Pluto LNG turnaround allowed us to meet our contractual obligations and protect value.

Subsequent to the half, Woodside signed agreements for the mid-term supply of up to approximately 3.5 million tonnes of LNG in the period to 2026. The LNG will be sourced from Woodside's global portfolio.

DEVELOPMENTS

Greater Enfield

First oil production from the Greater Enfield Project is expected in August 2019, commencing the next phase of our oil operations in Western Australia. The project involved the development of the Laverda Canyon, Norton over Laverda and Cimatti oil accumulations via a subsea tieback to the Ngujima-Yin floating production storage and offloading facility (FPSO). Following a 12-month refit in the Keppel Tuas shipyard in Singapore, the FPSO returned to waters off North West Cape on 5 May 2019 for commissioning. Oil production from the Vincent wells recommenced on 4 July 2019.

With a strong commitment to safety, over five million work hours were completed in the shipyard without any recordable injuries.

Greater Enfield will be a key contributor to Woodside's targeted annual production of approximately 100 MMboe in 2020.¹

Woodside interest: 60%

Julimar-Brunello

In support of Wheatstone production, Woodside is progressing the Julimar-Brunello Phase 2 Project to develop gas from the Julimar reservoir as a subsea tieback to the existing Brunello infrastructure. FID is targeted for H2 2019.

Woodside interest: 65%

Sunrise

In April 2019, Woodside welcomed Timor-Leste's national oil company, Timor GAP, into the Sunrise joint venture following the completion of their purchase of ConocoPhillips' and Shell's interests in the Greater Sunrise gas and condensate fields.

Greater Sunrise Production Sharing Contract negotiations with the Governments of Timor-Leste and Australia are ongoing. The existing Sunrise titles, including the Australian retention leases in the Eastern Greater Sunrise offshore area, will continue to govern operations in the area until such time as a new production sharing contract is agreed. The 2018 Treaty between Australia and the Democratic Republic of Timor-Leste Establishing Their Maritime Boundaries in the Timor Sea is expected to enter into force in H2 2019.

Woodside interest: 33.44%

Greater Western Flank Phase 3

The Greater Western Flank Phase 3 Project (GWF-3) is the next subsea tieback opportunity enabling the NWS Project's efficient commercialisation of NWS reserves.

GWF-3 (including Lambert Deep) targets the recovery of 435 Bcf (P50, 100%, Woodside share 66 Bcf) of gas via four subsea wells tied back to existing NWS Project infrastructure.

Concept definition was completed in the half, with key contracts awarded for technical studies supporting basis of design for the project, and FEED activities commenced. Woodside is targeting FID in Q1 2020, subject to joint venture approvals.

Woodside interest: 16.67%

Kitimat

Significant progress was made in enhancing the competitiveness of the proposed Kitimat LNG project in Canada. The new all-electric plant design, powered by hydroelectricity, features an advanced compact modular design enabling low-cost, high efficiency and high availability operation. Capacity of the foundation project has been increased to 12 Mtpa from two LNG trains, with potential for an additional 6 Mtpa expansion train.

We continue to assess upstream development options for gas supply. The Liard Basin appraisal drilling program has confirmed a prolific natural gas resource. Production has been shut-in due to current market conditions while further development planning proceeds. Following assessment of development potential, the Horn River leases will be surrendered as they expire.

Woodside interest: 50%

1. Targeted production is not guidance. Based on current project schedules.

DEVELOPMENTS

Scarborough and Pluto Train 2

A significant focus during the half has been the commercial negotiation of a tolling agreement for the processing of Scarborough gas at Pluto LNG. Woodside is progressing these negotiations and engineering design for the proposed Scarborough and Pluto Train 2 developments, in support of Woodside's targeted FID in 2020.

Woodside, in its corporate capacity and funded on a 100% basis, awarded four engineering contracts in January 2019 for the floating production unit, subsea umbilical risers and flowlines, and the export pipeline. Activities under these contracts are progressing as planned. The contracts include options to progress to execute phase, subject to a positive FID.

Geophysical and geotechnical surveys, conducted in Western Australian and Commonwealth waters to acquire data to support the engineering design of the export pipeline, were completed in the half.

In May 2019, a contract was awarded by the Scarborough Joint Venture to Marubeni-Itochu Tubulars Oceania Pty Ltd (MITO), which includes an option for the supply of line pipe for the export pipeline.

The National Offshore Petroleum Safety and Environmental Management Authority released the Scarborough Offshore Project Proposal on 5 July 2019 for an eight-week public comment period.

Woodside, on a 100% basis, initiated ordering casing and equipment to support the future drilling and completion of the Scarborough development wells.

Subsequent to the period, a contract was awarded by the Scarborough Joint Venture to Boskalis Australia Pty Ltd for seabed intervention and shore crossing civil works for the export pipeline shore crossing.

Completion of front-end engineering design activities for Scarborough and Pluto Train 2 remain on track for the end of 2019, positioning both projects for target FID.

Woodside interest: 75% Scarborough, 100% Pluto Train 2

Pluto-NWS Interconnector

The Pluto-NWS Interconnector is a pipeline, including metering equipment, connecting Pluto LNG with KGP to allow the transfer of gas between the two facilities.

Environmental approvals for the proposed Interconnector are proceeding as planned. On 24 May 2019, the Commonwealth Department of Energy and Environment (DoEE) issued its referral decision of 'not a controlled action', which means no further assessment and approval is required under the Environmental Protection and Biodiversity Conservation Act 1999.

The WA Environmental Protection Authority (EPA) report and recommendations for the environmental approval application by Australian Gas Infrastructure Group to construct and operate the Interconnector pipeline was published on 4 June 2019.

Tie-ins for the Pluto end of the Interconnector were installed during the planned Pluto LNG turnaround.

Woodside interest: 100%

Browse to NWS Project

A key focus of the half has been progressing the conversion of the preliminary tolling agreement between NWS and the Browse Joint Venture (BJV) to a binding Gas Processing Agreement (GPA).

The BJV approved the Browse to NWS Project basis of design in May 2019. This is the primary technical deliverable for the concept definition phase and defines the key interfaces with the proposed NWS Project Extension.

Following the assessment decisions of the EPA on 22 January 2019 and by DoEE on 22 February 2019, we continue to work with the Commonwealth and State through the environmental impact assessment process. In July 2019, the Browse to NWS Project Environmental Impact Statement Guidelines and Environmental Scoping Document were released by the EPA and DoEE.

The geotechnical and environmental survey of the proposed trunkline route, to acquire data supporting the trunkline design and approvals, was completed in June 2019.

The BJV is aligned on being ready to commence FEED by the end of 2019.

Woodside interest: 30.6%

NWS Project Extension

The EPA will assess the NWS Project Extension proposal at a 'public environmental review' level of assessment. The Commonwealth assessment will be conducted as an accredited assessment at the level of 'environmental review - public environmental review'.

In June 2019, the EPA provided the opportunity for public comment on the NWS Project Extension Proposal's Environmental Scoping Document.

Woodside interest: 16.67%

Senegal

Since entering FEED for the SNE Field Development Phase 1, Woodside as operator has progressed key technical deliverables. These have included the award of major contracts for the subsea and drilling and completions work scopes, and the FPSO facility. The FPSO FEED contract was awarded in February 2019 for the conversion of an existing VLCC tanker into a new FPSO with an oil processing capacity of up to 100,000 bbl/day and connected to a subsea system comprising 23 wells and supporting subsea infrastructure.

The Environmental and Social Impact Assessment (ESIA) was approved in January 2019. The ESIA is a comprehensive study of potential environmental and social impacts and benefits which may arise from the development and includes an action plan to mitigate impacts.

The joint venture is targeting FID in H2 2019. The joint venture submitted an updated SNE Exploitation and Development Plan to the Ministry of Petroleum and Energies in August 2019 and is working on total project funding solutions, including pursuing project financing. These activities are being progressed within the current term of the SNE Production Sharing Contract (PSC) which concludes in early December 2019.

Subsequent to the period, the joint venture received confirmation that a two-year exploration period extension would be granted for the PSC areas covering FAN and SNE North - Spica. The exploration extension will allow further seismic and drilling activities to be completed.

Woodside continues to pursue an opportunity to supply gas to shore from subsequent development phases of the SNE field.

Woodside interest: 35%

Myanmar

During the first half of 2019, Woodside progressed activities on multiple fronts including development planning for Block A-6, further exploration and other energy supply opportunities. Our focus in Myanmar is to develop resources close to existing infrastructure and markets, reducing cost and development time.

We are working with the joint venture and the Government of Myanmar on moving the discovered volumes in Block A-6 into development. The combined volumes for the Shwe Yee Htun-1, Pyi Thit-1 and Shwe Yee Htun-2 resources provide Woodside with confidence to progress development planning.

Woodside is planning for a fourth drilling campaign offshore Myanmar during 2020 and 2021. This will follow the successful gas discovery in 2018 at the Aung Siddhi-1 well. Both exploration and appraisal wells are under consideration as Woodside seeks to build on the successes in Block A-6, based around a new Northern Hub. Drilling plans remain subject to necessary joint venture and Government approvals.

Woodside interest: 40-55%

SUSTAINABILITY

Health, safety and environment performance

Our year-to-date total recordable injury rate at 30 June 2019 is 1.32 per million work hours, consistent with our strong full-year 2018 performance. We are committed to keeping each other safe and striving for a Perfect HSE Day, each and every day.

We had zero Tier 1 and Tier 2 process safety events in the period. We continue to focus on leading process safety metrics to prevent incidents, building competency in process safety critical roles and learning from both internal and external incidents to prevent recurrence.

We have finalised a robust HSE plan which identifies stronger delivery opportunities in the contracting process.

In May 2019, Woodside won the Australian Petroleum Production & Exploration Association environment company excellence award for demonstrating a sustained company-wide focus on environmental partnerships and performance in 2018.

Climate change

Woodside continues to track energy efficiency performance, aiming for a 5% improvement relative to product energy efficiency prior to 2016 over five years to 2020. For the first half of 2019, performance was 4.5% below our baseline emissions intensity and remains on track to achieve our target by the end of 2020.

Woodside is developing short and long term emissions targets beyond 2020, which will continue to be linked to employee remuneration.

Woodside established a carbon business to generate, acquire and trade in quality carbon offsets.

New energy

In March 2019, we announced our investment in the Hydrogen Energy Network (HyNet) consortium. HyNet plans to build and operate 100 hydrogen refuelling stations in South Korea to stimulate demand for use of hydrogen in vehicles.

Subsequent to the period, we announced an innovation and research partnership with Monash University to develop a state of the art 'living laboratory', and a long term research partnership to support Australia's lower-carbon energy transition. This relationship builds on the FutureLab collaboration established in 2015.

Workforce readiness

Internal and external recruitment activities have progressed to ensure we can seamlessly deliver our growth plans. We are enhancing performance and leadership as we build a diverse, inclusive and highly capable workforce to support us into the future.

Social and cultural impact on communities

Social impact assessment

We continued stakeholder engagement across the communities of Karratha, Roebourne and Dampier to better understand the impacts of our operations and proposed Burrup Hub developments. Social impact management plans, currently in development, aim to enhance potential positive impacts and mitigate any potential negative impacts for local communities.

To build knowledge of our growth plans and better understand local community feedback, we hosted seven community engagement sessions in Karratha and Roebourne. There were 50 attendees at public information sessions, 207 attendees at a business networking event, and more than 60 businesses represented at dedicated network sessions. Across the engagements, there was a strong interest in maximising potential positive opportunities including local contracting and local jobs.

Karratha workforce

As we transition to a predominantly residential operating model, we introduced a policy to enable our Karratha workforce to purchase and live in a home in the City of Karratha. In progressing our Burrup Hub plans, we are enabling our people to live where they work and build a strong team and community connection.

Reconciliation Action Plan

Woodside's 2018 Reconciliation Action Plan (RAP) report was released in May 2019. The report highlights our reconciliation achievements including a record number of Indigenous people entering Woodside's employment pathways programs and a 70% increase in contract awards to Indigenous business since the beginning of the RAP in 2016. As an 'elevate' RAP partner, Woodside joined 13 other leading Australian organisations in supporting the Uluru Statement from the Heart, during National Reconciliation Week in May 2019.

Nippers partnership

In June 2019, Surf Life Saving Western Australia and Woodside announced a new A\$5 million five-year partnership, including sponsorship of the Woodside Nippers program, extending our support for the volunteer-based organisation.

GOVERNANCE

The directors of Woodside Petroleum Ltd present their report (including the review of operations set out on pages 6–10) together with the Financial Statements of the Group.

Board of Directors

The names of the directors in office during or since the end of the period are as follows:

Mr Richard Goyder, AO (Chairman)

Mr Peter Coleman (CEO and Managing Director)

Mr Larry Archibald

Ms Melinda Cilento (retired 2 May 2019)

Mr Frank Cooper, AO

Dr Christopher Haynes, OBE

Mr Ian Macfarlane

Ms Ann Pickard

Dr Sarah Ryan

Mr Gene Tilbrook.

Rounding of amounts

The amounts contained in this report have been rounded to the nearest million dollars under the option available to the Group under Australian Securities and Investments Commission (ASIC) Instrument 2016/191 dated 24 March 2016, unless otherwise stated.

Management assurance

Consistent with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th edition), before the adoption by the Board of the Half-Year Financial Statements 2019, the Board received written declarations from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) that the financial records of the company have been properly maintained in accordance with section 286 of the *Corporations Act 2001*, and the company's financial statements and notes comply with accounting standards and give a true and fair view of the consolidated entity's financial position and performance for the financial period. The CEO and the CFO have also stated in writing to the Board that the statement relating to the integrity of Woodside's financial statements is founded on a sound system of risk management and internal control that is operating effectively.

Auditor's Independence Declaration

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.

Signed in accordance with a resolution of the directors.



R J B Goyder, AO

Chairman

Perth, Western Australia

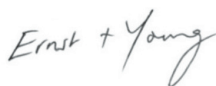
15 August 2019

Auditor's Independence Declaration to the Directors of Woodside Petroleum Ltd

As lead auditor for the review of the half-year financial report of Woodside Petroleum Ltd for the half-year ended 30 June 2019, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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



Ernst & Young



T S Hammond

Partner

Perth, Western Australia

15 August 2019

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HALF-YEAR FINANCIAL STATEMENTS

CONTENTS

Condensed financial statements		C. Debt and capital	20
Consolidated income statement	13	C.1 Contributed equity	20
Consolidated statement of comprehensive income	14	C.2 Fair value of financial assets and financial liabilities	20
Consolidated statement of financial position	15	C.3 Financing facilities	20
Consolidated statement of cash flows	16	D. Other assets and liabilities	21
Consolidated statement of changes in equity	17	D.1 Segment assets and liabilities	21
Notes to the condensed financial statements		E. Other items	21
About these statements	18	E.1 Contingent liabilities and assets	21
A. Earnings for the period	19	E.2 Changes to the composition of the Group	21
A.1 Segment revenue and expenses	19	E.3 Events after the end of the reporting period	21
A.2 Finance costs	20	E.4 New and amended accounting standards and interpretations adopted	22
A.3 Dividends paid and proposed	20	Directors' declaration	23
B. Production and growth assets	20	Independent review report	24
B.1 Impairment of oil and gas properties	20		

CONSOLIDATED INCOME STATEMENT

for the half-year ended 30 June 2019

	Notes	2019 US\$m	2018 US\$m
Operating revenue	A.1	2,260	2,388
Cost of sales	A.1	(1,395)	(1,196)
Gross profit		865	1,192
Other income	A.1	38	21
Other expenses	A.1	(204)	(226)
Profit before tax and net finance costs		699	987
Finance income		44	13
Finance costs	A.2	(149)	(130)
Profit before tax		594	870
Petroleum resource rent tax (PRRT) benefit		46	13
Income tax expense		(214)	(290)
Profit after tax		426	593
Profit attributable to:			
Equity holders of the parent		419	541
Non-controlling interest		7	52
Profit for the period		426	593
Basic and diluted earnings per share attributable to equity holders of the parent (US cents)		44.8	59.6

The accompanying notes form part of the Half-Year Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 30 June 2019

	2019 US\$m	2018 US\$m
Profit for the period	426	593
Other comprehensive income		
Items that may be reclassified to the income statement in subsequent periods:		
Gain/(loss) on hedges	1	(1)
Tax effect on employee share plans	(2)	2
Items that will not be reclassified to the income statement in subsequent periods:		
Remeasurement gains on defined benefit plan	1	2
Other comprehensive income for the period, net of tax	-	3
Total comprehensive income for the period	426	596
Total comprehensive income attributable to:		
Equity holders of the parent	419	544
Non-controlling interest	7	52
Total comprehensive income for the period	426	596

The accompanying notes form part of the Half-Year Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Notes	30 June 2019 US\$m	31 December 2018 US\$m
Current assets			
Cash and cash equivalents		3,037	1,674
Receivables		264	487
Inventories		149	155
Tax receivable		61	-
Other financial assets		61	54
Other assets		24	31
Non-current assets held for sale		-	10
Total current assets		3,596	2,411
Non-current assets			
Receivables		235	208
Other financial assets		31	30
Other assets		16	17
Exploration and evaluation assets		4,357	4,180
Oil and gas properties		18,736	18,881
Other plant and equipment		172	182
Deferred tax assets		1,195	1,179
Lease assets		987	-
Total non-current assets		25,729	24,677
Total assets		29,325	27,088
Current liabilities			
Payables		543	586
Interest-bearing liabilities		78	79
Other financial liabilities		74	48
Other liabilities		42	43
Provisions		246	215
Tax payable		-	74
Lease liabilities		59	-
Total current liabilities		1,042	1,045
Non-current liabilities			
Interest-bearing liabilities		5,446	3,992
Deferred tax liabilities		2,162	2,062
Other financial liabilities		14	20
Other liabilities		47	64
Provisions		1,767	1,583
Lease liabilities		1,135	-
Total non-current liabilities		10,571	7,721
Total liabilities		11,613	8,766
Net assets		17,712	18,322
Equity			
Issued and fully paid shares	C.1	8,880	8,880
Shares reserved for employee share plans	C.1	(41)	(31)
Other reserves		1,001	985
Retained earnings		7,067	7,655
Equity attributable to equity holders of the parent		16,907	17,489
Non-controlling interest		805	833
Total equity		17,712	18,322

The accompanying notes form part of the Half-Year Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 30 June 2019

	Notes	2019 US\$m	2018 US\$m
Cash flows from operating activities			
Profit after tax for the period		426	593
Adjustments for:			
Non-cash items			
Depreciation and amortisation		720	731
Depreciation of lease assets		43	-
Change in fair value of derivative financial instruments		1	1
Net finance costs		105	117
Tax expense		168	277
Exploration and evaluation written off		47	87
Other		(3)	3
Changes in assets and liabilities			
Decrease in trade and other receivables		205	27
Decrease in inventories		4	12
Increase/(decrease) in provisions		32	(2)
Increase in lease liabilities		45	-
Decrease in other assets and liabilities		7	65
Decrease in trade and other payables		(58)	(59)
Cash generated from operations		1,742	1,852
Purchases of shares and payments relating to employee share plans		(24)	(7)
Interest received		39	12
Dividends received		1	5
Borrowing costs relating to operating activities		(59)	(75)
Income tax paid		(204)	(245)
Payments for restoration		(10)	(2)
Net cash from operating activities		1,485	1,540
Cash flows used in investing activities			
Payments for capital and exploration expenditure		(600)	(693)
Proceeds from disposal of non-current asset held for sale		6	-
Borrowing costs relating to investing activities		(22)	(40)
Payments for acquisition of joint arrangements net of cash acquired		-	(444)
Net cash used in investing activities		(616)	(1,177)
Cash flows from financing activities			
Proceeds from borrowings	C.3	1,500	-
Repayment of borrowings		(42)	(962)
Borrowing costs relating to financing activities		(17)	(41)
Repayment of lease liabilities		(14)	-
Borrowing costs relating to lease liabilities		(45)	-
Contributions to non-controlling interests		(34)	(77)
Dividends paid		(852)	(413)
Net proceeds from equity raising		-	1,949
Net cash from financing activities		496	456
Net increase in cash held		1,365	819
Cash and cash equivalents at the beginning of the period		1,674	318
Effects of exchange rate changes		(2)	(4)
Cash and cash equivalents at the end of the period		3,037	1,133

The accompanying notes form part of the Half-Year Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2019

	Notes	Issued and fully paid shares	Shares reserved for employee share plans	Employee benefits reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity holders of the parent	Non-controlling interest	Total equity
		US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
At 31 December 2018 (as previously reported)		8,880	(31)	206	793	(14)	7,655	17,489	833	18,322
Adoption of AASB 16 (net of tax)	E.4	-	-	-	-	-	(155)	(155)	-	(155)
At 1 January 2019 (restated)		8,880	(31)	206	793	(14)	7,500	17,334	833	18,167
Profit for the period		-	-	-	-	-	419	419	7	426
Other comprehensive income/(loss)		-	-	(1)	-	1	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	(1)	-	1	419	419	7	426
Employee share plan purchases		-	(24)	-	-	-	-	(24)	-	(24)
Employee share plan redemptions		-	14	(14)	-	-	-	-	-	-
Share-based payments		-	-	30	-	-	-	30	-	30
Dividends paid		-	-	-	-	-	(852)	(852)	(35)	(887)
At 30 June 2019		8,880	(41)	221	793	(13)	7,067	16,907	805	17,712
At 1 January 2018		6,919	(35)	218	793	(14)	7,200	15,081	830	15,911
Profit for the period		-	-	-	-	-	541	541	52	593
Other comprehensive income/(loss)		-	-	4	-	(1)	-	3	-	3
Total comprehensive income/(loss) for the period		-	-	4	-	(1)	541	544	52	596
Shares issued		1,989	-	-	-	-	-	1,989	-	1,989
Share issue costs (net of tax)		(28)	-	-	-	-	-	(28)	-	(28)
Employee share plan purchases		-	(7)	-	-	-	-	(7)	-	(7)
Employee share plan redemptions		-	16	(16)	-	-	-	-	-	-
Share-based payments		-	-	24	-	-	-	24	-	24
Dividends paid		-	-	-	-	-	(413)	(413)	(56)	(469)
At 30 June 2018		8,880	(26)	230	793	(15)	7,328	17,190	826	18,016

The accompanying notes form part of the Half-Year Financial Statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

for the half-year ended 30 June 2019

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 principal activities of the Group are described on pages 6 – 10 and in the segment information below.

The condensed half-year financial statements were authorised for issue in accordance with a resolution of the directors on 15 August 2019.

Statement of compliance

The condensed half-year financial statements are condensed general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard (AASB) 134 *Interim Financial Reporting*.

The condensed half-year financial statements do not include all notes of the type normally included in annual financial statements. Accordingly, these condensed half-year financial statements are to be read in conjunction with the 2018 Financial Statements for the year ended 31 December 2018 and any public announcements made by Woodside during the period ended 30 June 2019 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

The accounting policies are consistent with those disclosed in the 2018 Financial Statements except for the impact of new or amended standards and interpretations effective 1 January 2019. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies, with the exception of the adoption of AASB 16 *Leases* (AASB 16) (refer to Note E.4).

The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

Currency

The functional and presentation currency of Woodside and all its subsidiaries is US dollars.

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 the condensed half-year 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 condensed half-year 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.

The condensed half-year financial statements comprise the financial results of the Group and its subsidiaries for the period ended 30 June 2019. 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 subsidiaries of the Group have the same reporting period and accounting policies as the parent company. All intercompany balances and transactions, including unrealised profits and losses arising from intra-group transactions, have been eliminated in full.

Non-controlling interests are allocated their share of the net profit after tax in the consolidated income statement, 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.

The condensed half-year financial statements provide comparative information in respect of the previous period. Reclassifications of items in the financial statements of the previous period have been made in accordance with the classification of items in the condensed half-year financial statements of the current period.

Reporting segments

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 2018 Financial Statements:

- Producing: North West Shelf Project, Pluto LNG, Australia Oil and Wheatstone.
- Development (comprising Browse, Scarborough, Kitimat, Sunrise and Senegal projects).
- Other: Other segments (trading and shipping activities and activities undertaken in other international locations) and Unallocated items (corporate non-segment items of revenue and expenses, assets and liabilities, not allocated to operating segments as they are not considered part of the core operations of any segment).

The geographical location where the Group generates revenue from contracts with external customers has not significantly changed from the year ended 31 December 2018.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

for the half-year ended 30 June 2019

A. Earnings for the period

A.1 Segment revenue and expenses

	Producing								Development		Other				Consolidated	
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other segments		Unallocated items			
	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m	2019 US\$m	2018 US\$m
Liquefied natural gas	567	487	790	1,077	-	-	208	139	-	-	-	-	-	-	1,565	1,703
Domestic gas	35	45	1	-	-	-	4	-	2	3	-	-	-	-	42	48
Condensate	164	143	63	128	-	-	66	26	-	-	-	-	-	293	297	
Oil	-	-	-	-	36	178	-	-	-	-	-	-	-	36	178	
Liquefied petroleum gas	23	25	-	-	-	-	-	-	-	-	-	-	-	23	25	
Revenue from sale of produced hydrocarbons	789	700	854	1,205	36	178	278	165	2	3	-	-	-	1,959	2,251	
Processing and services revenue	-	-	46	101	-	-	-	-	-	-	-	-	-	46	101	
Trading revenue	-	-	17	30	-	-	-	-	-	-	134	5	-	151	35	
Other hydrocarbon revenue	-	-	50	-	-	-	54	1	-	-	-	-	-	104	1	
Other revenue	-	-	113	131	-	-	54	1	-	-	134	5	-	301	137	
Operating revenue from contracts with customers	789	700	967	1,336	36	178	332	166	2	3	134	5	-	2,260	2,388	
Production costs	(65)	(60)	(145)	(77)	(41)	(62)	(30)	(30)	(2)	(3)	-	-	-	(283)	(232)	
Royalties and excise	(107)	(103)	-	-	(2)	(2)	-	-	-	-	-	-	-	(109)	(105)	
Insurance	(3)	(3)	(7)	(7)	(1)	(2)	(1)	-	-	-	-	-	(3)	(15)	(13)	
Inventory movement	1	3	(7)	(9)	-	(9)	(1)	2	-	-	-	-	-	(7)	(13)	
Costs of production	(174)	(163)	(159)	(93)	(44)	(75)	(32)	(28)	(2)	(3)	-	-	(3)	(414)	(363)	
Land and buildings	(2)	(2)	(12)	(12)	-	-	(14)	(14)	-	-	-	-	-	(28)	(28)	
Transferred exploration and evaluation	(9)	(6)	(17)	(22)	(1)	(1)	(12)	(5)	-	-	-	-	-	(39)	(34)	
Plant and equipment	(125)	(125)	(367)	(402)	(9)	(37)	(127)	(67)	-	-	-	-	-	(628)	(631)	
Marine vessels and carriers	(2)	(4)	-	-	-	-	-	-	-	-	-	-	-	(2)	(4)	
Oil and gas properties depreciation and amortisation	(138)	(137)	(396)	(436)	(10)	(38)	(153)	(86)	-	-	-	-	-	(697)	(697)	
Shipping and direct sales costs	(30)	(22)	(19)	(66)	-	-	(15)	(11)	-	-	-	-	9	(55)	(99)	
Trading costs	-	-	(15)	(30)	-	-	-	-	-	-	(125)	(6)	-	(140)	(36)	
Other hydrocarbon costs	-	-	(35)	-	-	-	(54)	(1)	-	-	-	-	-	(89)	(1)	
Other cost of sales	(30)	(22)	(69)	(96)	-	-	(69)	(12)	-	-	(125)	(6)	9	(284)	(136)	
Cost of sales	(342)	(322)	(624)	(625)	(54)	(113)	(254)	(126)	(2)	(3)	(125)	(6)	6	(1,395)	(1,196)	
Trading intersegment adjustments	(19)	(13)	(23)	(6)	-	-	(3)	-	-	-	45	19	-	-	-	
Gross profit	428	365	320	705	(18)	65	75	40	-	-	54	18	6	865	1,192	
Other income	4	7	3	2	21	5	8	4	-	-	-	-	2	38	21	
Exploration and evaluation expenditure	(1)	(1)	(1)	(3)	(2)	-	(1)	-	(1)	-	(50)	(63)	-	(56)	(67)	
Amortisation	-	-	-	-	-	-	-	-	-	-	(8)	(26)	-	(8)	(26)	
Write-offs	(4)	-	-	-	-	-	-	-	-	-	(43)	(87)	-	(47)	(87)	
Exploration and evaluation	(5)	(1)	(1)	(3)	(2)	-	(1)	-	(1)	-	(101)	(176)	-	(111)	(180)	
General, administrative and other costs	(2)	(2)	-	-	(1)	-	-	-	1	-	1	(4)	(27)	(28)	(46)	
Depreciation of other plant and equipment	-	-	-	-	-	-	-	-	-	-	(1)	(1)	(14)	(15)	(8)	
Depreciation of lease assets	-	-	(13)	-	-	-	-	-	-	-	-	-	(30)	(43)	-	
Other ¹	(1)	1	1	(2)	-	1	-	(2)	(4)	2	-	1	(3)	(7)	8	
Other costs	(3)	(1)	(12)	(2)	(1)	1	-	(2)	(3)	2	-	(4)	(74)	(93)	(46)	
Other expenses	(8)	(2)	(13)	(5)	(3)	1	(1)	(2)	(4)	2	(101)	(180)	(74)	(204)	(226)	
Profit/(loss) before tax and net finance costs	424	370	310	702	-	71	82	42	(4)	2	(47)	(162)	(66)	699	987	

1. Other comprises foreign exchange gains and losses and other expenses not associated with the ongoing operations of the business.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

for the half-year ended 30 June 2019

A.2 Finance costs

	2019 US\$m	2018 US\$m
Interest on interest-bearing liabilities	102	126
Interest on lease liabilities	45	-
Accretion charge	22	20
Other finance costs	7	19
Less: Finance costs capitalised against qualifying assets	(27)	(35)
	149	130

A.3 Dividends paid and proposed

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

	2019 US\$m	2018 US\$m
(a) Dividends paid during the financial half-year		
Prior year fully franked final dividend US\$0.91, paid on 20 March 2019 (2018: US\$0.49, paid on 22 March 2018)	852	413
(b) Dividend declared subsequent to the reporting period (not recorded as a liability)		
Current year fully franked interim dividend US\$0.36 to be paid on 20 September 2019 (2018: US\$0.53, paid on 20 September 2018)	337	496

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.

B. Production and growth assets

B.1 Impairment of oil and gas properties

The Group assessed each cash generating unit (CGU) for indicators of impairment and impairment reversal. No indicators of impairment or impairment reversal were identified in the period ended 30 June 2019 (30 June 2018: none). The key estimates and judgements used have not materially changed from those disclosed in Note B.4 to the 2018 Financial Statements.

C. Debt and capital

C.1 Contributed equity

(a) Issued and fully paid shares

	Number of shares	US\$m
Period ended 30 June 2019		
Opening and closing balance	936,151,549	8,880
Year ended 31 December 2018		
Opening balance	842,444,903	6,919
Equity raising - ordinary shares issued at A\$27.00	93,706,646	1,989
Share issue costs (net of tax)	-	(28)
Amounts as at 31 December 2018	936,151,549	8,880

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 respect of its issued shares.

(b) Shares reserved for employee share plans

	30 June 2019 US\$m	31 December 2018 US\$m
1,503,093 (2018: 1,130,104) reserved shares	(41)	(31)

C.2 Fair value of financial assets and financial liabilities

Other than other financial assets of \$92 million (31 December 2018: \$84 million) and other financial liabilities of \$88 million (31 December 2018: \$68 million), there are no material financial assets or financial liabilities carried at fair value. The carrying amount of financial assets and financial liabilities approximates their fair value, with the exception of the Group's unsecured bonds and the medium term notes. The five (31 December 2018: four) unsecured bonds have a carrying amount of \$4,773 million (31 December 2018: \$3,284 million) and a fair value of \$4,961 million (31 December 2018: \$3,167 million). The two (31 December 2018: two) medium term notes have a carrying amount of \$379 million (31 December 2018: \$373 million) and a fair value of \$414 million (31 December 2018: \$388 million).

C.3 Financing facilities

On 4 March 2019, the Group issued a \$1,500 million Rule 144A/Regulation S senior unsecured bond with a coupon of 4.50% and a term of ten years. The bond matures in March 2029.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

for the half-year ended 30 June 2019

D. Other assets and liabilities

D.1 Segment assets and liabilities

	30 June 2019 US\$m	31 December 2018 US\$m
(a) Segment assets		
NWS	2,586	2,672
Pluto	11,135	11,292
Australia Oil	1,833	1,581
Wheatstone	4,515	4,706
Development	3,513	3,310
Other segments	397	414
Unallocated items	5,346	3,113
	29,325	27,088

	30 June 2019 US\$m	31 December 2018 US\$m
(b) Segment liabilities		
NWS	636	572
Pluto	845	497
Australia Oil	694	683
Wheatstone	248	222
Development	175	110
Other segments	23	65
Unallocated items	8,992	6,617
	11,613	8,766

Refer to 'About these statements' for information relating to 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.

E. Other items

E.1 Contingent liabilities and assets

	30 June 2019 US\$m	31 December 2018 US\$m
Contingent liabilities at reporting date		
Not otherwise provided for in the financial statements:		
Contingent liabilities	70	73
Guarantees	9	7
	79	80

Contingent liabilities relate predominantly to actual or potential claims of the Group for which amounts are reasonably estimated but the liability is not probable, and therefore the Group has not provided for such amounts in these condensed half-year 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 reliably estimated at present and for which no amounts have been included in the table above.

Contingent payments totalling \$450 million (31 December 2018: \$450 million) are due on a positive final investment decision to develop the Scarborough field.

The Group has issued guarantees relating to workers' compensation liabilities.

There were no contingent assets as at 30 June 2019 or 31 December 2018.

E.2 Changes to the composition of the Group

Since the last annual reporting date, the following entities were incorporated:

- Woodside Energy Holdings II Pty Ltd was incorporated on 23 January 2019 – a wholly owned subsidiary incorporated in Australia
- Woodside Power Pty Ltd was incorporated on 23 January 2019 – a wholly owned subsidiary incorporated in Australia
- Woodside Power (Generation) Pty Ltd was incorporated on 23 January 2019 – a wholly owned subsidiary incorporated in Australia.

Subsequent to the end of the financial period, on 1 August 2019 the following wholly owned subsidiaries were deregistered:

- Woodside Energy (Carbon Capture) Pty Ltd
- Woodside Energy (Kenya) Pty Ltd
- Woodside Energy (M.E.) Pty Ltd
- Woodside Energy Middle East and Africa Pty Ltd
- Woodside Energy (SL) Pty Ltd
- Woodside Guangdong Shipping (One) Pty Ltd
- Woodside Guangdong Shipping (Two) Pty Ltd
- Woodside West Africa Pty Ltd.

E.3 Events after the end of the reporting period

Other than the matters disclosed in Note A.3 and Note E.2 in these financial statements, since the end of the financial period and to the date of this report, no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operation of the Group, the results of the Group, or the state of affairs of the Group in subsequent financial periods.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

for the half-year ended 30 June 2019

E.4 New and amended accounting standards and interpretations adopted

The Group adopted AASB 16 as of 1 January 2019.

The leases recognised by the Group under AASB 16 predominantly relate to LNG vessels and property.

AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. The depreciation of the lease assets and interest on the lease liabilities are recognised in the consolidated income statement.

Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at inception as either a finance lease or operating lease. For operating leases, the leased item was not capitalised and the lease payments were recognised in the consolidated income statement on a straight-line basis.

Transition to AASB 16

The Group adopted the new standard using the modified retrospective approach and applied the practical expedient per AASB 16.C10(a) and (c). Lease liabilities are measured at the present value of future payments on the initial date of application, being 1 January 2019. The lease assets are measured as if AASB 16 had been applied from the commencement of the lease using the discount rate at the date of initial application with any difference between the lease assets and lease liabilities recognised as an adjustment to opening retained earnings on 1 January 2019. Opening adjustments were recognised as at 1 January 2019 as indicated in the table below.

Impact on equity (increase/(decrease)):

	Land and buildings US\$m	Marine vessels and carriers US\$m	Total US\$m
Lease assets	429	600	1,029
Lease liabilities	(444)	(758)	(1,202)
Deferred tax asset	2	16	18
Retained earnings	(13)	(142)	(155)

Lease liabilities reconciliation on transition:	US\$m
Operating lease commitments disclosed at 31 December 2018	2,012
Less:	
Present value discounting of lease liabilities ¹	(706)
Short-term leases	(63)
Low value leases	(16)
Contracts reassessed as service agreements	(25)
Lease liabilities recognised on transition	1,202

1. Lease liabilities were discounted using a weighted average discount rate of 7.6%.

Payments of \$36 million for short term leases (lease term of 12 months or less) and payments of \$6 million for leases of low value assets were expensed in the consolidated income statement for the half-year ended 30 June 2019.

Leases accounting policy (applied from 1 January 2019)

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 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. Periodic adjustments are made for any re-measurements of the lease liabilities 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.

Short-term leases and lease of low value assets

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.

DIRECTORS' DECLARATION

for the half-year ended 30 June 2019

In accordance with a resolution of directors of Woodside Petroleum Ltd, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that Woodside Petroleum Ltd will be able to pay its debts as and when they become due and payable.

On behalf of the Board



R J B Goyder, AO
Chairman

Perth, Western Australia
15 August 2019



P J Coleman
Chief Executive Officer and Managing Director

Perth, Western Australia
15 August 2019

INDEPENDENT REVIEW REPORT

for the half-year ended 30 June 2019



Ernst & Young
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Independent auditor's review report to the members of Woodside Petroleum Ltd

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Woodside Petroleum Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

T S Hammond
Partner
Perth
15 August 2019

APPENDIX 4D

for the half-year ended 30 June 2019

For 'Results for announcement to the market', refer to page 3.

Dividends

Ex-dividend date	26 August 2019		
Record date for the interim dividend	27 August 2019		
Date the dividend is payable	20 September 2019		
		Current period	Previous corresponding period ¹
Interim dividend – fully franked	US cents per share	36	53

None of these dividends are foreign sourced.

Net Tangible Assets (NTA)

	Current period	Previous corresponding period ¹
NTA backing	US\$	US\$
Net tangible assets (US\$ per ordinary security)	18.06	18.36

Details of Associates and Joint Venture Entities

	Percentage of ownership interest held at end of period or date of disposal	
Name of entity	Current period	Previous corresponding period ¹
North West Shelf Gas Pty Ltd	16.67%	16.67%
North West Shelf Liaison Company Pty Ltd	16.67%	16.67%
China Administration Company Pty Ltd (formerly North West Shelf Australia LNG)	16.67%	16.67%
International Gas Transportation Company Limited	16.67%	16.67%
North West Shelf Shipping Service Company Pty Ltd	16.67%	16.67%
North West Shelf Lifting Coordinator Pty Ltd	16.67%	16.67%

1. Comparisons are to the half-year period ended 30 June 2018.

SHAREHOLDER INFORMATION

Key announcements 2019

January	Woodside awards contracts for Scarborough Project
	Fourth quarter 2018 report
February	Full-year 2018 results
March	Sustainable Development Report 2018
April	First quarter 2019 report
June	Pluto LNG turnaround
	Investor site visit

Events calendar 2019-20

Key calendar dates for Woodside shareholders in 2019-20. Please note dates are subject to review.

July	18	Second quarter 2019 report
August	15	Half-year 2019 results
	26	Ex-dividend date for interim dividend
	27	Record date for interim dividend
September	20	Payment date for interim dividend
October	17	Third quarter 2019 report
November	19	Investor Briefing Day 2019
December	31	Woodside financial year end
January	16	Fourth quarter 2019 report

Business directory

Registered Office:

Woodside Petroleum Ltd
Mia Yellagonga
11 Mount Street
Perth WA 6000
Australia

Postal address:

GPO Box D188
Perth WA 6840
Australia

T: +61 8 9348 4000

Share registry enquiries

Investors seeking information about their shareholdings should contact the company's share registry:

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace
Perth WA 6000

Postal address:

GPO Box D182
Perth WA 6840

T: 1300 558 507 (within Australia)
+61 3 9415 4632 (outside Australia)

E: web.queries@computershare.com.au

W: 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 details.

🔗 Details of shareholdings can be checked conveniently and simply by visiting the share registry website at www.investorcentre.com/wpl

Investor enquiries

Requests for specific information on the company can be directed to Investor Relations at:

Postal address:

Investor Relations
Woodside Petroleum Ltd
GPO Box D188
Perth WA 6840
Australia

T: +61 8 9348 4000

E: investor@woodside.com.au

W: woodside.com.au

Asset facts

Producing Facilities

Australia ¹					International	
North West Shelf	Karratha Gas Plant	North Rankin Complex	Goodwyn A Platform	Angel Platform	Canada	Kitimat LNG
Role	Operator	Operator	Operator	Operator	Role	Non-operator
Equity	16.67%	16.67%	16.67%	16.67%	Equity	50%
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	Pipeline natural gas
Pluto LNG	Pluto LNG Platform	Pluto LNG Plant	Australia Oil	Ngujima-Yin FPSO	Okha FPSO	Wheatstone
Role	Operator	Operator	Role	Operator	Operator	Non-operator
Equity	90%	90%	Equity	60%	33.33%	13%
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate	Product	Oil	Condensate and oil	LNG, pipeline natural gas and condensate

Developments

Australia ¹				International			
Role	Greater Enfield Project	Scarborough/Thebe		Canada	Kitimat LNG	Senegal	SNE Phase 1
Equity	60%	50-75%		Role	Non-operator	Role	Operator
Product	Oil			Equity	50%	Equity	35%
Role	Julimar-Brunello Project Phase 2	Greater Western Flank Phase 3	Browse	Sunrise LNG			
Equity	65%	16.67%	30.60%	33.44%			
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate					

Exploration

Asia-Pacific						
Myanmar	AD-5 and A-7	AD-7 and A-6	AD-2 and A-4	AD-1, AD-6 and AD-8	Korea	8, 6-IN
Role	Operator	Joint operator	Non-operator	Joint operator	Role	Joint operator
Equity	55% and 45%	40%	45%	50%	Equity	50%
Product	Gas prone basin	Gas prone basin	Gas prone basin	Gas prone basin	Product	Gas prone basin
Atlantic margins				Europe		
Senegal	Rufisque, Sangomar and Sangomar Deep	Ireland	FEL 5/13 and FEL 11/18	Bulgaria	1-14 Khan Kubrat	
Role	Operator	Role	Operator	Role	Non-operator	
Equity	35%	Equity	90%	Equity	30%	
Product	Oil prone basin	Product	Oil or gas prone basin	Product	Oil or gas prone basin	
Sub-Saharan Africa				Latin America		
Gabon	Doukou Dak (F15)			Peru	Block 108	
Role	Non-operator			Role	Non-operator	
Equity	40%			Equity	35%	
Product	Oil prone basin			Product	Oil 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

Term	Definition
\$, \$m	US dollars unless otherwise stated, millions of dollars
A\$	Australian dollars
AASB	Australian Accounting Standards Board
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
cps	Cents per share
EBIT	Calculated as profit before income tax, PRRT and net finance costs
EBITDA	Calculated as profit before income tax, PRRT, net finance costs and depreciation and amortisation
FEED	Front-end engineering design
FID	Final investment decision
FPSO	Floating production storage and offloading
Free cash flow	Cash flow from operating activities less cash flow from investing activities
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
GWF	Greater Western Flank

HSE	Health, safety and environment
IFRS	International Financial Reporting Standards
JV	Joint venture
KGP	Karratha Gas Plant
Liquidity	Total cash and cash equivalents and available undrawn debt facilities
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
MOU	Memorandum of understanding
Net debt	Total debt less cash and cash equivalents
NPAT	Net profit after tax
NWS	North West Shelf
PRRT	Petroleum resource rent tax
PSE	Process safety event
RAP	Reconciliation Action Plan
RFSU	Ready for start-up
SPA	Sale and purchase agreement
Tier 1 PSE	A typical Tier 1 PSE is loss of containment of hydrocarbons greater than 500 kg (in any one-hour period)
Tier 2 PSE	A typical Tier 2 PSE is loss of containment of hydrocarbons greater than 50 kg but less than 500 kg (in any one-hour period)
Unit production costs	Production costs divided by production volume
VLCC	Very large crude carrier

Units of measure

bbl	barrel
Bcf	billion cubic feet
boe	barrel of oil equivalent
kt	kilotonne
MMbbl	million barrels
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
MMscf/d	million standard cubic feet per day
Mtpa	million tonnes per annum
t	tonnes
Tcf	trillion cubic feet
TJ	terajoules

Conversion factors¹

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

1. Minor changes to some conversion factors can occur over time due to gradual changes in the process stream.

Notes on petroleum resource estimates

Unless otherwise stated, all petroleum resource estimates are quoted as at the balance date (i.e. 31 December) of the Reserves Statement in Woodside's most recent Annual Report released to the Australian Securities Exchange (ASX) and available at <https://www.woodside.com.au/news-and-media/announcements>, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius). Woodside is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.

Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects and floating LNG (FLNG) projects, the reference point is defined as the outlet of the floating production storage and offloading (FPSO) facility or FLNG facility respectively, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.

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.

'MMboe' means millions (10⁶) 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.

The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The estimates have been approved by Mr Ian F Sylvester, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 20 years of relevant experience.

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. Some matters are subject to approval of joint venture participants.

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

About this report

This Half-Year Report 2019 is a summary of Woodside's operations, activities and financial position as at 30 June 2019. Woodside Petroleum Ltd (ABN 55 004 898 962) is the parent company of the Woodside group of companies. In this report, unless otherwise stated, references to 'Woodside', 'the company', 'the Group', '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 parent company and those of its controlled entities.

References to 'H1' refer to the first half of the year, i.e. the period between 1 January 2019 and 30 June 2019. All dollar figures are expressed in US currency unless otherwise stated. Production and sales volumes, reserves and resources are quoted as Woodside share. A glossary of key terms, units of measure and conversion factors is on page 28.

This report should be read in conjunction with the Annual Report 2018 and the Sustainable Development Report 2018, available on Woodside's website, www.woodside.com.au.

Half-Year Report 2019

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