

ASX Announcement

Thursday, 18 October 2018

ASX: WPL
OTC: WOPEY

Woodside Petroleum Ltd.

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THIRD QUARTER REPORT FOR PERIOD ENDED 30 SEPTEMBER 2018

Outstanding base business

- Delivered production of 23.1 MMboe and sales revenue of \$1,157 million.
- Continued to produce ahead of plan at Wheatstone LNG.
- Entered into three binding domestic gas sales and purchase agreements for 80 petajoules over ten years.
- Delivered the 5,000th North West Shelf Project LNG cargo.
- Achieved 99% reliability at the Nganhurra FPSO (Enfield oil).

Delivering a clear plan across three horizons

- Commenced concept definition phase for Browse to North West Shelf.
- Selected Bechtel as preferred EPC contractor to progress concept definition work for Pluto Train 2.
- Submitted the Evaluation Report to the Government of Senegal for SNE Field Development-Phase 1.
- Encountered a significant gas column in the Shwe Yee Htun-2 appraisal well offshore Myanmar.

Woodside CEO Peter Coleman said Wheatstone made a strong contribution to production in the third quarter.

“Production at Wheatstone LNG continued ahead of plan, underpinning a 13.8% rise in output compared with the corresponding quarter in 2017. Sales revenue increased 25.4% over the same period to \$1,157 million on the back of higher prices, although sales volumes were tempered slightly by the timing of Woodside equity sales.

“During the quarter we made excellent progress on our near-term growth projects at Greater Western Flank Phase 2 and Greater Enfield, further demonstrating our capability to successfully execute our next phase of developments in Senegal and the Burrup Hub.

“In September, the Browse Joint Venture confirmed the Browse to North West Shelf development concept. Contracts have now been awarded for the concept definition engineering design of the FPSO facilities and for the pipeline survey. Execution of preliminary tolling agreements between the North West Shelf Project participants and both the Browse Joint Venture and the Clio-Acme titleholders are expected shortly.

“We have also selected our preferred execution contractor for the proposed expansion of the Pluto LNG facility. Work will now include refining the concept and costs for Pluto Train 2, in preparation for the entry into front-end engineering and design, targeted for the first quarter of 2019.

“Looking ahead in Senegal, we are on schedule to submit the SNE Field Development and Exploitation Plan and expect to assume operatorship of the development in the fourth quarter,” he said.

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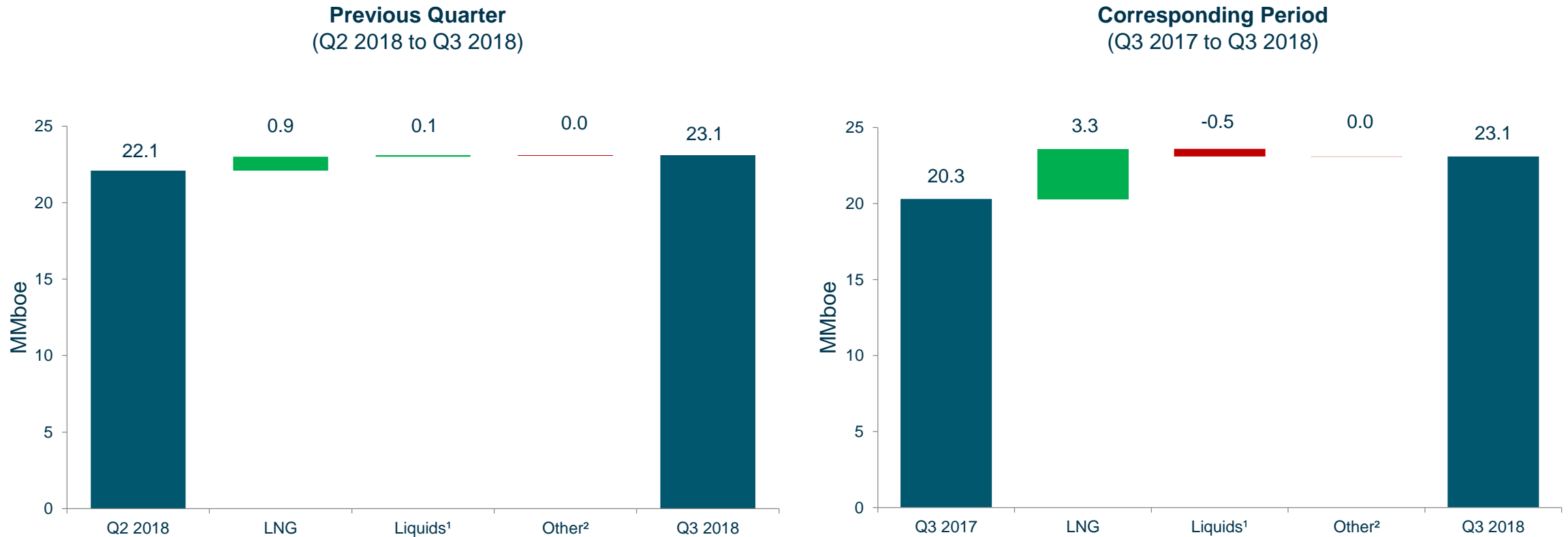
THIRD QUARTER 2018 REPORT

18 October 2018



Production

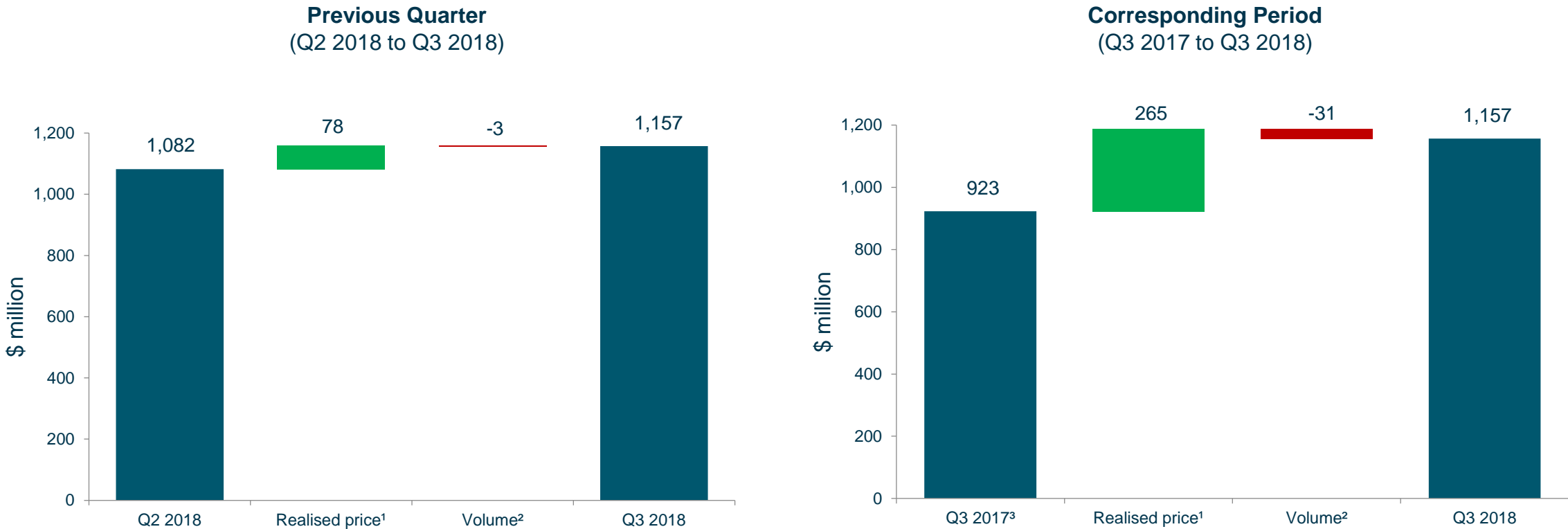
Wheatstone driving increased LNG production



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

Sales Revenue

Higher realised prices driving revenue increase



1. Includes exchange rate impact.
2. Timing of equity-lifted sales impacted sales volumes during the quarter.
3. Comparative figures have been retrospectively adjusted in accordance with AASB 15. Refer to the first quarter 2018 report, released to the ASX on 18 April 2018, for further information.

Projects

Near-term growth projects on schedule



WHEATSTONE LNG

- A planned shutdown was carried out in August to clean and replace strainers in LNG Train 2. The plant was safely re-started on 29 August 2018.
- Construction of the domestic gas plant at the end of the quarter was over 98% complete, with commercial production readiness expected in Q1 2019.

GREATER WESTERN FLANK PHASE 2

- The project is under budget and at the end of the quarter was 98% complete.
- All eight production wells have been connected to the four manifolds and Goodwyn-A platform.
- The project is preparing for commissioning and startup in Q4 2018.

GREATER ENFIELD

- The project remains on budget and at the end of the quarter was 72% complete.
- Offshore drilling continues as planned and five development wells in the Laverda field have now been completed.
- Subsea infrastructure installation continues as planned with subsea flowlines installed in the quarter.
- The Ngujima-Yin FPSO commenced dry dock activities for the marine scope of work. Topside facilities works continued.

Developments

Browse enters concept definition phase



SNE FIELD DEVELOPMENT – PHASE 1 (SENEGAL)

- The joint venture submitted the SNE Evaluation Report to the Government of Senegal in accordance with the Production Sharing Contract in July 2018. This was followed by the draft Environmental and Social Impact Assessment (ESIA) Report being presented for technical pre-validation to the National Technical Committee in August 2018. Public consultation on the ESIA will commence in Q4 2018.
- Woodside is expecting to assume operatorship of the Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore blocks in Q4 2018, subject to Ministerial approval.
- The joint venture remains on schedule to submit the SNE Field Development and Exploitation Plan to the Government of Senegal and to enter FEED in Q4 2018.

SCARBOROUGH

- The joint venture is evaluating proposed commercial terms to utilise LNG processing infrastructure on the Burrup Peninsula.
- Concept definition studies and engagement with potential FEED contractors continue to support targeted FEED entry in Q1 2019.
- A deep water geophysical survey was completed in July 2018 and confirmed the route for the deep water section of the Scarborough export trunkline.

PLUTO LNG EXPANSION

- Woodside has selected Bechtel as its preferred execution contractor to progress concept definition work for LNG Train 2.
- Commercial and technical engagement on the Pluto-NWS Interconnector with the North West Shelf Project participants and third-party resource owners has commenced to support a targeted FID in 2019.
- The development of Pyxis and the Pluto North infill well remain on track for a targeted FEED entry in Q4 2018.

BROWSE

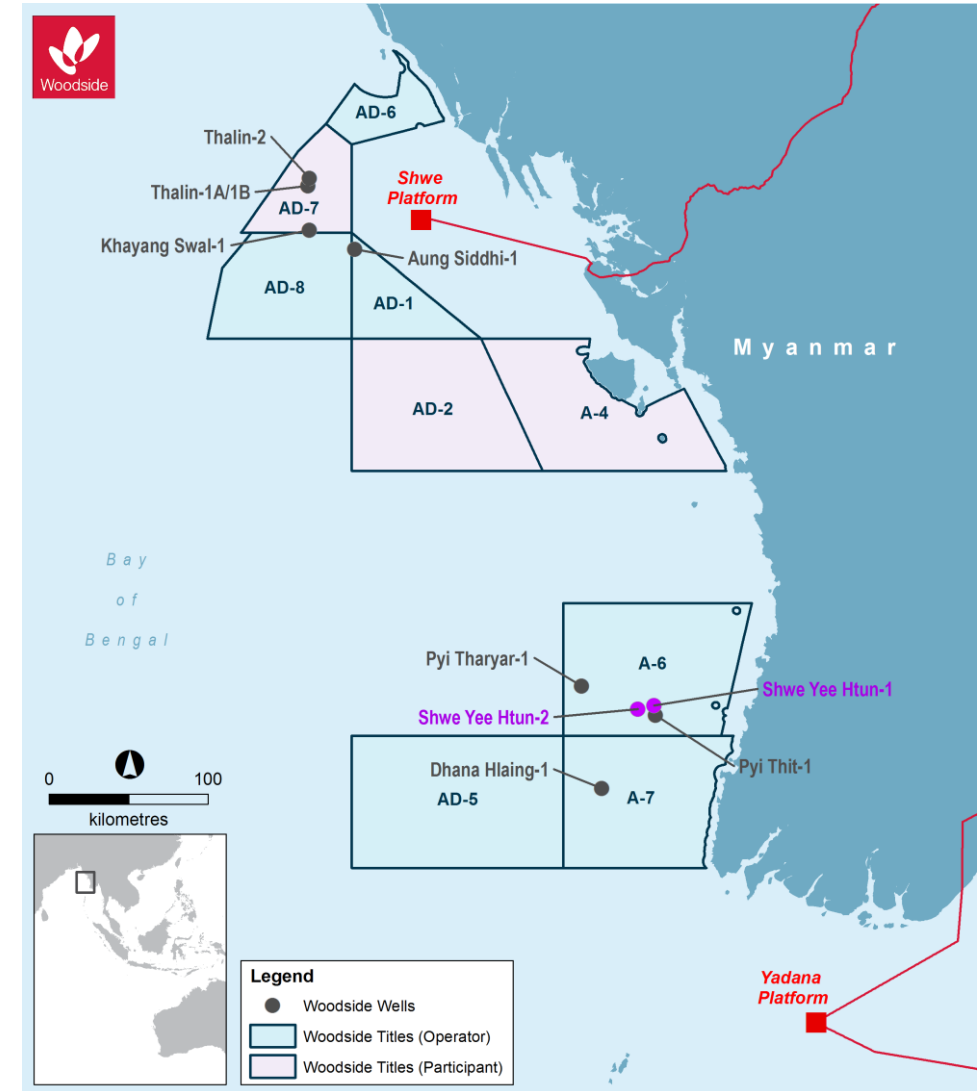
- The joint venture selected the Browse to North West Shelf development concept in September 2018 and commenced the concept definition phase.
- Contracts have been awarded for the concept definition engineering design of the floating production storage and offloading facilities to KBR and for the pipeline survey to Neptune Geomatics.
- In October 2018, the joint venture referred the proposed Browse to North West Shelf Development to the Western Australian Environmental Protection Authority and the Commonwealth Department of the Environment and Energy.
- A preliminary agreement between the Browse Joint Venture and North West Shelf Project participants regarding transportation and processing of Browse resources is expected to be executed shortly. Discussions are continuing regarding binding, fully termed agreements to progress a proposed Browse to North West Shelf Development.
- Woodside is pursuing a 2020 FID.

Exploration and Appraisal

Successful appraisal well

MYANMAR

- The Shwe Yee Htun-2 well in Block A-6 successfully appraised the 2016 Shwe Yee Htun-1 discovery. The well encountered good quality reservoir, with a 143 m true vertical thickness gross gas column and a 41 m net pay gas column.
- Pressure measurements indicate that the intersected reservoir is highly likely to be in the same pressure system as the Shwe Yee Htun-1 discovery, which is approximately 10 km east of Shwe Yee Htun-2.
- A sidetrack of the Shwe Yee Htun-2 appraisal well enabled acquisition of conventional core samples, additional wireline logs, and completion of a drill stem test.
- The drill stem test was performed across a 35 m section of the reservoir and flowed at approximately 53 mmscf/d on a 40/64" choke over 80 hours with reservoir pressure support in line with expectations.
- These results have confirmed good reservoir quality, permeability and well production deliverability. Well analysis and evaluation will inform development planning considerations.



MARKETING

Woodside Energy Ltd has entered into three binding Western Australian domestic gas sales and purchase agreements (GSPAs) in 2018 for sale of a total quantity of approximately 80 petajoules of natural gas on a portfolio basis.

Supply under the various GSPAs will commence between Q4 2018 and mid-2020 for terms of between four to ten years.

Woodside Energy Trading Singapore Pte Ltd has signed a Heads of Agreement (HOA) with Uniper Global Commodities SE for the supply of up to 0.6 million tonnes of LNG per annum over a period of four years commencing in 2019. The LNG would be supplied from Woodside's portfolio to markets in Europe and Asia.

The HOA is conditional on the execution of a fully termed LNG sales and purchase agreement.

NWS DELIVERY MILESTONE

The North West Shelf Project delivered its 5,000th LNG cargo in September 2018.

SUSTAINABILITY

Woodside's sustainability performance was recognised in the recent release of the 2018 Dow Jones Sustainability Index (DJSI). The DJSI results place Woodside in the top 7% of upstream and integrated oil and gas companies worldwide and demonstrates our continued commitment to operating sustainably.

CHANGE OF REGISTERED OFFICE

Woodside has changed its registered office to the following address:

Mia Yellagonga

11 Mount Street

Perth WA 6000

All other contact details remain unchanged.

DATA TABLES

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



Production Summary

Woodside's share of production for the quarter ended 30 September 2018 with appropriate comparatives:

Production			Three months ended			Year to date	
			30 Sep 2018	30 Jun 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
North West Shelf	LNG	Tonne	694,231	632,878	637,329	1,994,441	1,922,467
	Condensate	Bbl	1,244,850	1,090,348	1,187,807	3,484,791	3,805,799
	LPG	Tonne	20,333	17,129	18,541	55,687	54,941
Pluto	LNG	Tonne	1,088,340	1,157,940	1,059,735	3,347,208	3,125,478
	Condensate	Bbl	737,946	776,406	719,983	2,252,088	2,137,758
Wheatstone	LNG	Tonne	280,931	169,087	1,832	570,293	1,832
	Condensate	Bbl	476,201	277,319	2,711	953,355	2,711
Enfield	Oil	Bbl	199,785	193,821	244,518	593,641	712,665
Vincent	Oil	Bbl	-	305,428	1,029,128	1,302,670	3,002,817
Okha	Oil	Bbl	522,279	424,097	491,129	1,328,808	1,392,144
Australia	Domestic gas ¹	TJ	6,467	6,682	6,012	20,890	30,286
Canada	Domestic gas ²	TJ	1,839	1,961	2,250	5,496	6,291
Total ³		boe	23,082,961	22,075,529	20,308,189	67,336,903	62,458,440

1. Includes jointly and independently marketed gas sales.
2. Produced into the Canadian gas network for distribution in North America.
3. Conversion factors are identified on slide 17.

Product Sales

Woodside's share of sales for the quarter ended 30 September 2018 with appropriate comparatives:

Sales			Three months ended			Year to date	
			30 Sep 2018	30 Jun 2018	30 Sep 2017 ¹	30 Sep 2018	30 Sep 2017 ¹
North West Shelf	LNG ²	Tonne	593,338	554,780	691,937	1,829,998	1,930,311
	Condensate	Bbl	1,299,901	649,670	1,023,047	3,301,824	3,688,099
	LPG	Tonne	-	44,497	-	44,497	44,691
Pluto	LNG ³	Tonne	1,025,367	1,111,467	1,138,249	3,294,870	3,110,676
	Condensate	Bbl	941,012	613,940	934,531	2,739,202	2,385,868
Wheatstone	LNG ⁴	Tonne	191,869	213,424	-	497,002	-
	Condensate	Bbl	352,189	345,074	-	697,263	-
Enfield	Oil	Bbl	287,122	174,704	204,123	744,027	739,591
Vincent	Oil	Bbl	-	695,301	1,010,313	1,443,200	3,064,038
Okha	Oil	Bbl	603,033	-	619,246	1,251,708	1,268,108
Australia	Domestic gas	TJ	6,622	6,893	6,668	21,256	30,935
Canada	Domestic gas	TJ	1,839	1,961	2,250	5,496	6,291
Total ⁵		boe	20,991,448	21,030,932	21,548,966	64,983,740	62,494,299

1. Comparative figures have been retrospectively adjusted in accordance with AASB 15. Refer to the first quarter 2018 report, released to the ASX on 18 April 2018, for further information.
2. NWS Project delivered 68 cargoes in the quarter (total project).
3. Pluto LNG delivered 15 cargoes in the quarter (total project).
4. Wheatstone LNG delivered 33 cargoes in the quarter (total project).
5. Conversion factors are identified on slide 17.

Revenue

Woodside's share of sales and operating revenue for the quarter ended 30 September 2018 with appropriate comparatives:

Revenue (US\$ million)		Three months ended			Year to date	
Sales revenue		30 Sep 2018	30 Jun 2018	30 Sep 2017 ¹	30 Sep 2018	30 Sep 2017 ¹
North West Shelf	LNG	256	211	233	743	637
	Condensate	93	51	54	236	193
	LPG	-	25	-	25	17
Pluto	LNG	522	541	464	1,599	1,320
	Condensate	70	46	51	198	129
Wheatstone	LNG	103	97	-	242	-
	Condensate	25	26	-	51	-
Enfield	Oil	22	13	11	56	39
Vincent	Oil	-	49	53	101	164
Okha	Oil	44	-	30	87	67
Australia	Domestic gas	20	21	25	65	118
Canada	Domestic gas	2	2	2	5	9
Total sales revenue		1,157	1,082	923	3,408	2,693
LNG processing revenue		49	52	47	150	140
Gross trading revenue		86	12	18	121	32
Other hydrocarbon revenue ²		-	-	24	1	24
Total revenue		1,292	1,146	1,012	3,680	2,889

1. Comparative figures have been retrospectively adjusted in accordance with AASB 15. Refer to the first quarter 2018 report, released to the ASX on 18 April 2018, for further information.

2. Revenue from sale of non-produced hydrocarbons.

Expenditure

Woodside's share of exploration, evaluation and capital expenditure for the quarter ended 30 September 2018 with appropriate comparatives:

Expenditure (US\$ million)		Three months ended			Year to date	
		30 Sep 2018	30 Jun 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
Exploration and evaluation expense	Exploration expensed ¹	40	116	47	191	99
	Permit amortisation	13	20	3	39	9
	Evaluation expensed	-	2	(1)	3	4
	Total	53	138	49	233	112
Capital expenditure	Exploration capitalised ^{2,3}	3	32	30	72	70
	Evaluation capitalised ³	66	40	44	584	178
	Oil and gas properties ³	193	234	236	653	743
	Other property, plant and equipment	19	41	21	110	32
	Total	281	347	331	1,419	1,023

1. Exploration expense includes the impact of re-classification of well results during the period.

2. Exploration capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.

3. Project Final Investment Decisions result in amounts of previously capitalised exploration and evaluation expense (from current and prior years) being transferred to oil and gas properties. The table above does not reflect the impact of such transfers. There were no such transfers during the quarter.

Production Rates

Average daily production rates (100% project) for the quarter ended 30 September 2018 with appropriate comparatives:

Production rates	Woodside share	100% project		Remarks
		Q3 2018	Q2 2018	
Australia NWS				
Domestic gas (TJ/d)	19.2%	367	357	Production was higher due to customer demand. Woodside share impacted by independently marketed gas sales.
LNG (t/d)	15.7%	47,924	44,313	Production was higher due to execution of a planned turnaround in the prior quarter. Planned turnarounds of LNG Train 3 and North Rankin Train 300 were executed in September 2018, together with minor shutdowns of LNG Trains 4 and 5.
Condensate (bbl/d)	15.9%	85,354	75,788	
LPG (t/d)	15.8%	1,394	1,190	
Australia Pluto				
LNG (t/d)	90.0%	13,144	14,138	Production was lower primarily due to execution of maintenance activities during a temporary production outage in the first half of August 2018.
Condensate (bbl/d)	90.0%	8,912	9,480	
Australia Wheatstone				
LNG (t/d)	12.6%	24,234	14,215	Production was higher following commencement of Train 2 production in June 2018. Both trains continue to operate ahead of plan. A shutdown on Train 2 was executed to remove start-up strainers in August 2018.
Condensate (bbl/d)	19.8%	26,084	15,612	Woodside share reflects higher liquids recovery from the Woodside-operated Brunello field.
Other Australia				
Enfield Oil (bbl/d)	60.0%	3,619	3,550	Production was higher due to improved facility reliability. Reliability for the quarter was 99%. Permanent cessation of production is planned for end-November 2018.
Vincent Oil (bbl/d)	60.0%	0	5,594	Production remains suspended for FPSO maintenance and modifications as part of the Greater Enfield project. Production is targeted to resume from mid-2019.
Okha Oil (bbl/d)	33.3%	17,031	13,981	Production was higher due to improved facility reliability. Reliability for the quarter was 95%.
Canada				
Domestic gas (TJ/d)	50.0%	40	43	Production was impacted by the 16 day shutdown of the Fort Nelson Gas Plant for scheduled maintenance in September 2018.

Realised Prices

Realised product prices for the quarter ended 30 September 2018 with appropriate comparatives:

Realised Price	Three months ended				Three months ended			
	Units	30 Sep 2018	30 Jun 2018	30 Sep 2017 ¹	Units ²	30 Sep 2018	30 Jun 2018	30 Sep 2017 ¹
NWS LNG	\$/MMBtu	8.4	7.9	6.5	\$/boe	48	46	38
Pluto LNG	\$/MMBtu	9.9	9.4	7.9	\$/boe	57	55	46
Wheatstone LNG	\$/MMBtu	10.4	8.8	-	\$/boe	60	51	-
Domestic gas	\$/GJ	2.6	2.5	3.0	\$/boe	16	15	18
Condensate	\$/bbl	72	76	53	\$/boe	72	76	53
LPG	\$/tonne	-	566	-	\$/boe	-	69	-
Oil	\$/bbl	75	72	51	\$/boe	75	72	51
Average realised price					\$/boe	55	52	43
Dated Brent					\$/bbl	75	74	52
JCC (lagged three months) ³					\$/bbl	71	67	53

1. Comparative figures have been retrospectively adjusted in accordance with AASB 15. Refer to the first quarter 2018 report, released to the ASX on 18 April 2018, for further information.
2. Conversion factors are identified on slide 17.
3. Lagged Japan Customs-cleared Crude (JCC) is the typical reference price for long-term LNG contracts.

Exploration

Permits and licences

Key changes to permit and licence holdings during the quarter ended 30 September 2018 are noted below.

Region	Permit or licence area	Change in interest (%)	Current interest (%)	Remarks
Bulgaria				
Western Black Sea Basin	1-14 Khan Kubrat	30	30	Farm-in. Subject to satisfaction of conditions precedent
Gabon				
Lower Congo Basin	E13	40	0	Expiration of PSC
Australia				
Northern Carnarvon Basin	WA-35-R	45	0	Relinquished

Exploration and appraisal wells drilled during Q3 2018

Well name	Basin / area	Target	Interest (%)	Water depth (m)	Total depth ¹ (m)	Remarks
Myanmar						
Dhana Hlaing-1	Southern Rakhine Basin, A-7	Gas	45	2,057	4,500	Non-commercial gas discovery
Shwe Yee Htun-2	Southern Rakhine Basin, A-6	Gas	40	2,325	4,850	Successful appraisal well

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

Exploration (cont)

No geophysical surveys were acquired during Q3 2018.

An airborne gravity and magnetics survey is planned to commence in Block 108 onshore Peru in mid-late October 2018.

Exploration or appraisal wells planned to commence in Q4 2018:

Well name	Basin / area	Target	Interest (%)	Water depth (m)	Total depth ¹ (m)	Remarks
Peru						
Boca Satipo Este-1X	Ucayali Basin, Block 108	Oil	35	Onshore	2,600	Planned to spud in October 2018

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

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



Notes to petroleum resource estimates

1. Unless otherwise stated, all petroleum resource estimates are quoted as at the balance date (i.e. 31 December) of the Reserves Statement in Woodside's most recent Annual Report released to the Australian Securities Exchange (ASX) and available at <http://www.woodside.com.au/Investors-Media/Announcements>, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius). Woodside is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.
2. Subsequent to the Reserves Statement dated 31 December 2017, Woodside's contingent resources have been updated by ASX announcements dated 29 March 2018 (in respect of Greater Scarborough resources) and 23 May 2018 (in respect of Greater Browse resources).
3. 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.
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.
5. '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.
6. The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The estimates have been approved by Mr Ian F. Sylvester, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 20 years of relevant experience.

Disclaimer and important notice

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

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

All figures are Woodside share for the quarter ending 30 September 2018, unless otherwise stated.

All references to dollars, cents or \$ in this presentation are to US currency, unless otherwise stated.

References to "Woodside" may be references to Woodside Petroleum Ltd or its applicable subsidiaries.

Product	Factor	Conversion Factor ¹
Domestic gas ²	1 TJ	163.6 boe
Liquefied natural gas (LNG)	1 tonne	8.9055 boe
Condensate	1 bbl	1.000 boe
Oil	1 bbl	1.000 boe
Liquefied petroleum gas (LPG)	1 tonne	8.1876 boe
Natural gas	1 MMBtu	0.1724 boe

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

1. Minor changes to some conversion factors can occur over time due to gradual changes in the process stream.
2. Includes both Canadian and Australian products.