

ASX Announcement

Wednesday, 15 July 2020

ASX: WPL
OTC: WOPEY

Woodside Petroleum Ltd.

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SECOND QUARTER REPORT FOR PERIOD ENDED 30 JUNE 2020

Performance highlights

- Delivered record production of 25.9 MMboe, up 7% from Q1 2020, contributing to record first-half output of 50.1 MMboe, up 28% from H1 2019.
- Delivered increased sales volume of 27.1 MMboe, up 13% from Q1 2020.
- Achieved record equity domestic gas sales volumes.
- Delivered sales revenue of \$768 million, down 29% from Q1 2020.
- Continued to implement appropriate responses to the combined impact of COVID-19 and lower commodity prices.

Executing a clear plan

- Implemented expenditure reduction targets announced on 27 March 2020.
- Continued execution activities for Sangomar Field Development Phase 1.
- Submitted applications for production licences and retention lease renewals for the Burrup Hub.
- Commenced planting for the Greening Australia and Woodside Native Reforestation Project.

Woodside CEO Peter Coleman said production for the second quarter was 7% higher than the previous quarter at 25.9 MMboe. High reliability across the portfolio has been key.

“I am proud of the way the Woodside team has responded to unprecedented challenges in this half: managing the impact of Tropical Cyclone Damien; ensuring the safety of our people and business integrity as the COVID-19 pandemic unfolded; and adapting to the lower commodity price environment.

“The upshot of this sustained organisational effort has been our best-ever operating results, achieved in a time of extraordinary uncertainty and exemplifying the strength and resilience of our people and business.

“We have implemented the cost-saving measures announced at the end of the last quarter and are preparing our future growth projects to proceed when market conditions improve. Our business is set up to deliver long-term shareholder value.

“Woodside’s commitment to the Burrup Hub is unwavering and work is continuing to finalise commercial agreements and regulatory approvals for the Scarborough, Pluto Train 2 and Browse developments. We are positioning to take advantage of a forecast global LNG supply shortfall later this decade.

“The Burrup Hub is a highly competitive brownfields LNG development with the potential to provide robust returns for shareholders, create employment and generate tax revenue for decades into the future,” he said.

Investor teleconference

A teleconference and question and answer session will be hosted by Peter Coleman and Woodside CFO Sherry Duhe at 7.30am AWST (9.30am AEST) on Wednesday, 15 July 2020.

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

<https://s1.c-conf.com/diamondpass/10008597-invite.html>

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

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

SECOND QUARTER 2020 REPORT

15 July 2020



Production

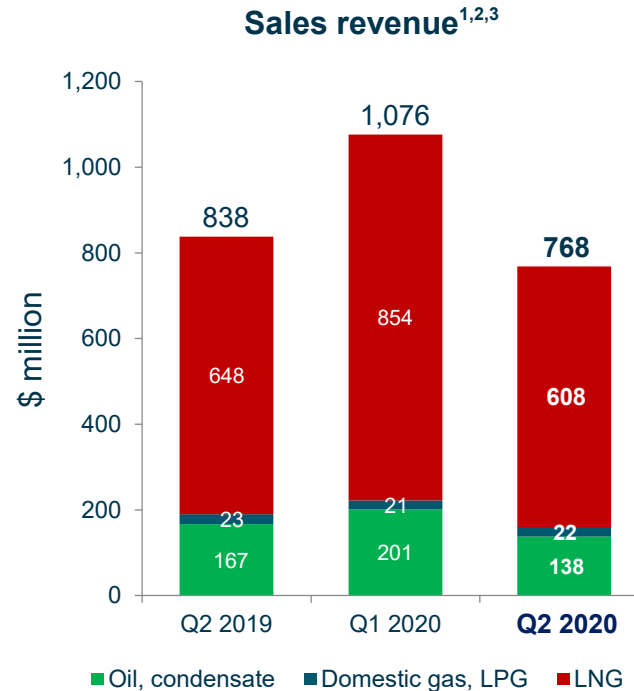
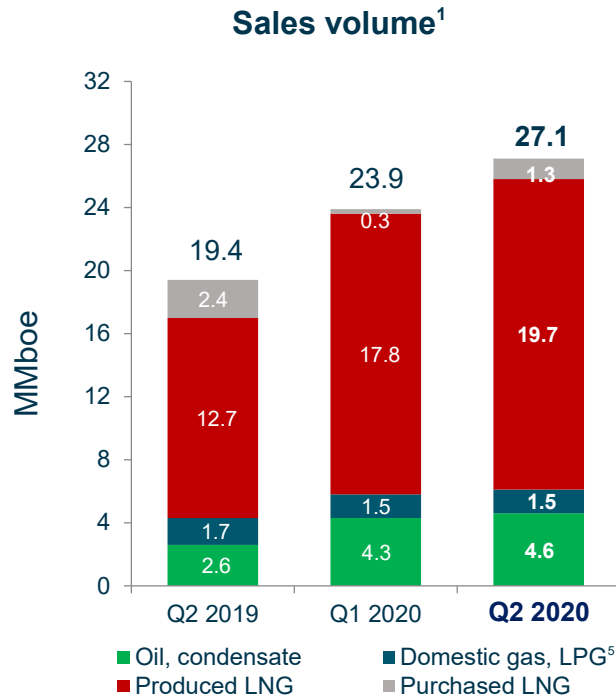
Demonstrated resilience in challenging environment



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

Sales volume and revenue

Record quarterly sales volume



Realised price^{3,4}

	Units	Three months ended		
		Q2 2019	Q1 2020	Q2 2020
LNG	\$/boe	43	47	29
Domestic gas	\$/boe	13	14	14
Condensate	\$/boe	64	45	29
Oil	\$/boe	69	52	31
Average realised price	\$/boe	43	45	28
Dated Brent	\$/bbl	69	50	29
JCC (lagged three months)	\$/bbl	64	66	68

1. Q2 2019 sales volume and revenue have been adjusted to include the sale of purchased hydrocarbons (trading and other hydrocarbon revenue).
2. Revenue from the sale of produced and purchased hydrocarbons. Excludes processing and services revenue.
3. Includes the impact of price reviews completed during the period.
4. Represents average realised price including exchange rate impact.
5. Domestic gas includes Woodside equity sales volumes and Woodside share of NWS contracts.

Developments

Implemented 2020 expenditure reductions



SCARBOROUGH AND PLUTO TRAIN 2

- Woodside is targeting final investment decision (FID) in H2 2021. The 2020 work plan has been agreed with engineering, procurement and construction contractors. Commercial negotiations continue in support of the targeted FID.
- Following the acceptance of the Scarborough Offshore Project Proposal, work has commenced on developing associated environment plans.
- The Scarborough Joint Venture submitted applications in May 2020 for retention lease renewals over the WA-61-R (Jupiter) and WA-63-R (Thebe) titles, following submission of production licence applications over the WA-1-R and WA-62-R (Scarborough) titles in Q1 2020.
- McDermott, the engineering contractor for the floating production unit design, emerged from Chapter 11 reorganisation.

PLUTO-KGP INTERCONNECTOR

- Site works commenced within the Pluto LNG facility.
- Woodside awarded a contract in May 2020 to Civmec Construction & Engineering Pty Ltd for the supply and fabrication of equipment within Pluto LNG.

BROWSE

- Applications were submitted in April 2020 to the Commonwealth and State regulators for production licences for the Calliance and Torosa fields and a retention lease renewal in relation to Brecknock. These applications are currently being assessed.
- Responses to agency and public comments for the Browse Draft Environmental Impact Statement / Environmental Review Document are being finalised for submission to the Commonwealth and State regulators.
- The Browse Joint Venture is committed to progressing all necessary commercial agreements and regulatory approvals to ensure Browse is well placed to progress as conditions improve.
- Woodside is targeting FID from 2023.

Developments

Progressing committed project activities



SANGOMAR FIELD DEVELOPMENT PHASE 1

- The Rufisque, Sangomar and Sangomar Deep Offshore Joint Venture continues to progress execution of the Sangomar Field Development Phase 1.
- Woodside is progressing contracting and procurement activities and working with contractors on detailed design work for the FPSO and commencement of fabrication of subsea equipment.
- Woodside is actively preparing for the 23 well development drilling campaign targeted to commence in mid-2021.
- Phase 1 subsea infrastructure and overall project planning remains on track for delivery of first oil targeted in 2023.

MYANMAR

- Myanmar A-6 pre front-end engineering design activities are continuing across the technical, commercial and marketing work streams.
- The planned Myanmar exploration drilling program is being revised in response to COVID-19 impacts.

PYXIS HUB

- Development drilling for Pyxis Hub continued, with the project 34% complete at the end of the period.
- Commencement of subsea installation work is targeted for 2021.

JULIMAR-BRUNELLO PHASE 2

- Development drilling for Julimar-Brunello Phase 2 continued, with the project 42% complete at the end of the period.
- Completion of drilling activities is targeted for Q3 2020.

SUSTAINABILITY

- Phase 1 of the Greening Australia and Woodside Native Reforestation Project commenced planting in May 2020.
- Woodside maintained its 'AAA' leader rating in the Morgan Stanley Capital International (MSCI) Environment, Social and Governance (ESG) ratings for the sixth consecutive year.
- Woodside's Sustainalytics ESG Risk Rating improved, ranking us in the top 2% of oil and gas producers globally.

EXPLORATION

- WA-93-R and WA-94-R retention leases (converted from WA-430-P) were awarded over the Toro and Ragnar gas fields in the Northern Carnarvon Basin in April 2020.
- No exploration or appraisal wells were drilled, and no seismic activities were undertaken during the quarter.

MARKETING

- Woodside achieved new record daily and quarterly equity domestic gas sales volumes, an increase of 21% on the previous quarter.

HALF-YEAR RESULTS

- Woodside's half-year report 2020 (incorporating Appendix 4D) for the period ending 30 June 2020 and the associated investor briefing will be available on Woodside's website at www.woodside.com.au on Thursday, 13 August 2020.

INVESTOR ENGAGEMENT

- Woodside's Investor Briefing Day 2020 will be held on 11 November 2020 as a virtual event.

Guidance



H1 2020 line item guidance:

Item	Half-year guidance		Remarks
Operating costs	Trading cost	\$490 – 530 million	Includes the Corpus Christi onerous contract provision
	Oil and gas properties	\$860 – 900 million	
Depreciation and amortisation	Other plant and equipment	\$10 – 20 million	
	Lease assets	\$40 – 50 million	
Taxes	PRRT benefit	\$210 – 310 million	Refer to ASX announcement 'Asset Value Review and Other Items' dated 14 July 2020 (page 2)
	Income tax benefit	\$1,020 – 1,120 million	

DATA TABLES

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



Production summary



Woodside's share of production for the quarter ended 30 June 2020 with appropriate comparatives:

Production			Three months ended			Year to date	
			30 June 2020	31 Mar 2020	30 June 2019	30 June 2020	30 June 2019
LNG	North West Shelf	tonne	682,630	646,932	704,438	1,329,562	1,321,602
	Pluto	tonne	1,148,253	1,114,844	393,254	2,263,097	1,472,970
	Wheatstone	tonne	313,855	294,816	340,479	608,671	612,305
	Total LNG¹	boe	19,099,966	18,314,980	12,807,631	37,414,946	30,339,942
Domestic gas	Australia ²	TJ	9,476	9,124	9,680	18,600	16,194
	Canada ³	TJ	-	-	1,114	-	3,038
	Total domestic gas¹	boe	1,550,309	1,492,540	1,765,833	3,042,849	3,146,228
Condensate	North West Shelf	bbl	1,162,807	1,128,770	1,297,378	2,291,577	2,448,357
	Pluto	bbl	784,768	752,576	285,515	1,537,344	1,011,242
	Wheatstone	bbl	611,279	557,886	628,040	1,169,165	1,067,905
	Total condensate¹	boe	2,558,854	2,439,232	2,210,933	4,998,086	4,527,504
Oil	Ngujima-Yin ⁴	bbl	2,293,487	1,544,038	-	3,837,525	-
	Okha ⁵	bbl	241,511	287,928	365,714	529,439	715,255
	Total oil¹	boe	2,534,998	1,831,966	365,714	4,366,964	715,255
LPG	North West Shelf	tonne	17,840	16,780	17,880	34,620	33,009
	Total LPG¹	boe	146,066	137,386	146,325	283,452	270,195
Total¹	boe	25,890,193	24,216,104	17,296,436	50,106,297	38,999,124	

1. Conversion factors are identified on slide 15.
2. Includes jointly and independently marketed gas sales.
3. Produced into the Canadian gas network for distribution in North America.
4. The Ngujima-Yin FPSO produces oil from the Vincent and Greater Enfield resources.
5. The Okha FPSO produces oil from the Cossack, Wanaea, Lambert and Hermes resources.

Product sales



Woodside's sales for the quarter ended 30 June 2020 with appropriate comparatives:

Sales			Three months ended			Year to date	
			30 June 2020	31 Mar 2020	30 June 2019	30 June 2020	30 June 2019
LNG	North West Shelf	tonne	679,198	606,577	715,284	1,285,775	1,367,530
	Pluto	tonne	1,099,860	1,163,464	448,092	2,263,324	1,555,223
	Wheatstone ¹	tonne	427,261	236,185	259,290	663,446	435,222
	Purchased ²	tonne	143,797	36,403	270,335	180,200	594,937
	Total LNG³	boe	20,928,966	18,190,628	15,077,017	39,119,594	35,202,650
Domestic gas	Australia ⁴	TJ	9,453	9,068	9,523	18,521	16,028
	Canada ⁵	TJ	-	-	1,114	-	3,038
	Total domestic gas³	boe	1,546,538	1,483,541	1,740,086	3,030,079	3,119,153
Condensate	North West Shelf	bbl	961,339	1,300,607	1,332,490	2,261,946	2,632,401
	Pluto	bbl	899,365	613,963	-	1,513,328	1,080,503
	Wheatstone	bbl	364,381	732,648	723,162	1,097,029	1,061,579
	Total condensate³	boe	2,225,085	2,647,218	2,055,652	4,872,303	4,774,483
Oil	Ngujima-Yin ⁶	bbl	2,432,409	1,572,338	-	4,004,747	-
	Okha ⁷	bbl	-	-	517,586	-	517,586
	Total oil⁸	boe	2,432,409	1,572,338	517,586	4,004,747	517,586
LPG	North West Shelf	tonne	-	-	-	-	45,604
	Total LPG³	boe	-	-	-	-	373,388
Total^{3,8}	boe	27,132,998	23,893,725	19,390,341	51,026,723	43,987,260	

1. Q2 2020 includes -4 kt (-0.04 MMboe) and Q1 2020 includes 22 kt (0.2 MMboe), recognised in relation to periodic adjustments reflecting the arrangements governing Wheatstone LNG sales.

2. Purchased hydrocarbons represents volumes sourced from third parties.

3. Conversion factors are identified on slide 15.

4. Includes jointly and independently marketed gas sales.

5. Produced into the Canadian gas network for distribution in North America.

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

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

8. Q2 2019 and YTD 30 June 2019 total volumes have been adjusted to include volumes from the sale of purchased hydrocarbons (trading and other hydrocarbon revenue).

Revenue



Woodside's sales and operating revenue for the quarter ended 30 June 2020 with appropriate comparatives:

Revenue (US\$ million)		Three months ended			Year to date	
		30 June 2020	31 Mar 2020	30 June 2019	30 June 2020	30 June 2019
Sales revenue						
LNG	Group ^{1,2}	608	854	648	1,462	1,808
Domestic gas	Australia	22	21	23	43	40
	Canada	-	-	-	-	2
Condensate	North West Shelf	29	68	86	97	164
	Pluto	26	19	-	45	63
	Wheatstone	9	32	45	41	66
Oil	Ngujima-Yin ³	74	82	-	156	-
	Okha ⁴	-	-	36	-	36
LPG	North West Shelf	-	-	-	-	23
Total sales revenue		768	1,076	838	1,844	2,202
LNG processing revenue		35	35	(3)	70	46
Shipping revenue		2	1	1	3	12
Total revenue		805	1,112	836	1,917	2,260

1. Q2 2020 includes -\$2 million and Q1 2020 includes \$12 million, recognised in relation to periodic adjustments reflecting the arrangements governing Wheatstone LNG sales. This amount will be included within other income in the financial statements rather than operating revenue.
2. Includes the impact of price reviews completed during the period.
3. The Ngujima-Yin FPSO produces oil from the Vincent and Greater Enfield resources.
4. The Okha FPSO produces oil from the Cossack, Wanaea, Lambert and Hermes resources.

Realised prices



Realised product prices for the quarter ended 30 June 2020 with appropriate comparatives:

Realised Price	Three months ended			Three months ended				
	Units	30 June 2020	31 Mar 2020	30 June 2019	Units ⁴	30 June 2020	31 Mar 2020	30 June 2019
LNG ^{1,2}	\$/MMBtu	5.0	8.1	7.4	\$/boe	29	47	43
Domestic gas	\$/GJ	2.3	2.3	2.2	\$/boe	14	14	13
Condensate	\$/bbl	29	45	64	\$/boe	29	45	64
Oil	\$/bbl	31	52	69	\$/boe	31	52	69
LPG	\$/tonne	-	-	-	\$/boe	-	-	-
Average realised price					\$/boe	28	45	43
Dated Brent					\$/bbl	29	50	69
JCC (lagged three months) ³					\$/bbl	68	66	64

1. Q2 2020 and Q1 2020 realised prices include periodic adjustments reflecting the arrangements governing Wheatstone LNG sales. Refer to slides 10 and 11 for further details.
2. Includes the impact of price reviews completed during the period.
3. Lagged Japan Customs-cleared Crude (JCC) is the typical reference price for long-term LNG contracts.
4. Conversion factors are identified on slide 15.

Expenditure



Woodside's share of exploration, evaluation and capital expenditure for the quarter ended 30 June 2020 with appropriate comparatives:

Expenditure (US\$ million)		Three months ended			Year to date	
		30 June 2020	31 Mar 2020	30 June 2019	30 June 2020	30 June 2019
Exploration and evaluation expense	Exploration expensed ¹	16	16	62	32	101
	Permit amortisation	3	4	4	7	8
	Evaluation expensed	1	1	1	2	2
	Total	20	21	67	41	111
Capital expenditure	Exploration capitalised ^{2,3}	2	1	(5)	3	3
	Evaluation capitalised ³	44	207	113	251	180
	Oil and gas properties ³	276	224	189	500	360
	Other property, plant and equipment	18	4	2	22	5
	Total	340	436	299	776	548

1. Exploration expense includes the impact of reclassification of well results during the period.

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

3. Project final investment decisions result in amounts of previously capitalised exploration and evaluation expense (from current and prior years) being transferred to oil and gas properties. The table above does not reflect the impact of such transfers.

Production rates



Average daily production rates (100% project) for the quarter ended 30 June 2020 with appropriate comparatives:

Production rates	Woodside share	100% project		Remarks
		Q2 2020	Q1 2020	
Australia NWS				
LNG (t/d)	15.5%	48,434	44,418	
Condensate (bbl/d)	15.6%	81,895	77,121	Production was higher due to reduced weather impacts, higher offshore reliability and lower ambient temperatures.
LPG (t/d)	15.6%	1,256	1,146	
Australia Pluto				
LNG (t/d)	90.0%	14,020	13,612	
Condensate (bbl/d)	90.0%	9,582	9,189	Production was higher due to lower ambient temperatures and higher facility reliability.
Australia Wheatstone				
LNG (t/d)	12.6%	27,288	26,069	
Condensate (bbl/d)	20.4%	32,970	29,490	Production was higher primarily due to lower ambient temperatures.
Other Australia				
Ngujima-Yin Oil (bbl/d) ¹	60.0%	42,005	28,279	Production was higher due to higher facility reliability.
Okha Oil (bbl/d) ²	33.3%	7,962	9,492	Production was lower due to lower facility reliability.
Australia Domestic Gas				
Domestic gas (TJ/d) ³		103	100	

1. The Ngujima-Yin FPSO produces oil from the Vincent and Greater Enfield resources.
2. The Okha FPSO produces oil from the Cossack, Wanaea, Lambert and Hermes resources.
3. Australian domestic gas includes the aggregate Woodside equity domestic gas production from all Australian projects.

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



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 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.
- The Reserves Statement dated 31 December 2019 has been subsequently updated by ASX announcements dated 26 February 2020 and 14 July 2020.
- Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects, the reference point is defined as the outlet of the Floating Production Storage and Offloading facility (FPSO), while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.
- 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 Ian Sylvester, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 20 years of relevant experience.

Disclaimer and important notice

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

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

All figures are Woodside share for the quarter ending 30 June 2020, 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

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