

ASX Announcement

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GREATER ENFIELD OIL DEVELOPMENT APPROVED

Woodside advises that with Joint Venture participant Mitsui E&P Australia, the Greater Enfield Project has been approved for development.

Located 60 km off Exmouth in Western Australia within Commonwealth waters the project will develop the Laverda Canyon, Norton over Laverda (WA-59-L) and Cimatti (WA-28-L) oil accumulations. These reserves will be produced via a 31 km subsea tie-back to the Ngujima-Yin floating production storage and offloading (FPSO) facility, located over the Vincent oil field.

Woodside CEO Peter Coleman said that monetising Greater Enfield was made possible by breakthroughs in the development concept, technology and contracting.

"We have achieved investment spend at the low end of our guidance range by leveraging the latest technologies and using existing FPSO infrastructure. This allows us to accelerate the development of previously stranded resources.

"Greater Enfield is a demonstration of our phased and sustainable approach to growth," he said.

The Greater Enfield Project requires development of six subsea production wells and six water injection wells. Production will be supported by subsea multiphase booster pumps in the Laverda area and gas lift in the Cimatti area.

The project is targeting development of gross (100%) 2P reserves of 69 MMboe (net Woodside share of 41 MMboe) from the Laverda Canyon, Norton over Laverda and Cimatti oil accumulations. Woodside reserves will increase by 41 MMboe in conjunction with the approval of the project for development.

The total investment for the project is approximately US\$1.9 billion total cost (approximately US\$1.1 billion Woodside share) with first oil expected in mid-2019.

The Greater Enfield Project is a joint venture between Woodside Energy Ltd (Operator, 60%) and Mitsui E&P Australia Pty Ltd (40%).

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Reserves and Resources as at 31 December 2015

In conjunction with this release, the Woodside reserves presented in the Reserves Statement dated 31 December 2015 (included in the 2015 Annual Report) will increase by 41 MMboe at the 2P confidence level to 1549 MMboe. Woodside Best Estimate Contingent Resource (2C) will decrease by 41 MMboe to 4439 MMboe as a result of booking the new reserves.

Reporting of Laverda Canyon, Norton over Laverda and Cimatti (oil) reserves

1. At the date of this release, the Laverda Canyon, Norton over Laverda and Cimatti oil accumulations reserves (at the 2P confidence level) are gross (100%) 69 MMboe recoverable oil, of which Woodside's net economic interest is 41 MMboe. The reserves estimate has been calculated using probabilistic methods and based on a deterministic development scenario (a subsea tie-back to the Ngujima-Yin FPSO facility utilising existing technology).
2. Woodside holds a 60% interest (Operator) in Petroleum Production Licences WA-59-L and WA-28-L covering the three accumulations.
3. The reserves for the three accumulations are undeveloped and the reserves estimate has been calculated on the basis of statistical aggregation of uncertainty distributions for the three accumulations, as part of the technical and assurance work undertaken to support the final investment decision to proceed with the project.
4. First oil via the Ngujima-Yin FPSO facility is expected in mid-2019. Marketing arrangements as part of the existing operations on the FPSO facility will be utilised for the project. Primary environmental approval for the Greater Enfield (Vincent) Development is in place. Secondary environmental approvals will be obtained by Woodside (as Operator) in due course to support project activities.

Notes on 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 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). Except as outlined herein, 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. By ASX Announcements dated 20 May 2016, Woodside: (i) increased its estimate of contingent resource (2C) by 83 MMboe as a result of the ShweYee Htun and Thalin fields and (ii) reduced its estimate of contingent resource (2C) by 1 MMboe as a result of a revision of its estimate of contingent resource (2C) relating to the Laverda and Cimatti fields.
3. Assessment of the economic value of a project, in support of a reserves classification, uses Woodside Portfolio Economic Assumptions (PEAs). The PEAs are reviewed on an annual basis or more often if required. The review is based on historical data and forecast estimates for economic variables such as product prices and exchange rates. The PEAs are approved by the Woodside Board. Specific contractual arrangements for individual projects are also taken into account.
4. Woodside 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 (FPSO) vessel, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.
5. 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 portfolio effects of arithmetic summation.
6. 'MMboe' means millions (10^6) of barrels of oil equivalent. Dry gas volumes, defined as 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product, are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5.7 Bcf of dry gas per 1 MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbl to MMboe on a 1:1 ratio.
7. 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.