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FOR IMMEDIATE RELEASE TO THE MARKET

www.ubs.com/instalments

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Woodside Petroleum Limited Instalments – Loan Amount Adjustments in respect of Woodside Petroleum Limited Pro Rata Accelerated Renounceable Entitlement Offer

UBS AG Australia Branch ("UBS") is the issuer of the below series of instalment warrants (collectively known as "WPL Instalments" in this announcement) over fully paid ordinary shares of Woodside Petroleum Limited ("WPL"). Each WPL Instalment has been offered under the corresponding Product Disclosure Statements ("PDS") listed in the table below.

Series	Date of PDS or Master PDS	Date of SPDS or Term Sheet
WPLISI	17-Oct-14	17-Oct-14
WPLISK	17-Oct-14	31-May-16
WPLISR	17-Oct-14	28-Mar-17
WPLISS	17-Oct-14	28-Jun-17
WPLIST	17-Oct-14	25-Aug-17
WPLISU	17-Oct-14	01-Nov-17
WPLSSA	25-Sep-14	17-Oct-14
WPLSSE	16-Oct-15	31-May-16
WPLSSJ	23-May-11	29-May-17
WPLSSL	16-Oct-15	16-Oct-15
WPLSSY	16-Oct-15	02-May-17

This announcement concerns adjustments which UBS intends to make to the terms of the WPL Instalments as a result of the announcement by WPL of a 1 for 9 fully underwritten pro rata renounceable entitlement offer ("WPL Entitlement Offer") of new WPL fully paid ordinary shares at an issue price of \$27.00 per ordinary share.

Full details of the WPL Entitlement Offer are set out in the announcement by WPL dated 14 February 2018 (which can be found at www.asx.com.au).

Key details of the WPL Entitlement Offer

The key details of the WPL Entitlement Offer are as follows:

- 1 for 9 fully underwritten pro rata accelerated renounceable entitlement offer;

- entitlement offer price of \$27.00 per new WPL ordinary share;
- the new ordinary shares will rank equally with existing ordinary shares on issue from the date of allotment, including in respect of distributions, however, the new ordinary shares will not be entitled to the second half FY17 distribution (US\$0.49) paid on or around 22 March 2018; and
- WPL ordinary shares are expected to resume trading on an ex-entitlement basis on 19 February 2018.

Adjustment to WPL Instalments

Pursuant to clause 18 of the Instalment Deed, UBS intends to adjust the terms of the WPL Instalments as follows:

- (a) New WPL ordinary shares issued pursuant to the WPL Entitlement Offer will not form part of the Underlying Parcel for the WPL Instalments, and will be dealt with by UBS in its absolute discretion; and
- (b) The Loan Amount for the WPL Instalments will be reduced by an amount which reflects the value of the entitlement (i.e. the "Rights Value" as defined in the Instalment Deed for the WPL Instalments) and an Interest Refund based on the reduction of the Loan Amount for the period until the earlier of the Maturity Date or the next Annual Interest Date (as applicable); and
- (c) The Capped Level (where applicable) will be adjusted accordingly.

The Underlying Parcel for the WPL Instalments will not change. Hence it will continue to be one WPL ordinary share.

UBS expects the Rights Value per WPL ordinary share to be the value of the retail entitlements (ASX Code: WPLR) traded on the ASX on the first day of ex-entitlement trading (being 19 February 2018). That is, $1/9$ multiplied by the volume weighted average price of the retail entitlements on the first day of ex-entitlement trading on the ASX.

Rights Value = $1/9 \times \text{VWAP of WPLR retail entitlements}$

All amounts are expressed in Australian dollars.

Timing of Adjustment, Suspension and Announcement

Trading in WPL Instalments is currently suspended but will recommence on Tuesday 20 February 2018 with the new Loan Amounts and Capped Levels (where applicable). To effect the WPL Instalments adjustment, UBS will make an announcement after the close of market on the first day WPL ordinary shares recommence trading on an ex-entitlement basis (being Monday 19 February 2018) detailing the value of the reduction of the Loan Amount.

Alternative adjustments

UBS reserves the right to implement adjustments to the WPL Instalments on a basis other than those described above. Unless otherwise stated, all terms used in this letter have the same meaning as in the PDS.

If you have any questions regarding the WPL Entitlement Offer, please contact your financial adviser or WPL. If you have any questions regarding this announcement please contact your financial adviser or call the UBS Warrant Sales Desk on 1800 633 100.

Yours sincerely,

UBS AG, Australia Branch



Andrew Lockhart
Director



Scott Hanlon
Executive Director