

ASX Announcement

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SANGOMAR FIELD DEVELOPMENT APPROVED

The Sangomar Field Development Phase 1 (Sangomar Development) has been approved by the Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore (RSSD) joint venture and has entered the execute phase of activities.

Woodside, as operator of the RSSD joint venture, has executed the purchase contract for the floating production storage and offloading (FPSO) facility and issued full notices to proceed for the drilling and subsea construction and installation contracts.

The key contractors for the development are:

- MODEC, Inc. for the purchase of an FPSO with an oil processing capacity of 100,000 bbl/day
- Subsea Integration Alliance (a non-incorporated alliance between Subsea 7 and OneSubsea) for the construction and installation of the integrated subsea production systems and subsea umbilicals, risers and flowlines
- Diamond Offshore for two well-based contracts for the drill rigs Ocean BlackRhino and Ocean BlackHawk.

Following the grant of the Exploitation Authorisation by the Government of Senegal on 8 January 2020, the RSSD joint venture has received the relevant regulatory approvals to proceed, including the execution of the Host Government Agreement with the Government of Senegal.

Phase 1 of the development will target an estimated 231 MMbbl of oil resources (2P gross, 60 MMbbl (2P) reserves Woodside net economic interest) from the lower, less complex reservoirs, and an initial pilot phase in the upper reservoirs. As a result of the first reserves booking for the Sangomar Development, the Woodside reserves increased by 60 MMboe at the 2P confidence level.

Woodside CEO Peter Coleman said the Sangomar Development is a major pillar of Woodside's growth strategy with substantial upside from potential future phases.

"We look forward to progressing the project towards first oil in early 2023 and expect that our experience in offshore FPSO developments will support its delivery on cost and schedule.

"We are grateful for the ongoing support of the Government of Senegal and will be working with all stakeholders to ensure that the country's first oil project delivers enduring benefits to its people," he said.

The RSSD joint venture comprises Woodside Energy (Senegal) B.V., Capricorn Senegal Limited (a subsidiary of Cairn Energy PLC), FAR Ltd and Petrosen (the Senegal National Oil Company).

The attached notes on petroleum reserves and resources form part of this announcement.

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

Reserves and Resources

Subsequent to the Reserves Statement dated 31 December 2018, reserves and resources have been updated by the ASX announcement dated 8 November 2019 ("Scarborough resource volume increased by 52%").

As at 31 December 2019, Woodside reserves increased by 60 MMboe at the 2P confidence level to an estimated 1,298 MMboe and Woodside's Contingent Resource (2C) decreased by 60 MMboe to an estimated 5,960 MMboe as a result of the new reserves booking for the Sangomar Development.

Reporting of Woodside Reserves estimate for Sangomar Phase 1

The Woodside Undeveloped Reserves estimate for the Sangomar Phase 1 complies with SPE-PRMS.

1. As at 31 December 2019, Sangomar Phase 1 is developing an estimated oil reserves (2P) of 60 MMbbl Woodside net economic interest.
2. Phase 1 is targeting an estimated gross oil resource of 231 MMbbl.
3. The Woodside total resource estimate for Sangomar Phase 1 has been calculated using deterministic and probabilistic methods.
4. Woodside's net economic interest has been calculated based on the forward-looking assumption that Petrosen execute its rights within the Production Sharing Contract (PSC) to increase its working interest in the development from 10% to 18%.
5. After the Petrosen increase, Woodside would hold a 31.89% working interest (currently 35.00%) in the Exploitation Area, with an estimated net economic interest calculated as per the PSC.
6. Phase 1 of the Sangomar Development consists of 23 subsea wells tied back to a stand-alone floating production storage and offloading (FPSO) facility with supporting infrastructure, utilising primary depletion and waterflood as the secondary recovery mechanism. The FPSO, expected to have a production capacity of 100,00 bbl/day, will process the oil before it is exported to market via tankers. First oil is targeted in early 2023.

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 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.
2. Assessment of the economic value of the 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.
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 (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.
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.