

ASX Announcement

Thursday, 14 February 2019

ASX: WPL
OTC: WOPEY

Woodside Petroleum Ltd.

ACN 004 898 962

Mia Yellagonga
11 Mount Street
Perth WA 6000
Australia

T +61 8 9348 4000

www.woodside.com.au

WOODSIDE FULL-YEAR PROFIT UP 28% TO \$1,364 MILLION

Woodside has recorded a full-year net profit after tax (NPAT) of \$1,364 million. Production was 91.4 MMboe and operating revenue was \$5,240 million.

The directors have declared a final dividend of US 91 cents per share (cps), bringing the full-year dividend to US 144 cps.

Woodside CEO Peter Coleman said that in 2018 the company delivered strong financial results, solid production and significant progress on growth plans.

“Our net profit after tax increased 28% year-on-year, driven by robust operational performance throughout 2018 and improved market conditions.

“The company generated free cash flow of \$1,524 million, up 83% on 2017. This has supported our strong financial liquidity throughout the year and positions us well to deliver our growth projects.

“During the year we achieved a number of significant milestones in our plans to develop the Scarborough and Browse fields off Western Australia through our world-class facilities on the Burrup Peninsula.

“Our plans for the Burrup Hub will more than double Woodside’s equity LNG production by 2027, providing long-term gas supplies for both domestic and export markets, and delivering significant benefits to shareholders and the community.

“After increasing our equity in Scarborough to 75% in early 2018, we assumed operatorship and have awarded engineering contracts for the upstream development. We have selected an expansion concept for Pluto LNG and begun engineering work on the second production train.

“At the same time, we have progressed our proposal to process the Browse resources through the North West Shelf Project’s Karratha Gas Plant, achieving a landmark preliminary tolling agreement between the two joint ventures.

“In Senegal, we transitioned to operator of SNE, the country’s first offshore oil development. The SNE joint venture has now secured environmental approval and commenced FEED activities for the first phase of the development, targeted for first oil in 2022.

“This year we’ve again demonstrated expertise in project delivery, with Greater Western Flank Phase 2 coming in \$630 million under budget and six months ahead of schedule. Additional near-term growth was realised as Wheatstone train 2 started up, achieving better-than-expected production and positioning us to achieve our targeted output of approximately 100 million barrels of oil equivalent in 2020.

“As we deliver our growth plans, we remain committed to excellence in our base business, which has achieved high reliability and globally competitive cost of production.

“The past year has been a busy one for Woodside, but we are looking forward to achieving even more in 2019 when we plan to start production at Greater Enfield and take a final investment decision on SNE. At the same time, we will be preparing for final investment decisions in 2020 on Scarborough, Pluto LNG Train 2 and Browse,” he said.

Financial headlines

- Increased NPAT by 28% to \$1,364 million
- Increased operating revenue by 32% to \$5,240 million
- Increased free cash flow by 83% to \$1,524 million
- Reduced LNG unit production cost at Pluto LNG and NWS Project to \$3.6/boe
- Competitive cost of debt at 3.9%
- Declared a final dividend of US 91 cps, bringing the full-year dividend to US 144 cps

Key business activities

Base business

- Achieved record LNG production rates at Pluto LNG
- Recorded second-lowest total recordable injury rate at 1.32 per million work hours
- Commissioned the Pluto pipeline gas facility
- Delivered the 5,000th LNG cargo from the NWS Project

Near-term growth

- Commenced production from Greater Western Flank Phase 2, \$630 million under budget (100% project) and six months ahead of schedule
- Commenced production at Wheatstone LNG train 2, with production from trains 1 and 2 exceeding expectations

Burrup Hub

- Acquired increased Scarborough equity and assumed operatorship
- Subsequent to the period, awarded contracts for Scarborough front-end engineering design activities in Woodside's corporate capacity and funded by Woodside on a 100% basis
- Entered FEED for Pluto LNG Train 2
- Commenced concept definition phase for Browse to NWS Project
- Signed a non-binding, preliminary tolling agreement between the NWS Project and the Browse Joint Venture for the processing of gas resources through NWS Project's KGP
- Finalised a long-term domestic gas sale and purchase agreement with Perdaman

Senegal

- Assumed operatorship of the SNE development in Senegal and commenced FEED activities
- Received approval of the SNE development Environmental and Social Impact Assessment

Full-year results teleconference

A teleconference providing an overview of the full-year 2018 results and a question and answer session will be held at 7:30am AWST (10:30am ADST) on 14 February 2019.

Investors are encouraged to participate in this event by dialling the numbers listed below and quoting passcode ID: **9369159**.

For locations within Australia dial toll-free 1800 123 296, or toll 02 8038 5221.

International dial-in numbers (toll-free):

Canada	1855 5616 766	China	4001 203 085
Hong Kong	800 908 865	India	1800 2666 836
Japan	0120 994 669	New Zealand	0800 452 782
Singapore	800 616 2288	United Kingdom	0808 234 0757
United States	1855 293 1544		

For all other countries or operator assistance, please dial + 61 2 8038 5221.

The full-year results briefing pack follows this announcement and will be referred to during the conference call.

Contacts:

INVESTORS

Damien Gare
W: +61 8 9348 4421
M: +61 417 111 697
E: investor@woodside.com.au

MEDIA

Christine Forster
M: +61 484 112 469
E: christine.forster@woodside.com.au



FULL-YEAR 2018 RESULTS BRIEFING

14 FEBRUARY 2019

Disclaimer and important notice

This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable as at the date of this presentation but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, changes in accounting standards, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Readers are cautioned not to place undue reliance on these forward looking statements. No representation is made or will be made that any forward looking statements will be achieved or will prove to be correct. We do not undertake to update or revise any forward looking statement, whether as a result of new information, future events or otherwise.

Woodside adopted AASB 15 as of 1 January 2018. Revenue and sales figures, and the resulting impact on other financials metrics, have been restated accordingly for all comparative periods within this presentation. Refer to Note E.10(b) on page 133 of the Annual Report 2018 for further information.

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

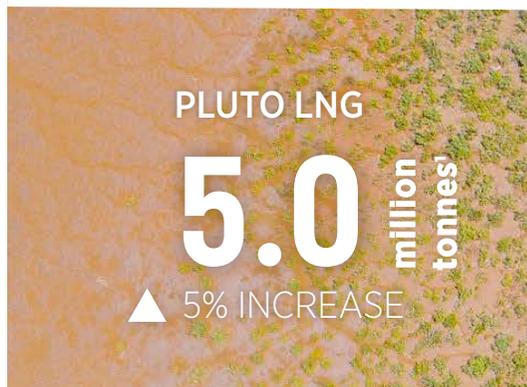
References to “Woodside” may be references to Woodside Petroleum Ltd or its applicable subsidiaries.

Cover page image: Pluto LNG onshore processing facility, loading LNG for export. Expansion of Pluto LNG is a key component of Woodside’s plans to develop the Scarborough gas resource.

Financial headlines

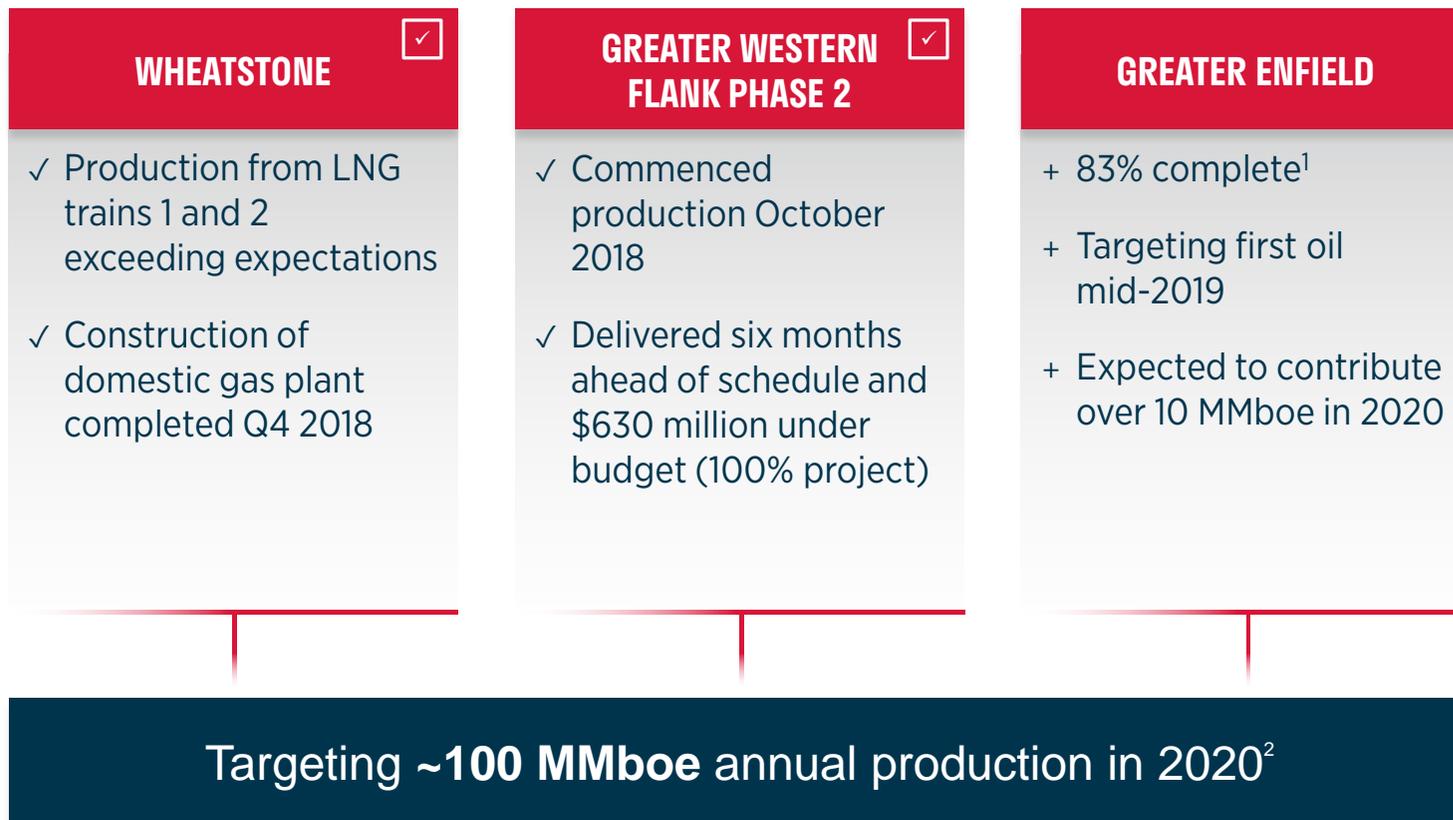


Outstanding base business performance



1. 100% project.

Near-term growth delivered



1. As at 31 December 2018.
 2. Targeted production is not guidance. Based on current project schedules.

Horizon II growth

SCARBOROUGH AND PLUTO LNG TRAIN 2

- + Increased Scarborough equity to 75%
- + Assumed operatorship
- + Awarded contracts for Scarborough front-end engineering design activities¹
- + Entered FEED for Pluto LNG Train 2

BROWSE TO NWS PROJECT

- + Commenced concept definition phase
- + Agreed preliminary tolling arrangement
- + Referred the project for State and Commonwealth environmental approvals

SNE PHASE 1

- + Assumed operatorship
- + Commenced FEED activities
- + Submitted field development and exploitation plan

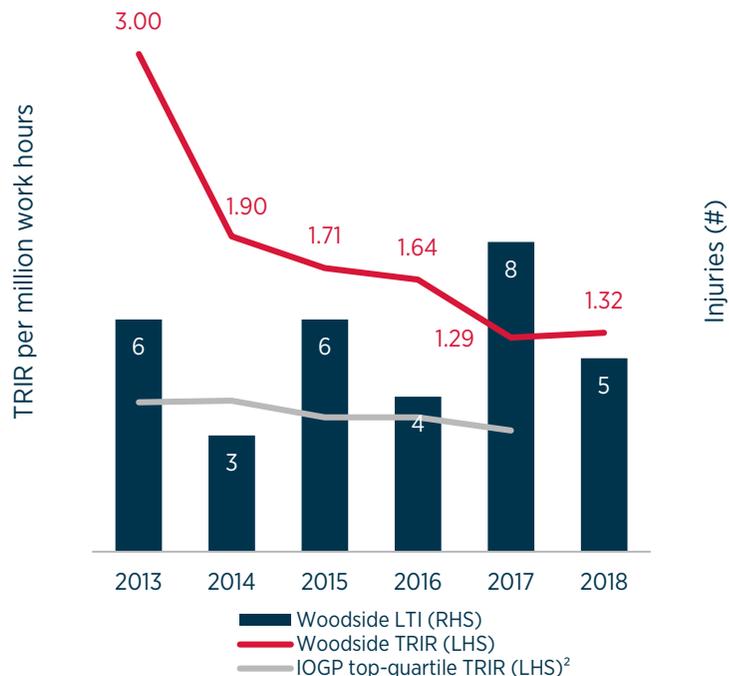
1. Subsequent to the period. Contracts awarded by Woodside in its corporate capacity and funded by Woodside on a 100% basis.

Lost time injuries (LTI) and total recordable injury rate (TRIR)

Lost time injury frequency¹

0.29
Woodside

2.08
WA mining



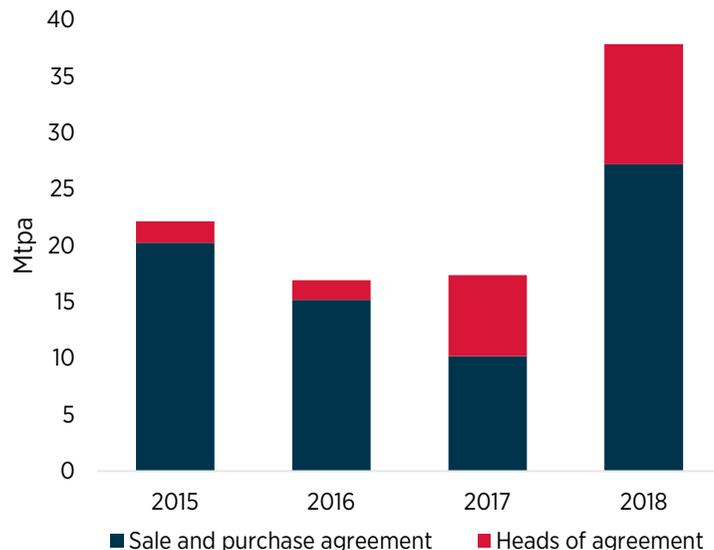
- + Second-best result on record
- + Safety performance driven by:
 - + ‘Perfect HSE day’
 - + Strengthened safety culture
 - + Ongoing process safety management focus
- + APPEA Safety Excellence Award

1. Per million work hours. WA mining data provided by the Department of Mines, Industry Regulation and Safety. WA mining industry figure based on a 12-month rolling average from November 2017 to October 2018.

2. International Association of Oil and Gas Producers. 2018 data not available.

Increased demand for long-term contracts

Global mid- to long-term LNG contracts¹

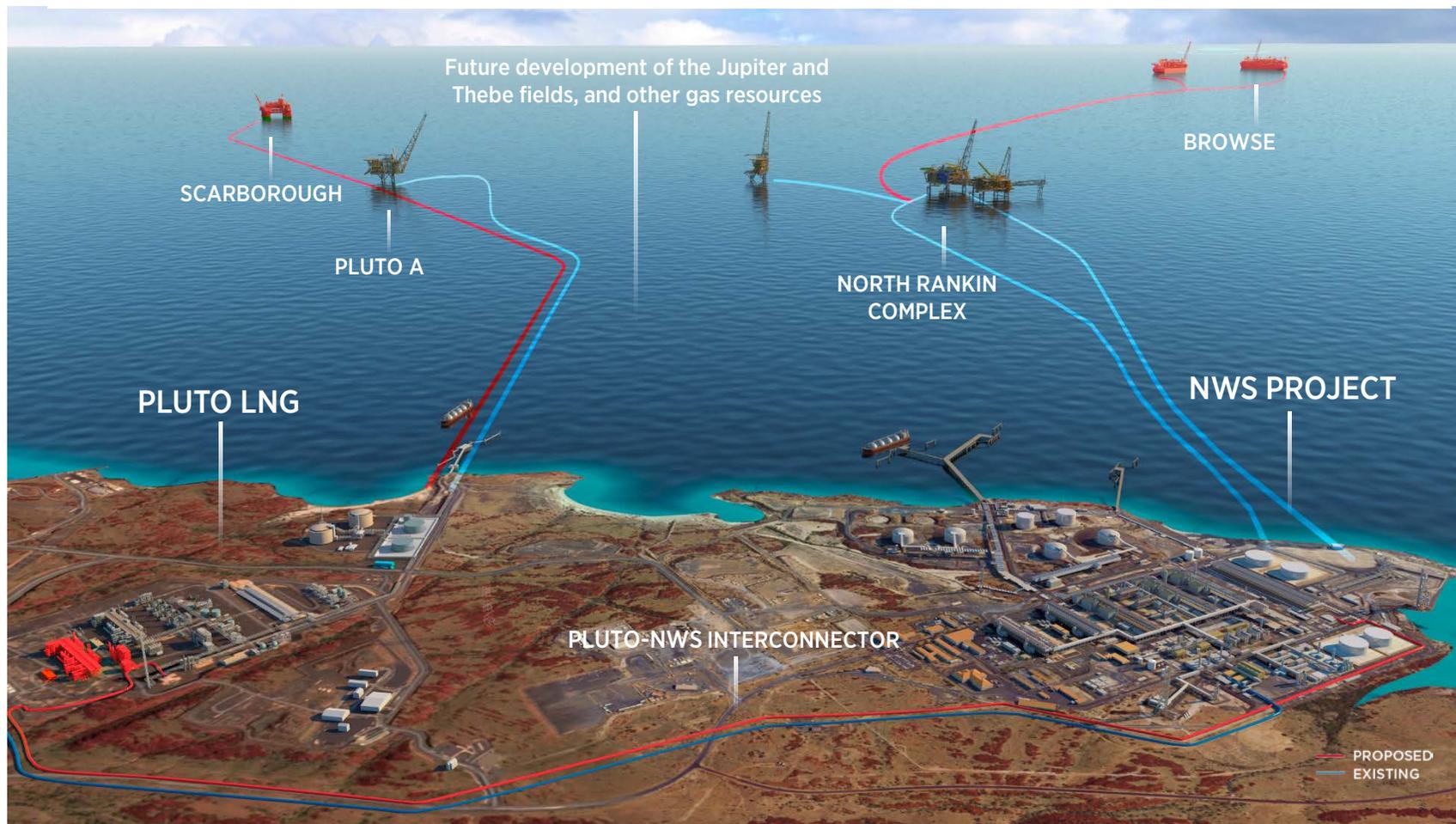


Source: IHS Markit

- + Significant increase in long-term LNG contracts signed
- + 53% of long-term sales signed from unsanctioned projects²
- + 40% increase in Chinese LNG demand³
- + Market expectation of tightening supply

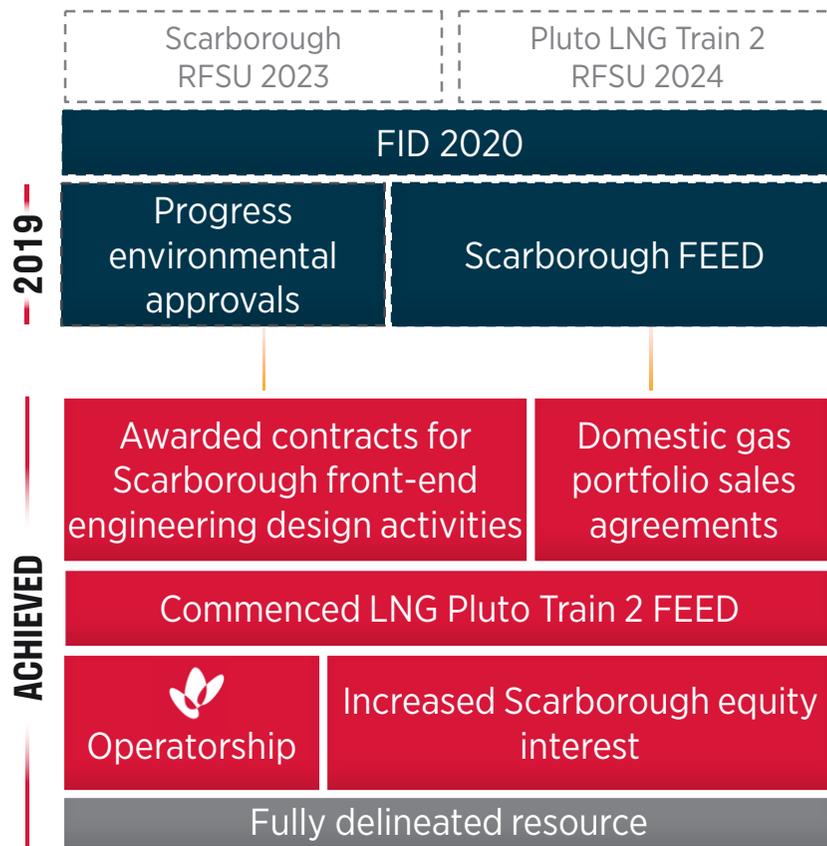
1. LNG contracts with durations of six years or more.
 2. Based on contracted volume.
 3. Source: Wood Mackenzie, Q4 LNG.

Creating the Burrup Hub



Conceptual image, not to scale.
Developments are subject to joint venture approvals, regulatory approvals and relevant commercial arrangements.

Scarborough and Pluto LNG Train 2

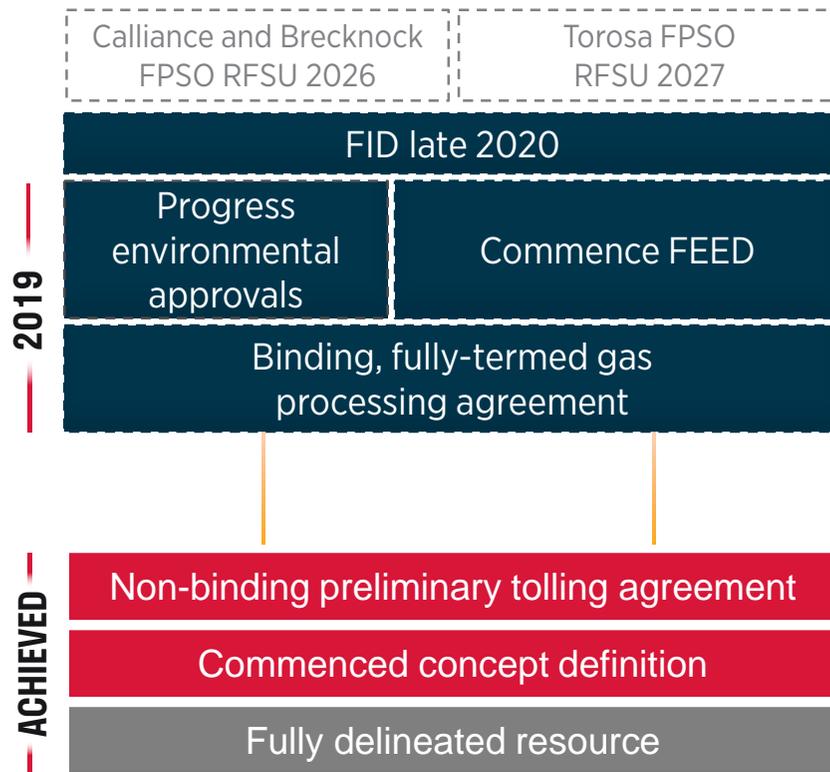


2019 targets:

- + Scarborough FEED activities
- + Scarborough gas processing agreements
- + Pluto LNG Train 2 FEED activities
- + Finalise the Scarborough Development Agreement with WA Government

FID and RFSU dates are targets.

Browse to NWS Project



2019 targets:

- + Execute gas processing agreement
- + Reserve NWS capacity
- + Commence FEED activities
- + Finalise the Browse Development Agreement with the WA Government

FID and RFSU dates are targets.

SNE Field Development Phase 1



2019 targets:

- + FEED activities
- + Project financing
- + Final investment decision
- + Commence project execution

First oil date is a target.



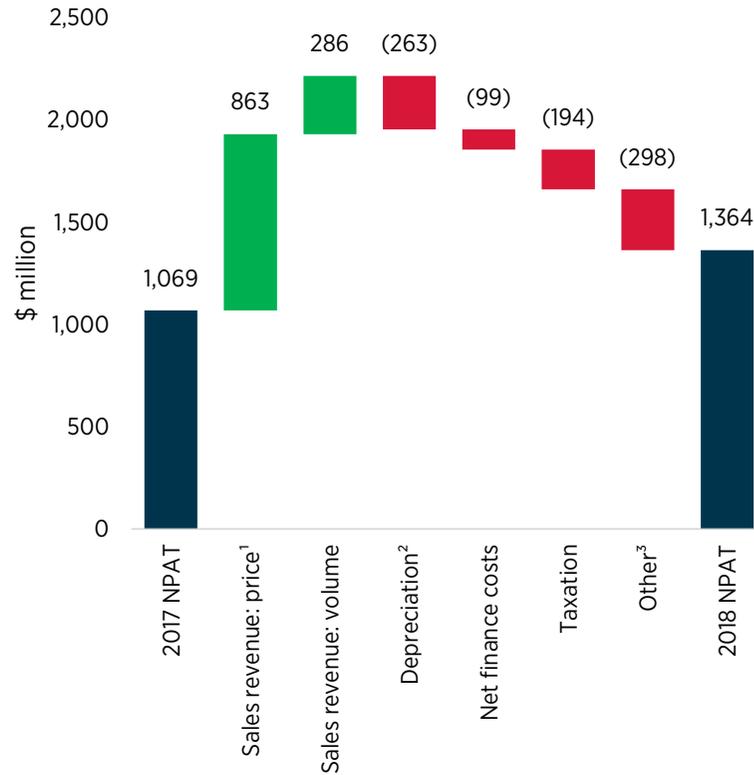
Woodside

FINANCIAL UPDATE

Financial headlines

NPAT	\$1,364 m	up 28%
Underlying NPAT	\$1,416 m	up 32%
Free cash flow	\$1,524 m	up 83%
Full-year dividend	144 cps	up 47%
Gearing	12%	down 50%

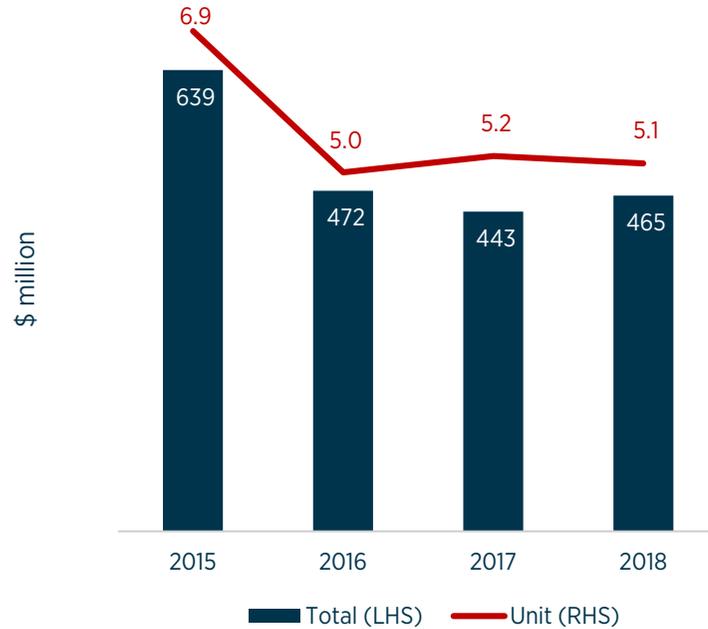
NPAT reconciliation



- + Increased sales revenue due to higher realised prices and increased sales volume
- + Higher costs and depreciation associated with a full-year of Wheatstone production

1. Includes foreign exchange impact.
 2. Depreciation and amortisation for oil and gas properties.
 3. Other predominantly includes exploration and evaluation, provision releases, and costs of production.

Production cost



- + Pluto and NWS LNG unit production cost of \$3.6/boe
- + 8% reduction in Pluto LNG unit cost
- + Start up of Wheatstone

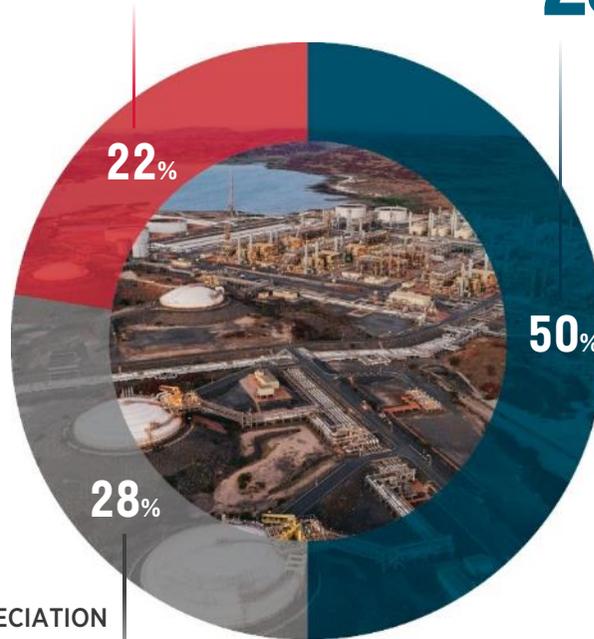
Profitability

PRODUCTION AND
OTHER COSTS

12.8 \$/boe

GROSS MARGIN

28.8 \$/boe



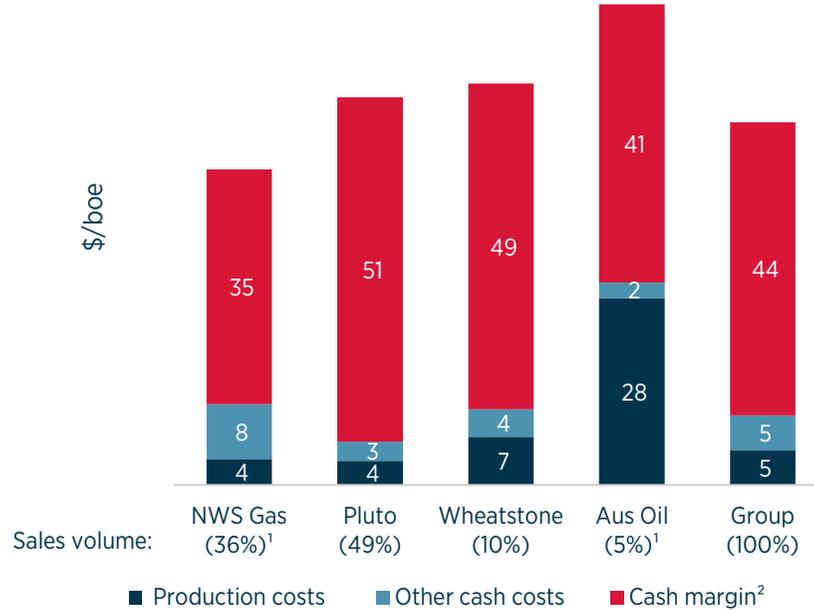
DEPRECIATION

15.7 \$/boe

+ 21% increase in gross margin

+ Gross profit of \$2.6 billion, up 31%

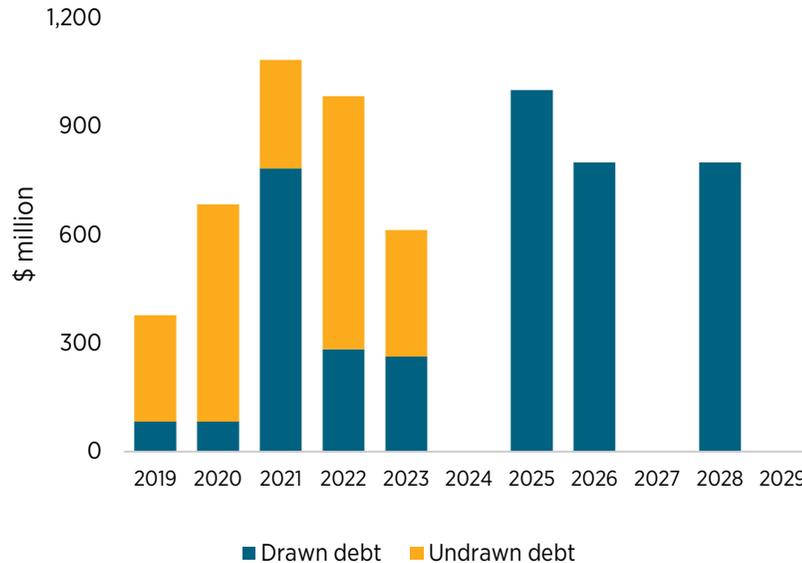
Strong cash margins from portfolio



- + Low cash costs across LNG portfolio
- + 82% cash margin for Wheatstone
- + Australia Oil unit cash costs impacted by:
 - + Nghanurra FPSO cessation of production
 - + Greater Enfield project

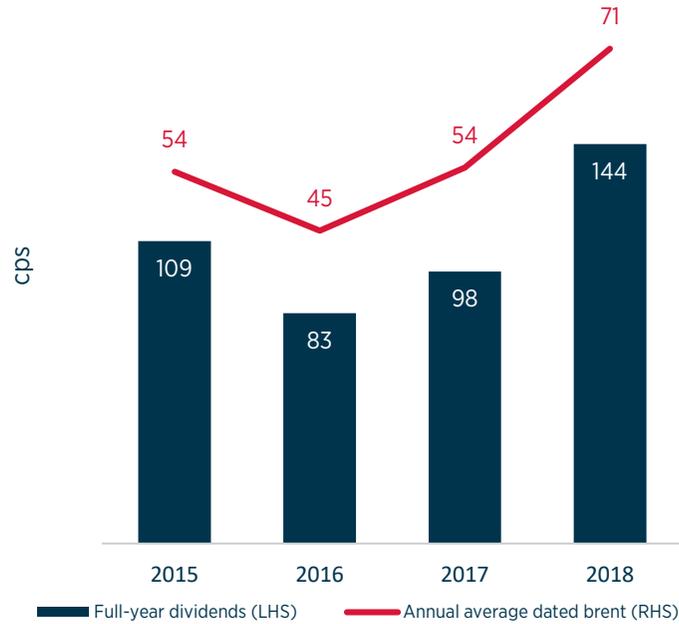
1. Other cash costs includes royalties and excise.
 2. Gross profit net of other revenue, oil and gas properties depreciation and amortisation, inventory movement, trading costs and other hydrocarbon costs, divided by sales revenue.

Debt maturity profile



- + Preparation of debt portfolio for growth
- + Gearing reduced to 12%:
 - + Early redemption of a ten year \$600 million 144A unsecured bond
 - + Cancellation of multiple bilateral facilities totalling \$700 million
- + Competitive portfolio cost of debt of 3.9%
- + Ongoing active management of debt portfolio in 2019

Dividend

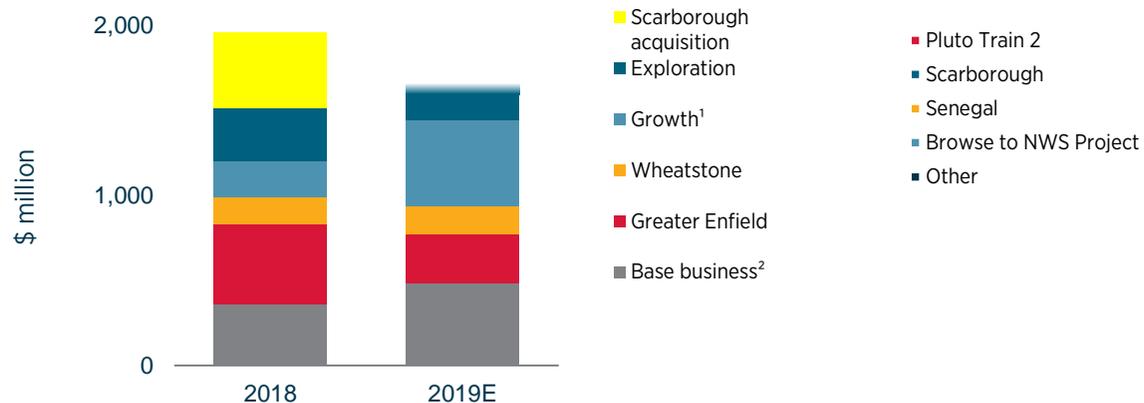


- + Strong distributions to shareholders
- + Dividend yield of 6.4%¹

1. Calculated as the full-year dividend (converted to AUD) divided by share price as at 31 December 2018.

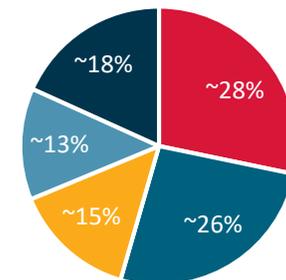
2019 guidance

Investment expenditure



Growth investment spend

- Pluto Train 2
- Scarborough
- Senegal
- Browse to NWS Project
- Other



Production

1. Growth includes Scarborough, Pluto LNG Train 2, Browse to NWS Project, SNE Field Development (Senegal), Myanmar, Kitimat and other spend.
2. Base business includes Pluto LNG, Pluto-NWS Interconnector, NWS Project, Australia Oil and Corporate.
3. Liquids includes oil and condensate. Nganhurra FPSO production ceased November 2018.
4. Includes NWS, Pluto and Wheatstone.
5. Other includes LPG and other pipeline gas.

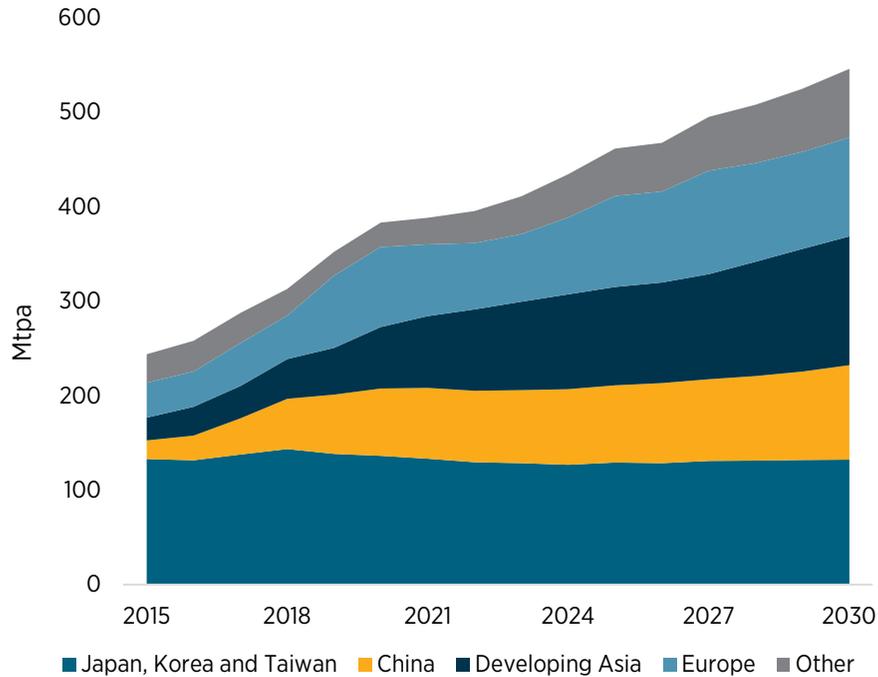
		<u>2019 guidance</u>
LNG	MMboe	70 - 73
Liquids ³	MMboe	13 - 16
Australian pipeline gas ⁴	MMboe	4
Other ⁵	MMboe	1
Total	MMboe	88 - 94



SUMMARY

2019+ LNG market

LNG forecast demand

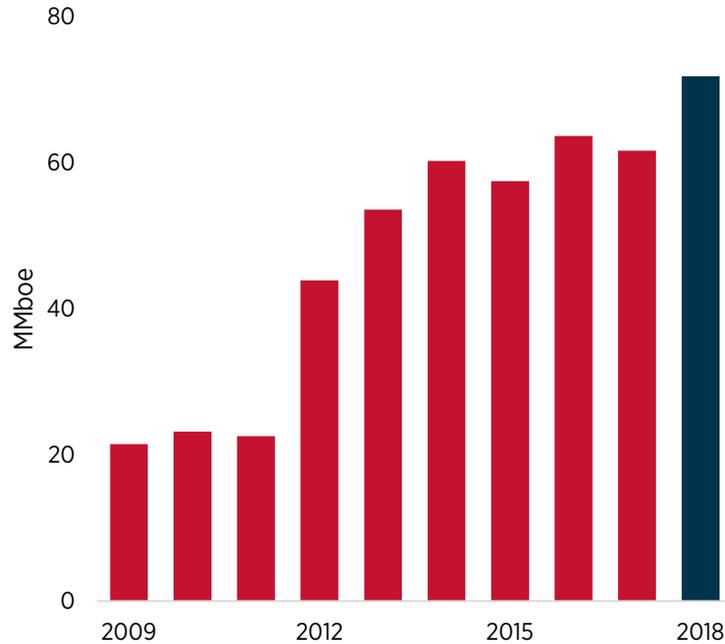


- + Long-term buyers returning
- + Asian growth driven by clean air policies and urbanisation
- + European growth driven by rising carbon prices and declining domestic supply
- + Additional ~230 Mtpa supply required by 2030 above 2018 levels

Source: Wood Mackenzie, Q4 LNG

Pioneer of Australian LNG

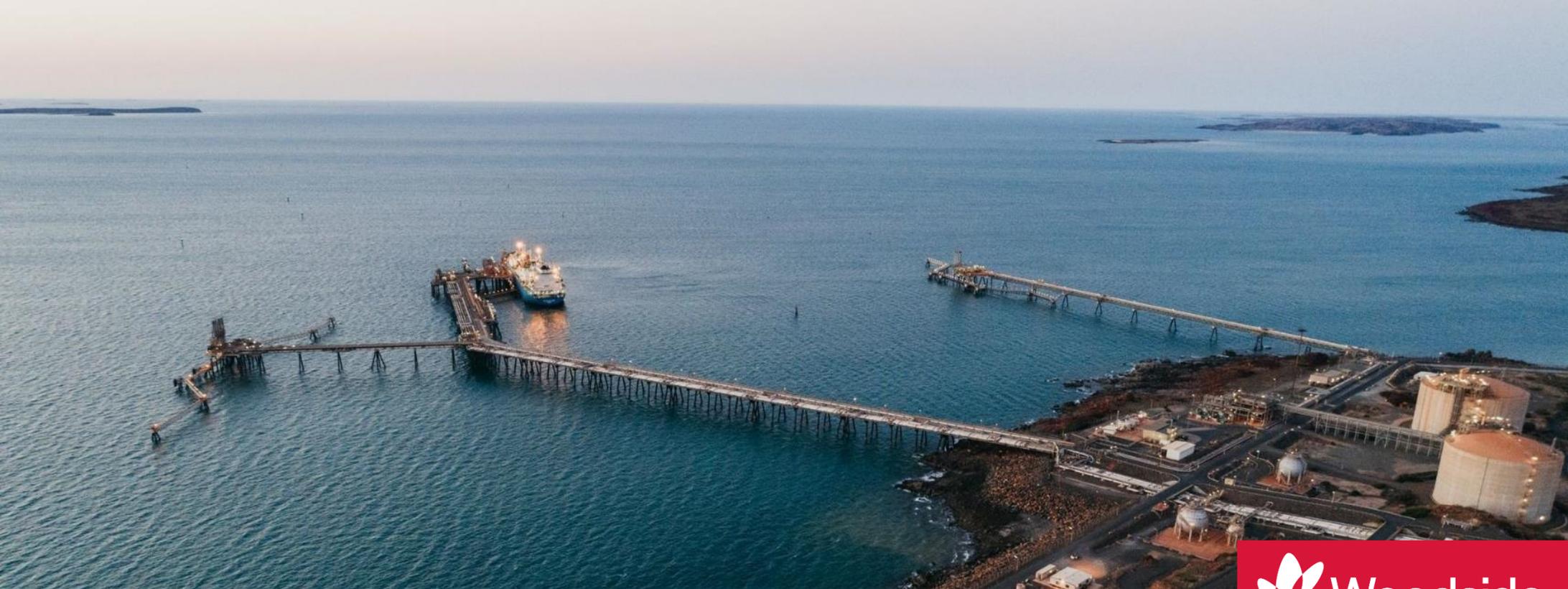
Woodside equity LNG production



- + 235% increase in LNG production since 2009
- + Production from 8 LNG trains
- + Low cost, high margin producer

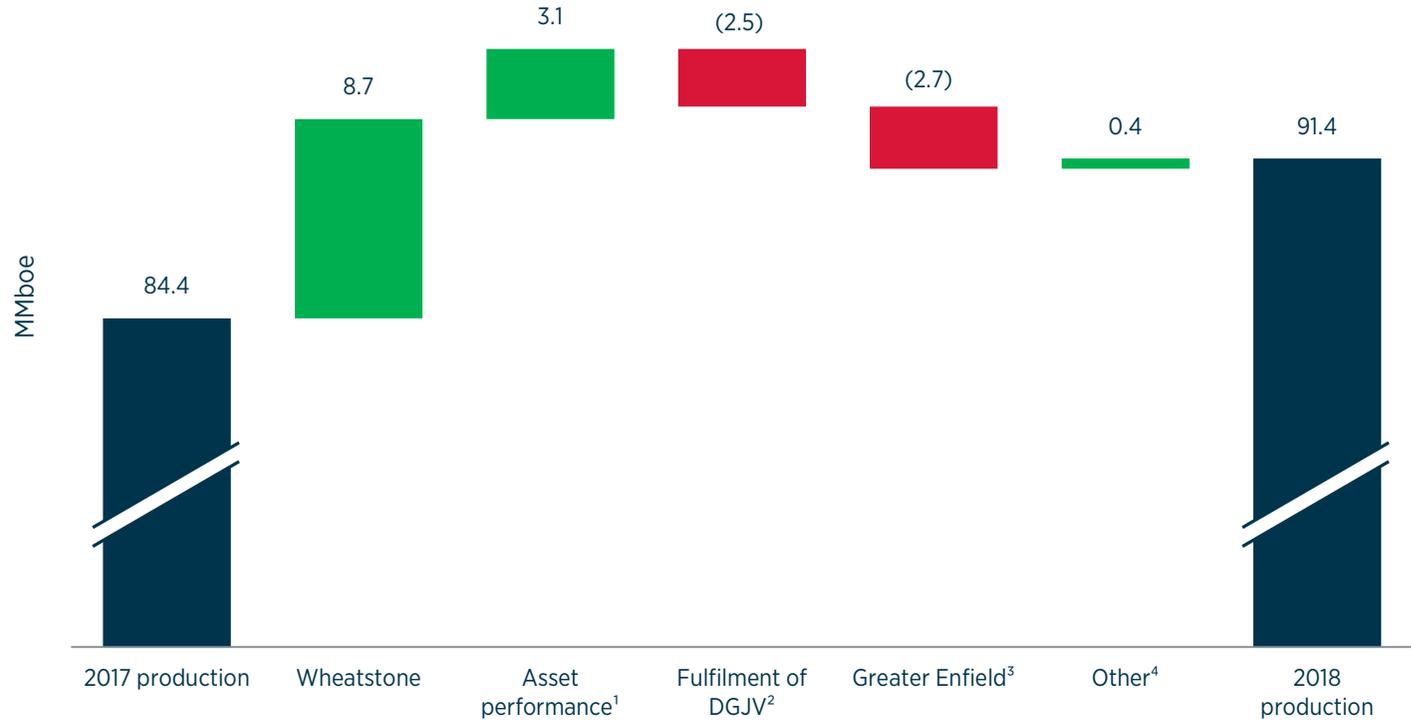
2019 priorities

SNE PHASE 1	SCARBOROUGH AND PLUTO LNG TRAIN 2	BROWSE	NEAR-TERM GROWTH
<ul style="list-style-type: none">+ FID+ Commence project execution	<p>SCARBOROUGH</p> <ul style="list-style-type: none">+ Execute FEED activities+ Prepare for 2020 FID <p>PLUTO TRAIN 2</p> <ul style="list-style-type: none">+ Execute FEED activities+ Prepare for 2020 FID	<ul style="list-style-type: none">+ Execute binding, gas processing agreement+ Commence FEED activities+ Prepare for late 2020 FID	<p>GREATER ENFIELD</p> <ul style="list-style-type: none">+ First oil mid-2019 <p>WHEATSTONE</p> <ul style="list-style-type: none">+ Commence domestic gas production+ Support reduction in operating costs



ANNEXURE

Equity production reconciliation



1. Asset performance includes reliability, availability, utilisation, capacity and weather.
2. Woodside equity share of NWS domestic gas and associated condensate in the Domestic Gas Joint Venture (DGJV) was 50%. The DGJV production entitlement was fulfilled on 8 May 2017. Woodside's share of NWS domestic gas and associated condensate following fulfillment of the DGJV production entitlement is 16.67%.
3. Ngujima-Yin FPSO offstation for modifications.
4. Other predominantly includes cessation of production and domestic gas accounting changes.

Realised price

Products	2018 (\$/boe)	2017¹ (\$/boe)	Variance (%)	Revenue impact (\$ million)
NWS LNG	48	38	26	225
Pluto LNG	57	47	21	372
Wheatstone LNG	59	45	31	99
Pipeline gas	15	20	(25)	(24)
Condensate	71	55	29	126
Oil	71	56	27	62
LPG	69	60	15	3
Volume-weighted average	54	44	23	863
Average Dated Brent	71	54	31	
Average 3-month lagged JCC	68	51	33	

1. 2017 comparatives have been restated for the adoption of the sales method and impact of AASB 15.

Corporate performance

		2018	2017
Production volume	MMboe	91.4	84.4
Operating revenue	\$ million	5,240	3,975
EBITDA	\$ million	3,814	2,918
EBIT	\$ million	2,278	1,714
Net finance costs	\$ million	183	84
Taxes	\$ million	628	465
Non-controlling interest	\$ million	103	96
NPAT	\$ million	1,364	1,069

Segment performance

		NWS	Pluto	Aus Oil	Wheatstone
Production volume	MMboe	34.0	43.3	3.8	9.1
Operating revenue	\$ million	1,497	2,783	301	515
EBITDA	\$ million	1,111	2,403	171	426
EBIT	\$ million	800	1,532	117	192
Cash margin	%	74	88	58	82
Gross margin	%	55	56	36	35



Woodside Petroleum Ltd
11 Mount Street
Perth, WA 6000

GPO Box D188
Perth, WA 6840 Australia

T: +61 8 9348 4000
F: +61 8 9214 2777
E: companyinfo@woodside.com.au

woodside.com.au

