HALF-YEAR 2017 RESULTS BRIEFING

16 August 2017

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.

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.

Peer group refers to Anadarko, Apache, ConocoPhillips, ENI, Hess, Inpex, Marathon Oil, Murphy Oil, Oil Search, Origin Energy, Pioneer, Repsol, Santos, Statoil and Tullow Oil.

OVERVIEW

Financial headlines

Profit:		Change[1]
Net profit after tax	$507 million	49% ↑
Interim dividend	49 US cps	44% ↑
Cashflow:		
Operating cash flow	$1,235 million	3% ↑
Free cash flow	$445 million	170% ↑
Unit production costs	$4.9/boe	6% ↓
Free cash flow breakeven[2] (Dated Brent)	$34/bbl	
Balance Sheet:		
Liquidity	$2,593 million	30% ↑
Gearing	24%	

1. Comparisons are to the half-year period ended 30 June 2016.
2. Pre-dividend.

Achievements

Operational excellence

- Total recordable injury rate at record low
- Record Pluto LNG daily production rate
- NWS gas unit production costs down 13%
- FPSO reliability of over 95%
- Persephone delivered under budget and ahead of schedule

Managing risk and volatility

- Entered into long-term LNG SPA with Pertamina
- Executed mid-term SPAs for up to 16 cargoes
- Breakeven cash cost of sales $9.6/boe

Near-term value growth

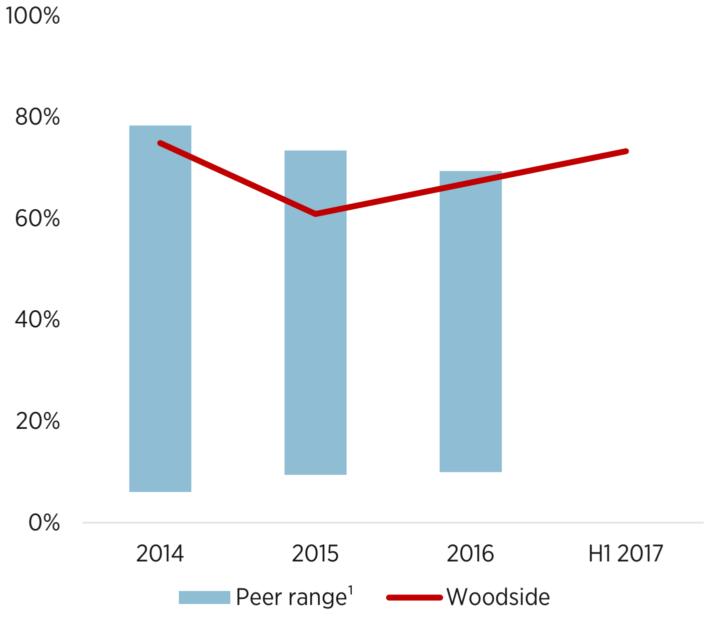
- Wheatstone final commissioning nearing completion
- NWS tolling proposal agreed and submitted to third parties
- Browse JV aligned on Browse to NWS as reference development concept
- Progressing Pluto LNG expansion FID
- Appointed Development Lead of SNE oil field, appraisal activities continue
- Third exploration success offshore Myanmar[1]

1. Subsequent to the period.

OVERVIEW

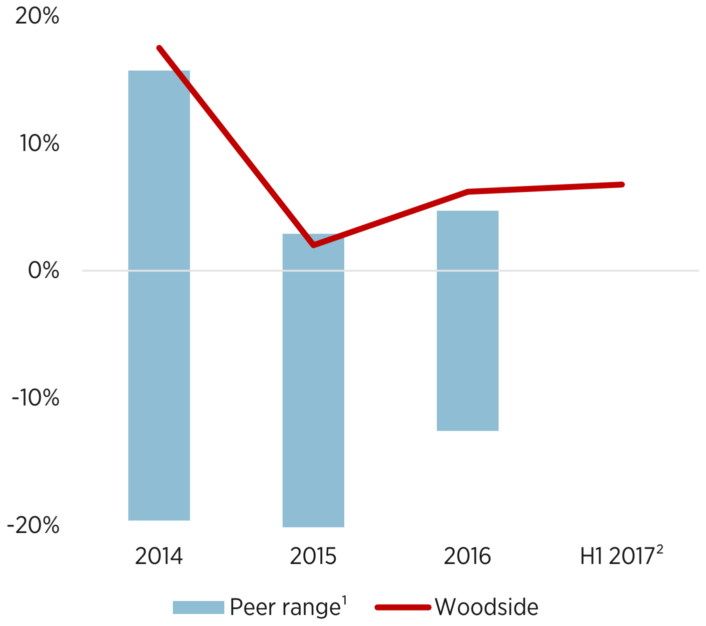
Peer leading performance

EBITDA margin



Source: IHS

Return on average capital employed

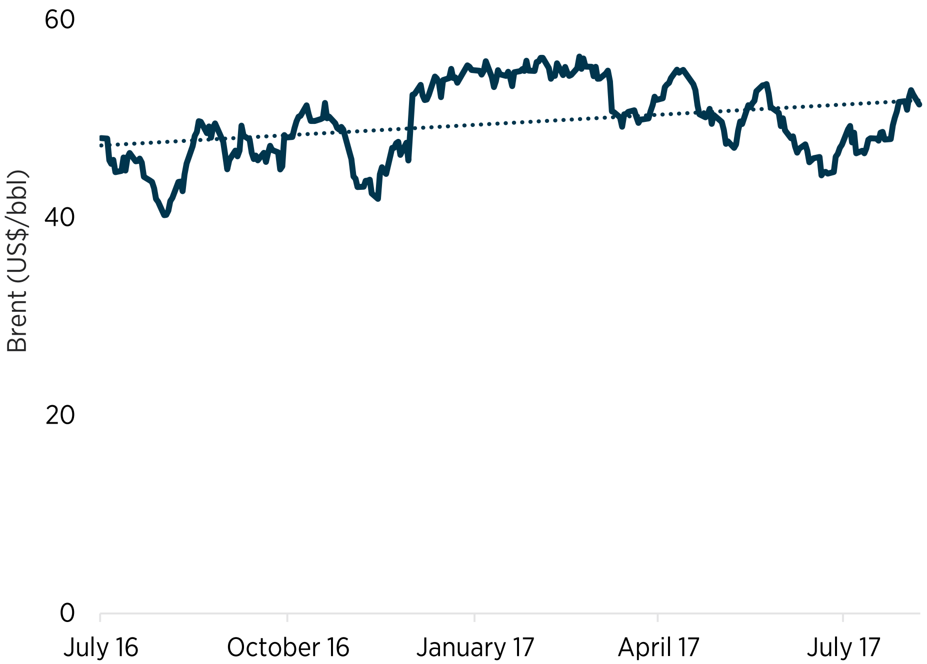


Source: IHS

1. Refer to disclaimer and important notice for peer group. Excludes Inpex. Insufficient peer data for H1 2017.
2. Annualised for comparison purposes.

OVERVIEW

Oil market dynamics

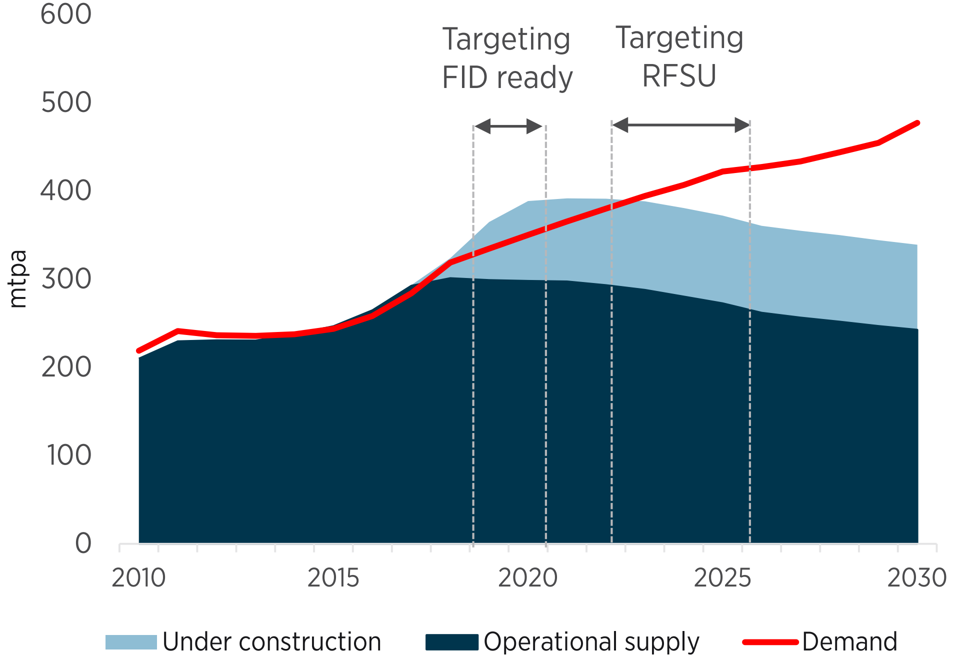


- Rebalancing in progress
- Demand growth remains strong
- Range bound: $45–60/bbl
- Business model resilient at low oil prices:
  - Breakeven cash cost of sales $9.6/boe
  - Free cash flow breakeven $34/bbl[1]

1. Pre-dividend.

LNG market dynamics

Global supply and demand outlook



- Market is well supplied
- New markets emerging
- Strong Asian and new buyer demand
- Low-cost projects leading competition
- Woodside positioning projects to meet supply window

Asian demand growth

CAGR (2016–2020)

19% China

35% Pakistan

6% Asia Pacific

Source: Wood Mackenzie LNG Service, Q2 2017

OVERVIEW

Strategy delivers value

Horizon I 2017-2021 *CASH GENERATION*

- Lower capital intensity developments
- New revenue streams
- Preparing for Horizon II growth
- New growth platforms through exploration
- Expanding the LNG market

Horizon II 2022-2026 *VALUE UNLOCKED*

- Developments leveraging existing infrastructure
- Growth funded by base business and Horizon I growth
- Monetise exploration success
- Increase supply to new and traditional markets

Horizon III 2027+ *SUCCESS REPEATED*

- Capital efficient developments
- Unlock new major hubs

Outstanding base business

Sustainable energy

1. Refer to ASX announcement dated 23 May 2017, Investor Briefing Day, for assumptions and disclaimers.

FINANCIAL UPDATE

ANTHEA MCKINNELL
Acting Chief Financial Officer

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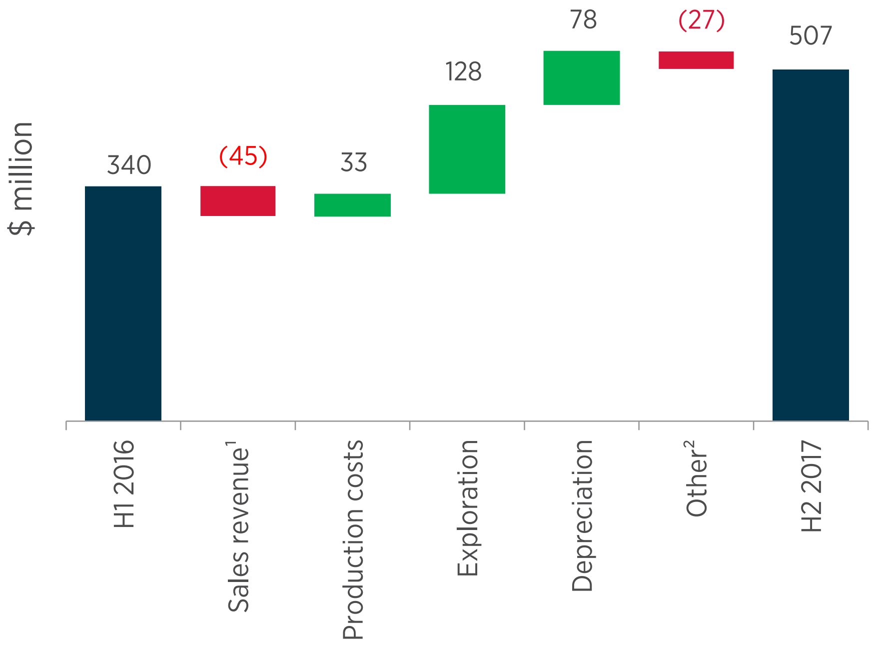
FINANCIAL UPDATE

Increased profit

Reported profit up 49%



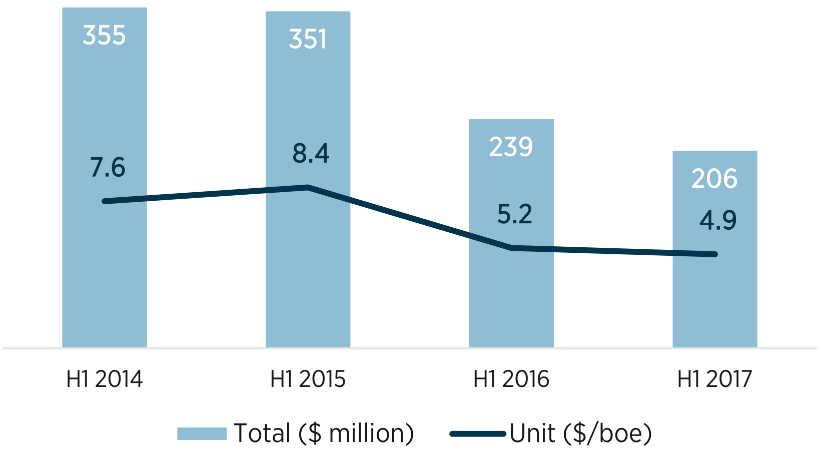
- Sustained cost reductions
- Reduced seismic activity and increased appraisal drilling
- Reduction in depreciation driven by:
  - Increased Pluto developed reserves
  - Greater Enfield reserves booking

1. Production for the period was 0.9 MMboe higher than sales due to timing of LNG sales.
2. Other includes foreign exchange losses, lower general, administrative and other costs, net trading margin, PRRT, non-controlling interest, income tax expense.

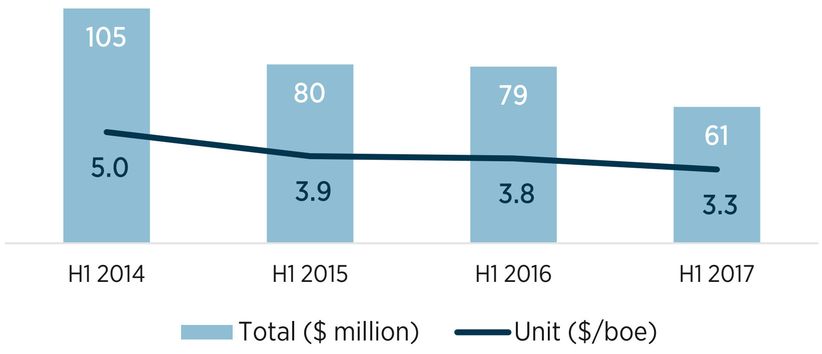
FINANCIAL UPDATE

Production costs

Portfolio



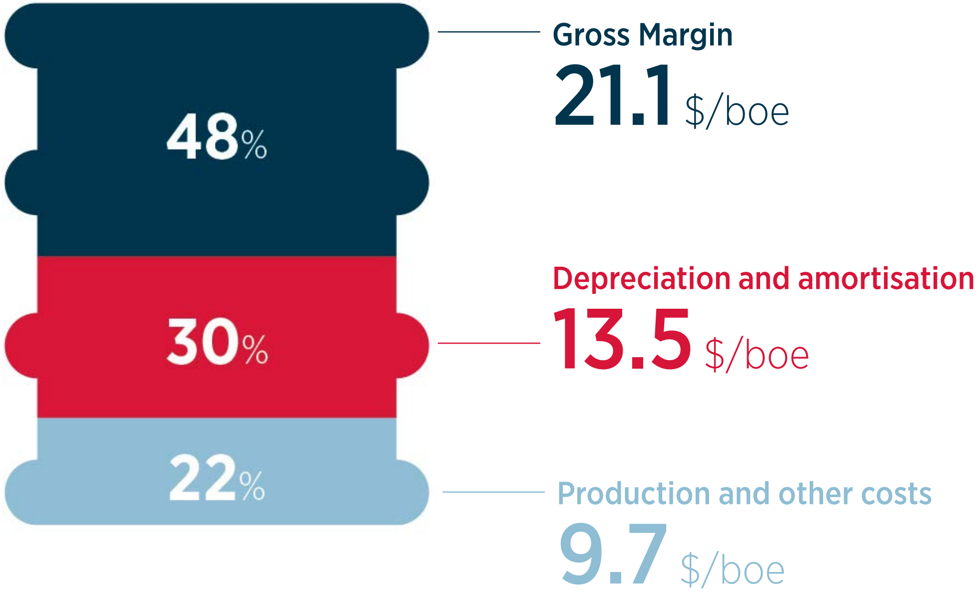
NWS gas



- Cost reduction trend continues
- Compared to H1 2014:
  - Total production costs down $149 million
  - Unit production costs down 36%
- NWS gas unit production cost $3.3/boe

FINANCIAL UPDATE

Margin

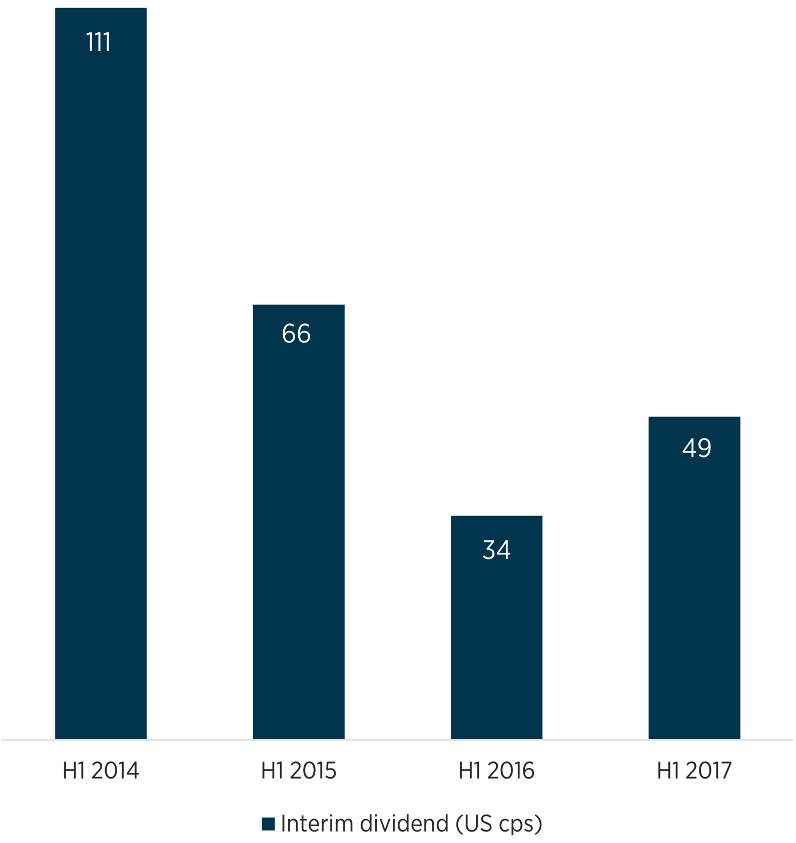


- High margin maintained
- Increased gross margin from 43% in H1 2016

FINANCIAL UPDATE

Interim dividend

Interim dividend up 44%[1]



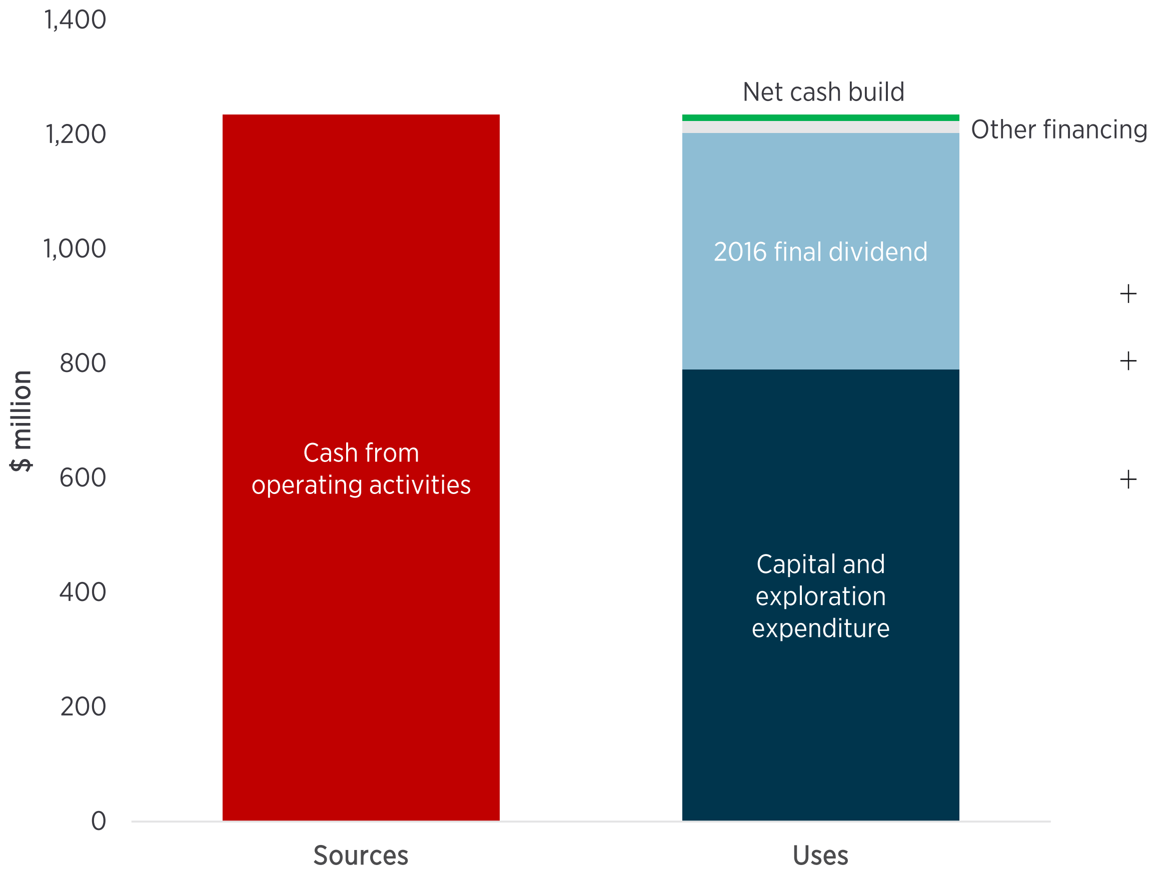
+ US49 cps fully franked interim dividend
+ Dividend payout ratio of 80%

1. Comparison is to half-year period ended 30 June 2016.

FINANCIAL UPDATE

Sources and uses of cash

Generating FCF while investing in growth

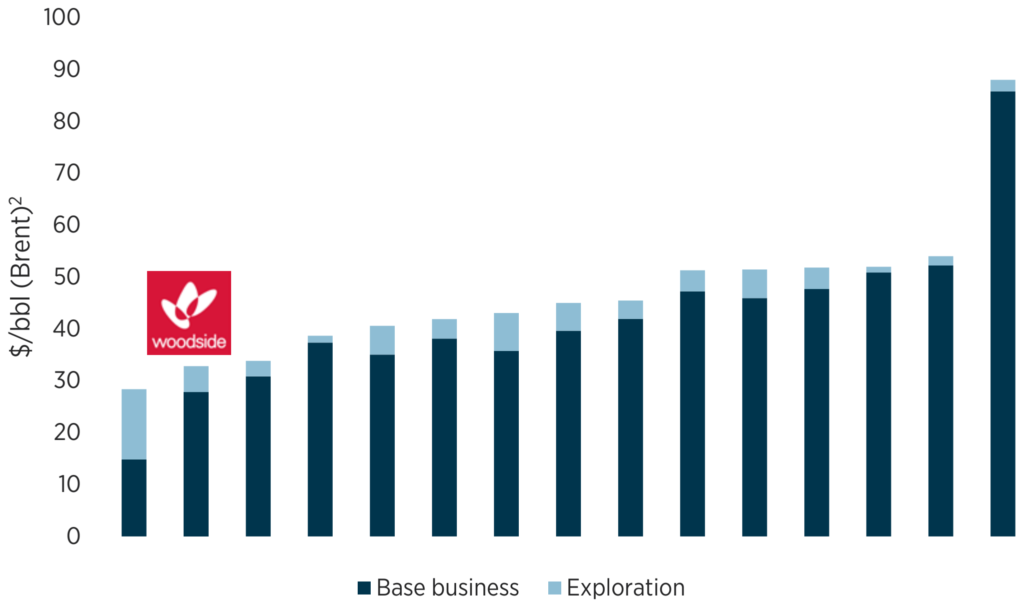


- Free cash flow of $445 million
- Dividend funded from operating cash flow
- Demonstrating capital discipline

FINANCIAL UPDATE

2017 break-even cash flow

Woodside and peers[1]



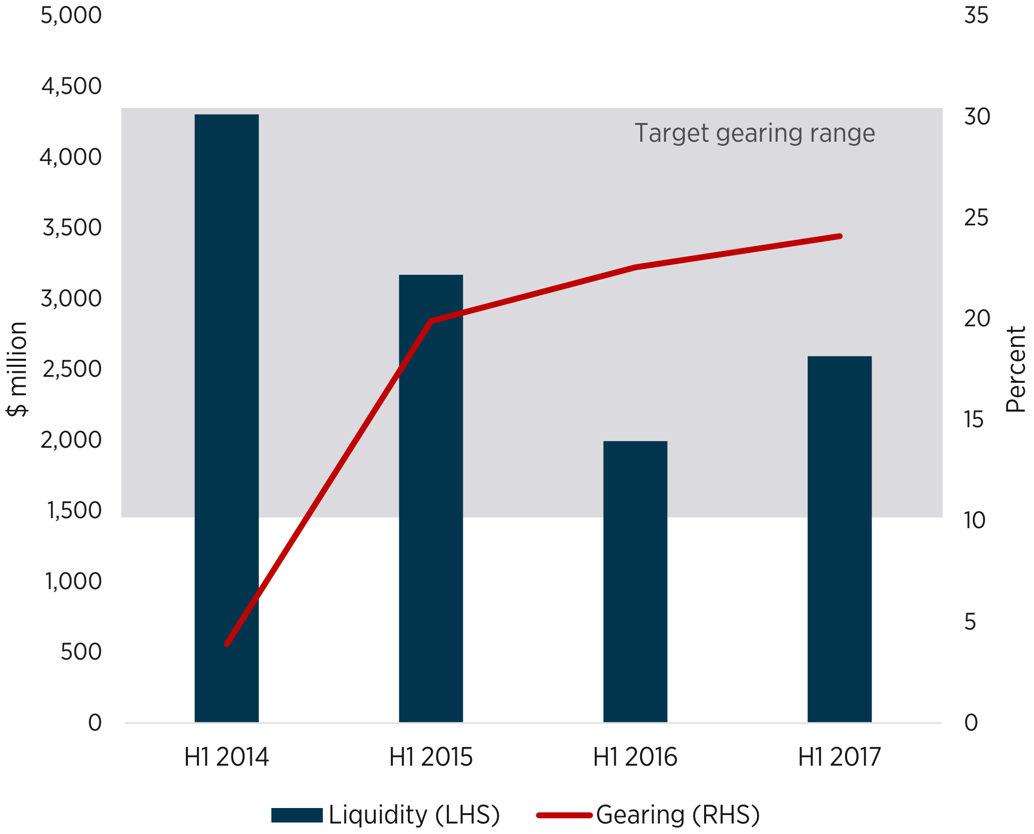
- Low break-even cash flow while continuing to invest in growth
- Reflects quality of assets

Source: Wood Mackenzie Corporate Benchmarking Tool, Q2 2017

1. Refer to disclaimer and important notice for peer group. Excludes Origin.
2. Wood Mackenzie estimate of the Brent price required to remain cash flow neutral (accumulate no additional debt) using their full-year 2017 base case activity outlook.

Liquidity and gearing

Strong financial position maintained



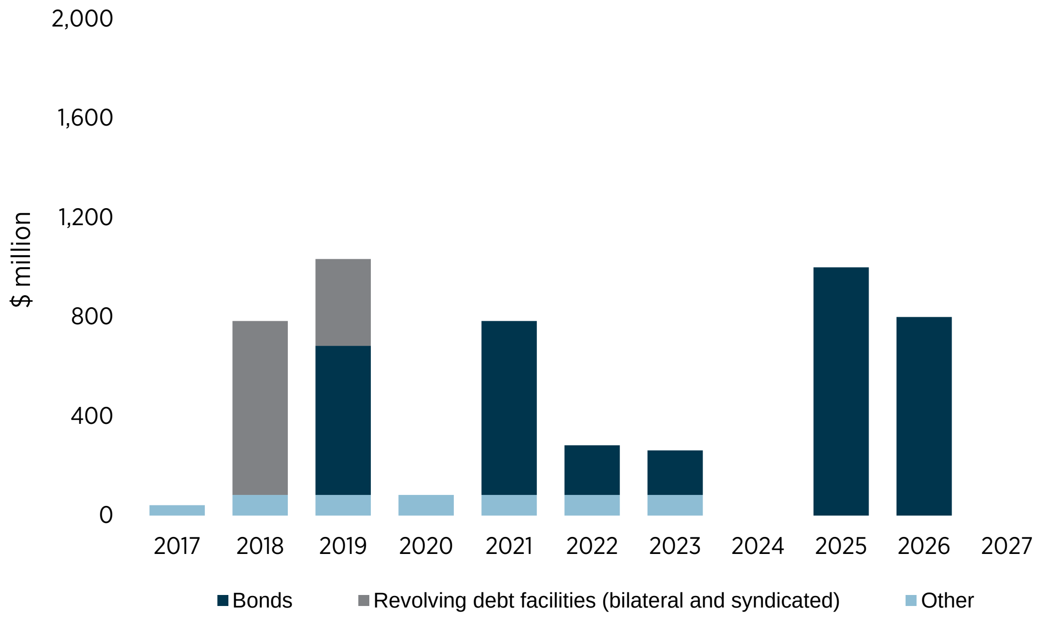
- Liquidity of $2.6 billion
- Gearing at 24%, within target range
- Strong investment grade credit ratings maintained[1]

1. S&P Global BBB+, Moody's Baa1.

FINANCIAL UPDATE

Debt maturity profile

Drawn debt maturity profile

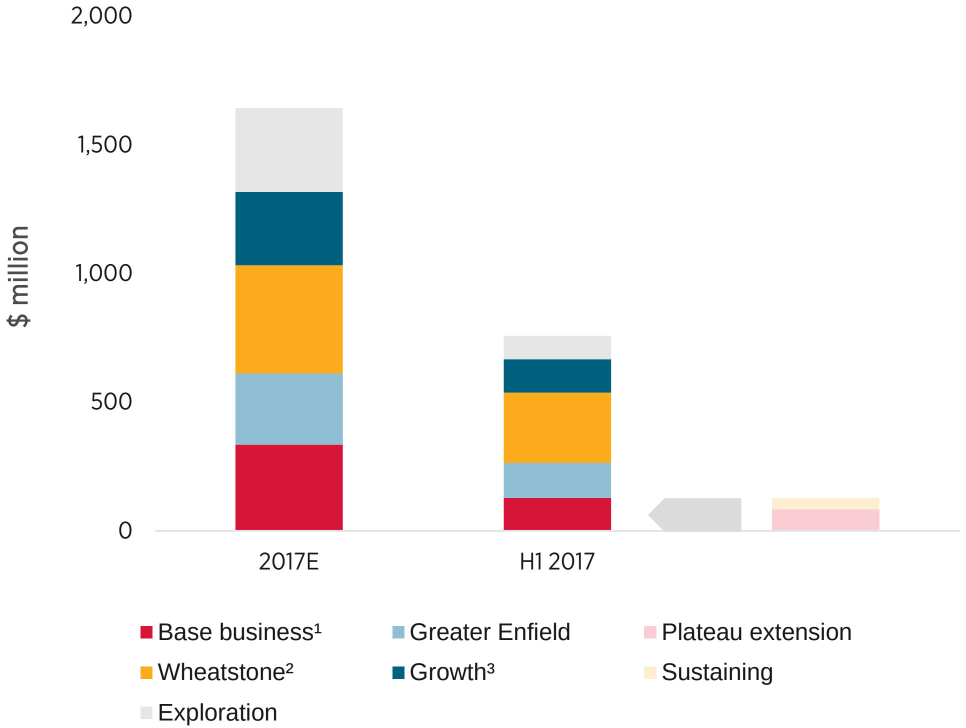


- Portfolio cost of debt of 3.4%
- Managing our maturity profile:[1]
  - Executed $100 million term loan and guarantee facility with Norwegian Export Credit Agencies and DNB Bank ASA
  - Executed evergreen options on $800 million of bilateral facilities

1. Since 1 January 2017.

FINANCIAL UPDATE

Investment expenditure



- 70% of capex invested in sanctioned projects[4]
- Low base business spend
- Sustaining capex $32 million
- 2017 total investment expenditure estimate unchanged[5]

1. Base business operating assets delivering cash flow during the period, namely Pluto, NWS and Australia Oil.
2. Wheatstone includes Julimar.
3. Growth includes Pluto LNG expansion, Senegal, Browse, Myanmar, Kitimat and other spend.
4. Wheatstone, Greater Enfield and NWS subsea tieback projects.
5. Compared to estimate in Annual Report 2016. Increase in Wheatstone and Growth, offset by reduction in Base business.

2017 PRIORITIES

PETER COLEMAN

Chief Executive Officer and Managing Director

2017 PRIORITIES

Wheatstone

Source: Chevron Australia

Achieved:

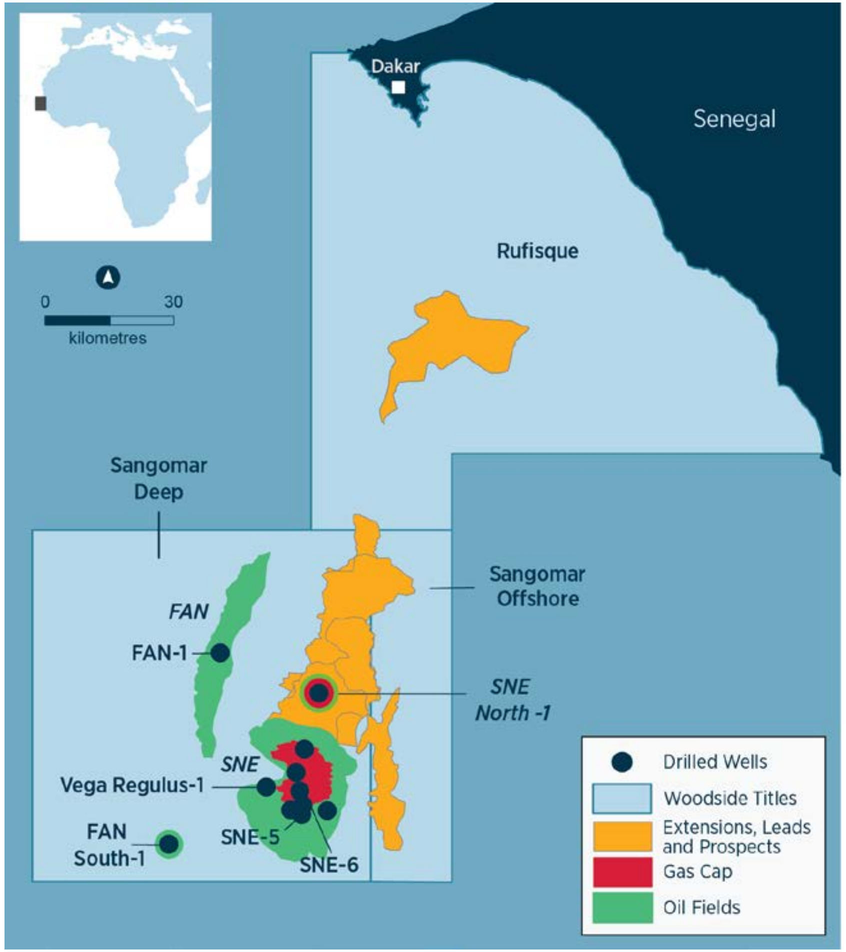
- ✓ Platform operational
- ✓ Trunkline fully pressurised
- ✓ Train 1 starting-up
- ✓ Final commissioning nearing completion

Next steps:

- o First LNG
- o Train 2 and domestic gas 6–8 months after start-up of Train 1

2017 PRIORITIES

Senegal



Achieved:

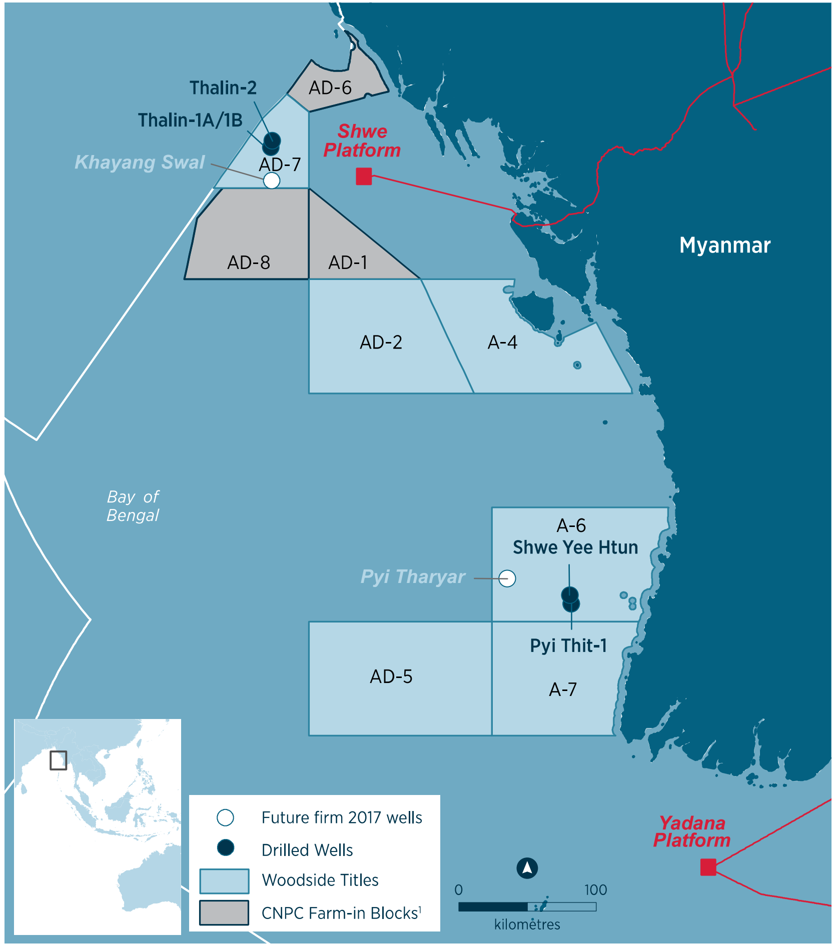
- ✓ Two successful appraisal wells
- ✓ Three exploration wells
- ✓ SNE Development Lead

Next steps:

- o Planning transition to operator
- o Targeting FEED in 2018

2017 PRIORITIES

Myanmar



Achieved:

- ✓ Third discovery in the Rakhine Basin (Pyi Thit-1)[1]
- ✓ Two Thalin appraisal wells; strong flow rates achieved
- ✓ Acquired three blocks[2]
- ✓ Added Pyi Tharyar to 2017 drilling campaign

Next steps:

- o Drill Pyi Tharyar and Khayang Swal
- o Progress development planning

1. Subsequent to the period.
2. Completion of farm-in to Blocks AD-1, AD-6 and AD-8 subject to satisfaction of conditions precedent.

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2017 PRIORITIES

Pluto LNG expansion

Expansion options[1]

Transfer pipeline
~1 Mpta

Capacity enhancing
0.7 Mpta

Standalone system
~1.5 Mpta

Achieved:

- ✓ Commenced LNG expansion studies
- ✓ Engaged experienced LNG technology contractors
- ✓ EOIs sought for FEED scope
- ✓ Warm high-rate trial confirmed additional available pre-treatment capacity

Next steps:

- o Complete concept definition
- o Finalise contract execution plan and FID schedule

1. Subject to relevant joint venture participant approvals and agreement being obtained.

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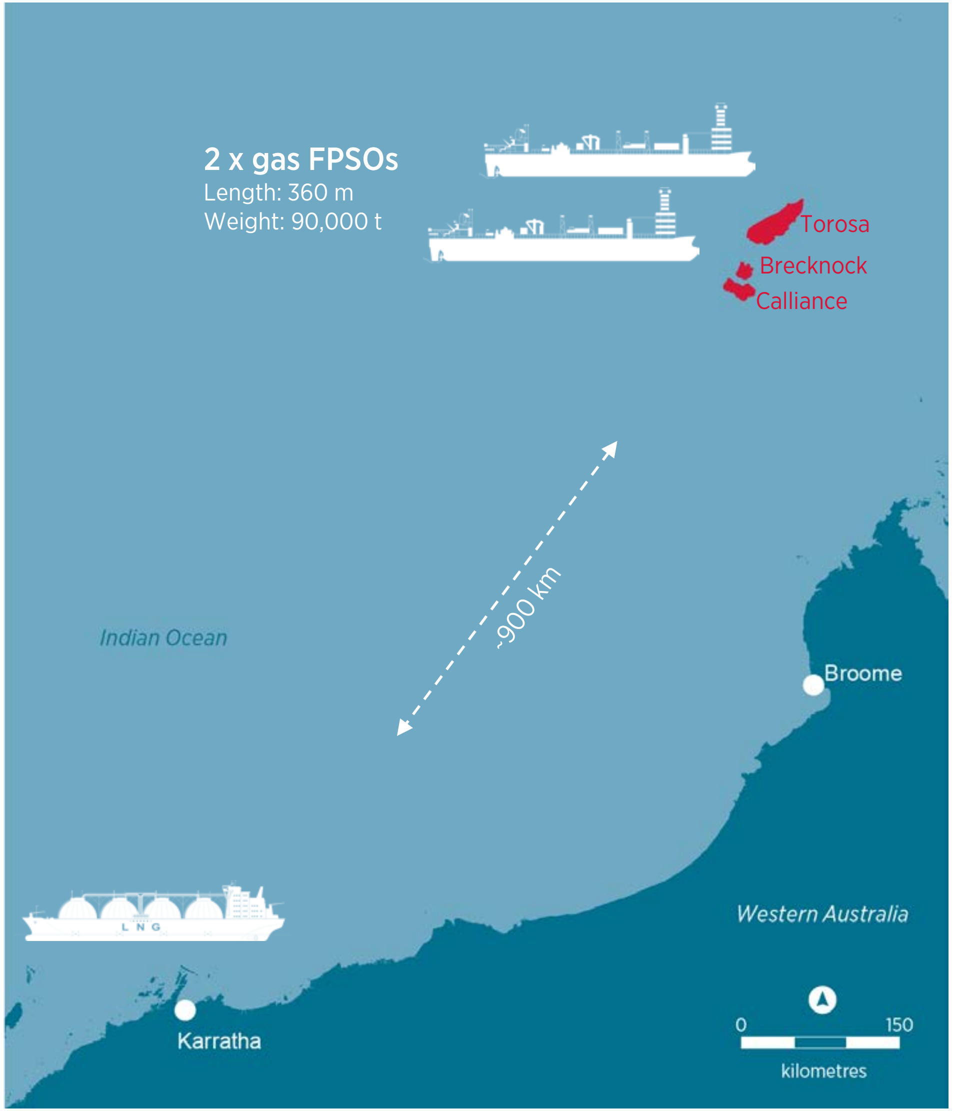
2017 PRIORITIES

Browse



Achieved:

- ✓ Browse JV aligned on Browse to NWS as reference development concept[1]
- ✓ Tolling proposal agreed by NWS and sent to Browse
- ✓ Browse JV and NWS Project progressing joint technical feasibility study

Next steps:

- o Targeting concept select H2 2017 and FEED in 2019

1. Subject to reaching acceptable terms and conditions with the NWS Project and the Governments of Australia and Western Australia.

Summary

Generating increasing cash flow and returns from existing business and committed projects

Unlocking value by delivering capital efficient developments to meet growing demand

Maximising the value of existing infrastructure

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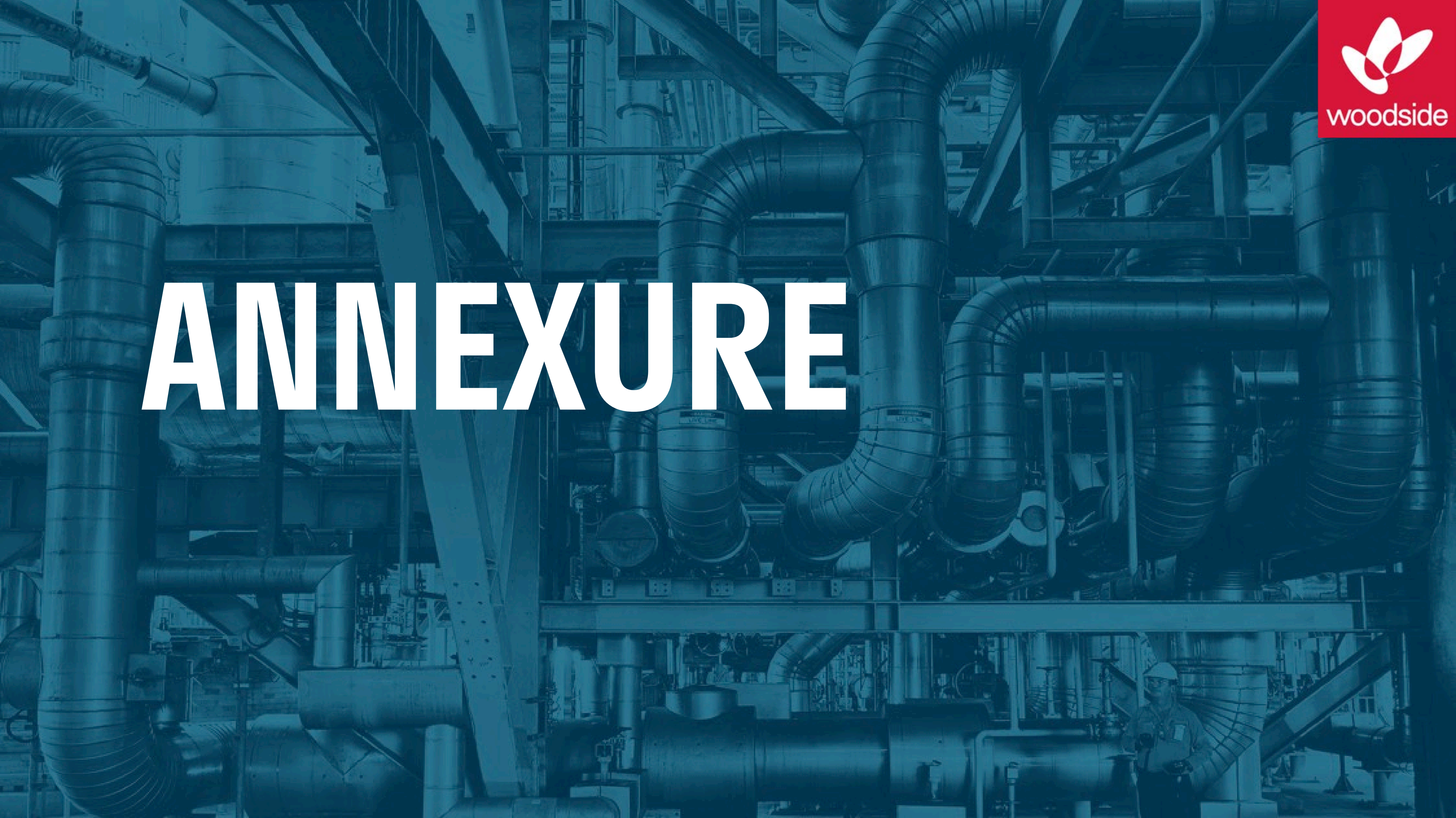
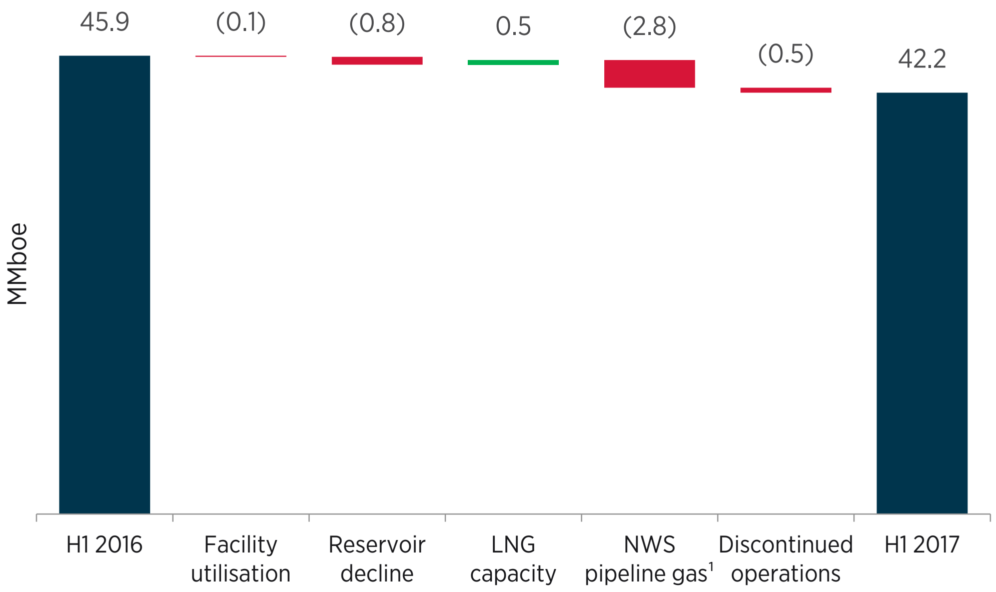
ANNEXURE



ANNEXURE

Production reconciliation



- Higher LNG capacity following Pluto cold high-rate trial
- NWS pipeline gas lower due to:
  - Fulfilment of DGJV[1]
  - Lower customer demand

1. The Domestic Gas Joint Venture (DGJV) was fulfilled on 8 May 2017. Woodside's equity share of pipeline gas and associated condensate in the DGJV was 50%. All remaining gas will be sold under the Incremental Pipeline Gas Joint Venture (IPGJV). Woodside's equity share of the IPGJV is 16.67%.

ANNEXURE

Realised prices

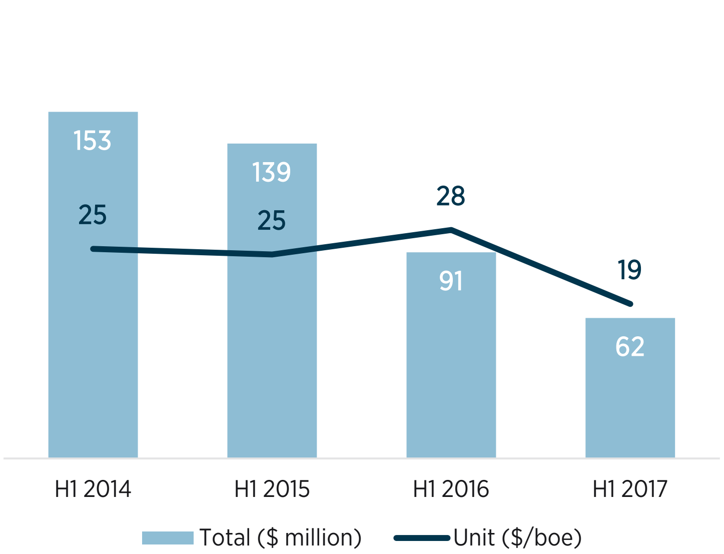
Products	$/boe H1 2017	$/boe H1 2016	Variance %	Revenue impact $ million
NWS LNG	35	31	13	42
Pluto LNG	49	49	-	(3)
NWS pipeline natural gas	22	20	10	5
Condensate	53	42	26	42
LPG	48	45	7	-
Oil	54	39	38	53
Volume weighted average realised price	43	39	10	139
Average Dated Brent price	52	40	30	
Average 3-month lagged JCC[1]	51	40	28	

1. Japan Customs-cleared Crude is the average price of customs-cleared crude oil imports into Japan as reported in customs statistics and used as reference price for long-term supply LNG contracts.

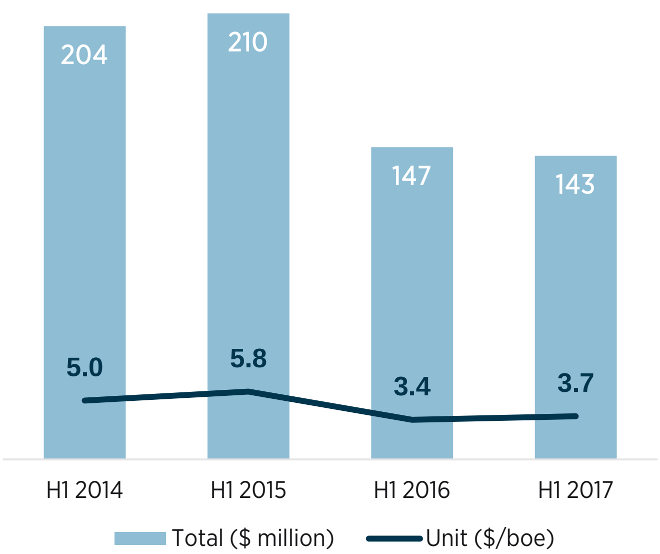
ANNEXURE

Production costs

Oil

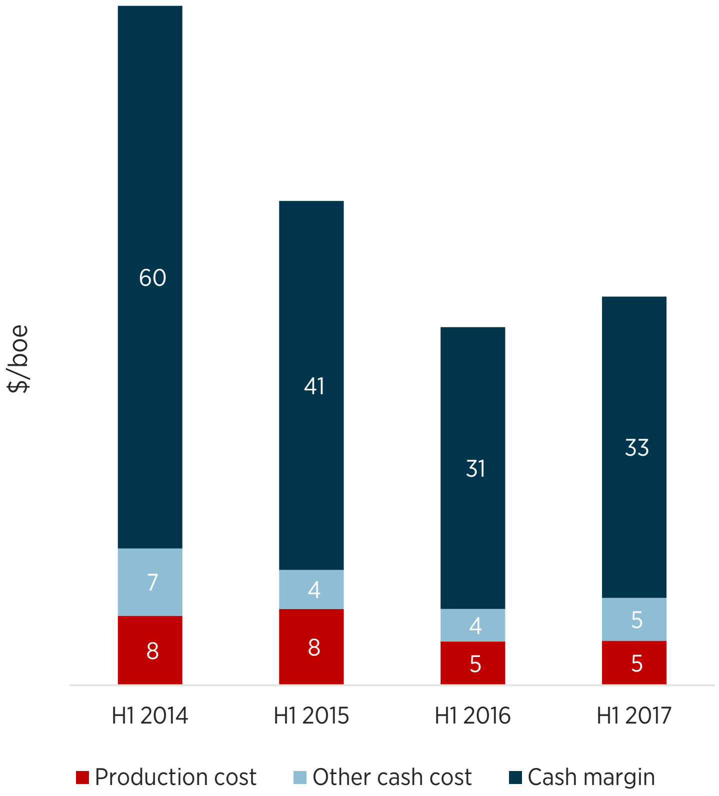


Gas

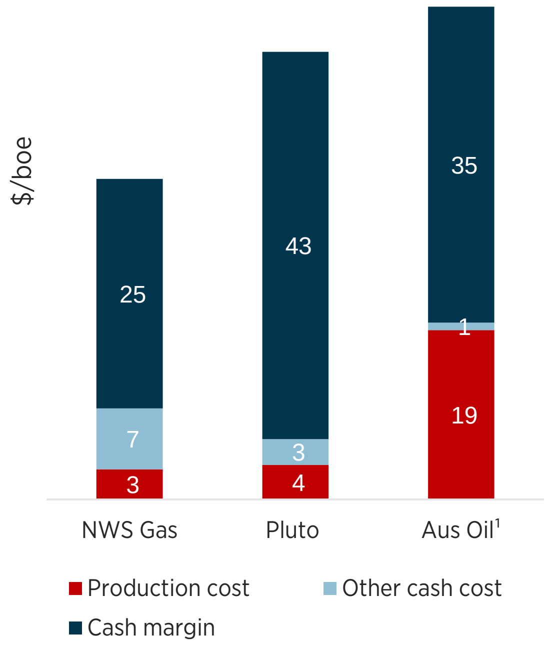


ANNEXURE

Cash margin



Segments



1. Australia Oil includes NWS Oil.

ANNEXURE

Segment performance

		NWS	Pluto	Aus Oil[1]
Production volume	(MMboe)	18.3	19.8	3.4
Operating revenue	($ million)	637	1,027	184
EBITDA	($ million)	459	895	122
EBIT	($ million)	331	498	76
Unit production cost	($/boe)	3.3	3.8	18.6
Gross margin	(%)	52	49	35

1. Australia Oil includes NWS Oil.

Exploration pipeline

2017-2018 drilling activities[1]

		2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Size Volume[2]
Myanmar Northern Hub	Block AD-7: Thalin-1B	✓ Gas								Appraisal
	Block AD-7: Thalin-2		✓ Gas							Appraisal
	Block AD-7: Khayang Swal			● Gas						Large
	Block AD-7				○ Gas					Large
	Blocks AD-1, 8, 6[3]				● Gas					Large
	Appraisal drilling						Up to 2 contingent wells			Appraisal
Myanmar Southern Hub	Block A-6: Pyi Thit-1		✓ Gas							Large
	Block A-6: Pyi Tharyar			● Gas						Large
	Block A-7							○ Gas		Large
	Block AD-5							○ Gas		Large
	Block AD-2							○ Gas		Large
	Appraisal drilling						Up to 2 contingent wells			Appraisal
Australia	WA-483-P: Swell-1			● Gas						Large
	WA-404-P: Ferrand						● Gas			Large
	WA-28-P: Achernar								○ Gas	Large
Senegal	SNE-5	✓ Oil								Appraisal
	SNE-6		✓ Oil							Appraisal
	VR-1	✓ Oil								Refer to 2017 Half-Year Report
	FAN South-1		✓ Oil							
	SNE North-1			✓ Oil						Large
	Rufisque Offshore					○ Oil				Large
Morocco	Rabat Deep: JP1					● Oil				Large
Gabon[4]	Luna Muetse: Ivela				● Oil					Large
Peru	Block 108 exploration								○ Oil	Large

Drilled	Firm	Contingent
✓ Gas	● Gas	○ Gas
✓ Oil	● Oil	○ Oil

1. This is a forecast activity plan subject to change due to final approvals, weather conditions and other external circumstances.
2. Target size: unrisked gross mean success volume (100% basis). Medium >20 MMboe and <100 MMboe and large >100 MMboe.
3. Completion of farm-in to Blocks AD-1, AD-6 and AD-8 subject to satisfaction of conditions precedent.
4. Woodside's farm-in to Luna Muetse Block is awaiting final Government approval.

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 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). 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.

Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil and floating LNG (FLNG) projects, the reference point is defined as the outlet of the floating production storage and offloading (FPSO) vessel, or FLNG facility respectively, 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 (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.

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.