2011 Full-Year Results Briefing

Peter Coleman
CEO and Managing Director

22 February 2012

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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 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, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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

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

2011 financial headlines

Revenue:	$4,802 million	▲	14.5%
Reported NPAT:	$1,507 million	▼	4.3%
Underlying NPAT^:	$1,655 million	▲	16.7%
Dividend per share:	110 cps (final 55 cps)	▲	4.8%
Operating cash flow:	$2.2 billion	▲	6.6%
Capital expenditure:	$3.3 billion		
Exploration expenditure:	$0.5 billion		
Gearing*:	28.6%	Balance sheet and funding position ideally placed for growth	
Cash and undrawn facilities:	$2.2 billion		

All amounts are in US dollars unless otherwise stated

^Underlying NPAT is a non-IFRS figure.

*Gearing = net debt/(net debt + equity), excluding non-controlling interests

▲ Increase versus FY 2010

▼ Decrease versus FY 2010

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2011 operational performance

Safety improving:

- 20% improvement in TRCF* to 4.80 (6.0 FY 2010)
- 34% improvement in HPIF** to 1.2 (1.8 FY 2010)

NWS achievements continue:

- Achieved world-class 98% LNG reliability
- Final Investment Decision on Greater Western Flank Phase 1

2011 production:

- Base business achieves production of 64.6 MMboe
- Pluto delay disappointing

Building resource base:

- Proved RRR#, organic 3-year rolling average of 102% (FY 2010: 148%)
- Additional Contingent Resource bookings of 322.7 MMboe, up 18%

* TRCF = total recordable case frequency per million hours worked
** HPIF + high potential incident frequency per million hours worked
# RRR = reserves replacement ratio. 'Organic' excludes acquisitions and divestments
Proved organic RRR for the calendar year 2011 was 76% (2010: 171%)

2012 outlook

Production:	73 – 81 MMboe 2012 production target
	56 – 60 MMboe from base business
	17 – 21 MMboe from Pluto
Capex:	$1.8 billion budget
Exploration:	$430 million budget
Exploration wells:	8 wells planned
Developments:	Browse – complete FEED
	Sunrise – progress development options
	Pluto expansion – drill four wells, ORO discussions
	Laverda – further appraisal, potentially enter FEED

Strategic direction

- Top quartile TSR performance
- Maximise value of producing assets
- Commercialise our significant discovered resources
- Broaden our portfolio, leveraging our core activities and capabilities
- Rigorous and disciplined approach to assessing opportunities to capture additional sources of value
- Performance delivery through effective decision-making, execution and learning

Financial Results

Lawrie Tremaine
Executive VP Finance and CFO

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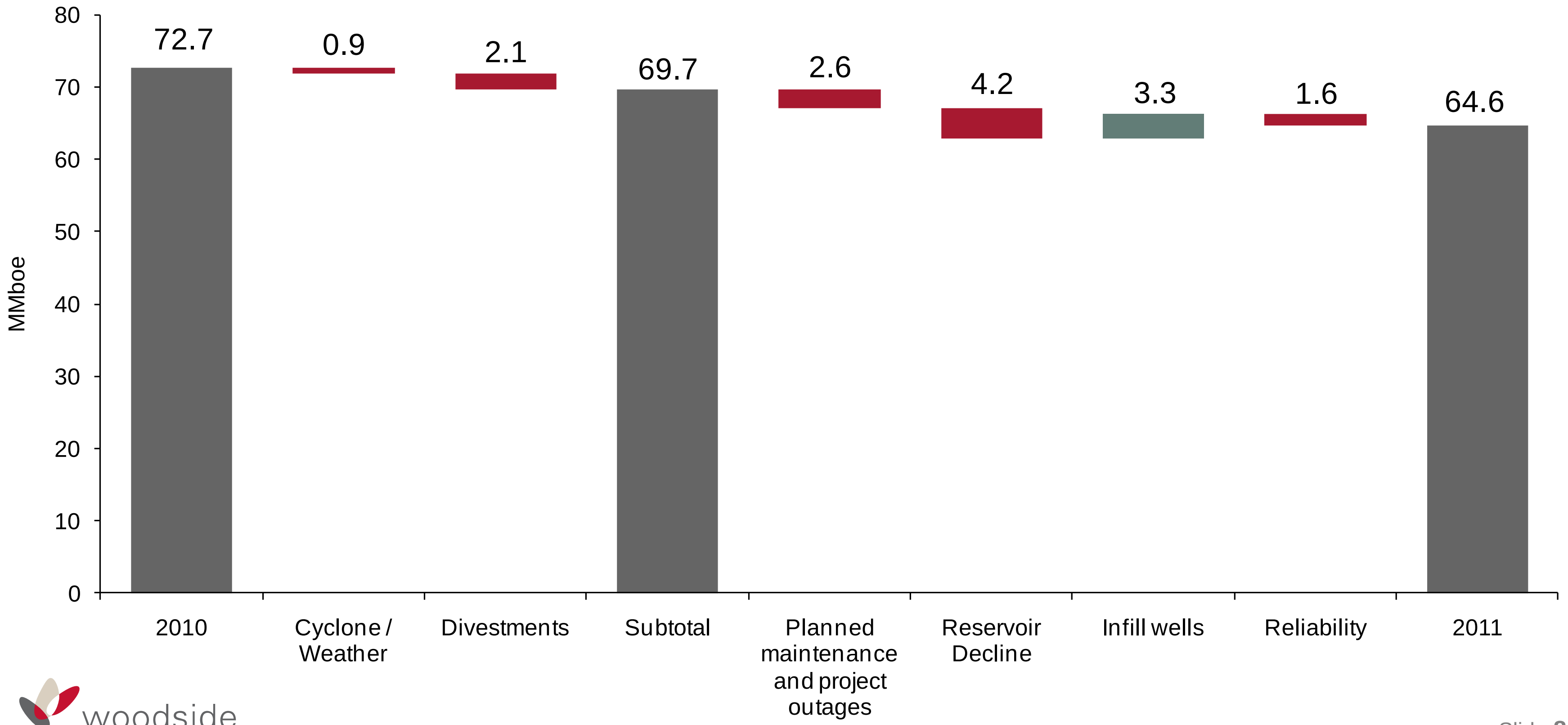
Production

- Impacted by one-off events of divestments and a severe cyclone season
- Infill wells partially offset field decline
- Reliability improvement at NWS gas offset by lower oil reliability



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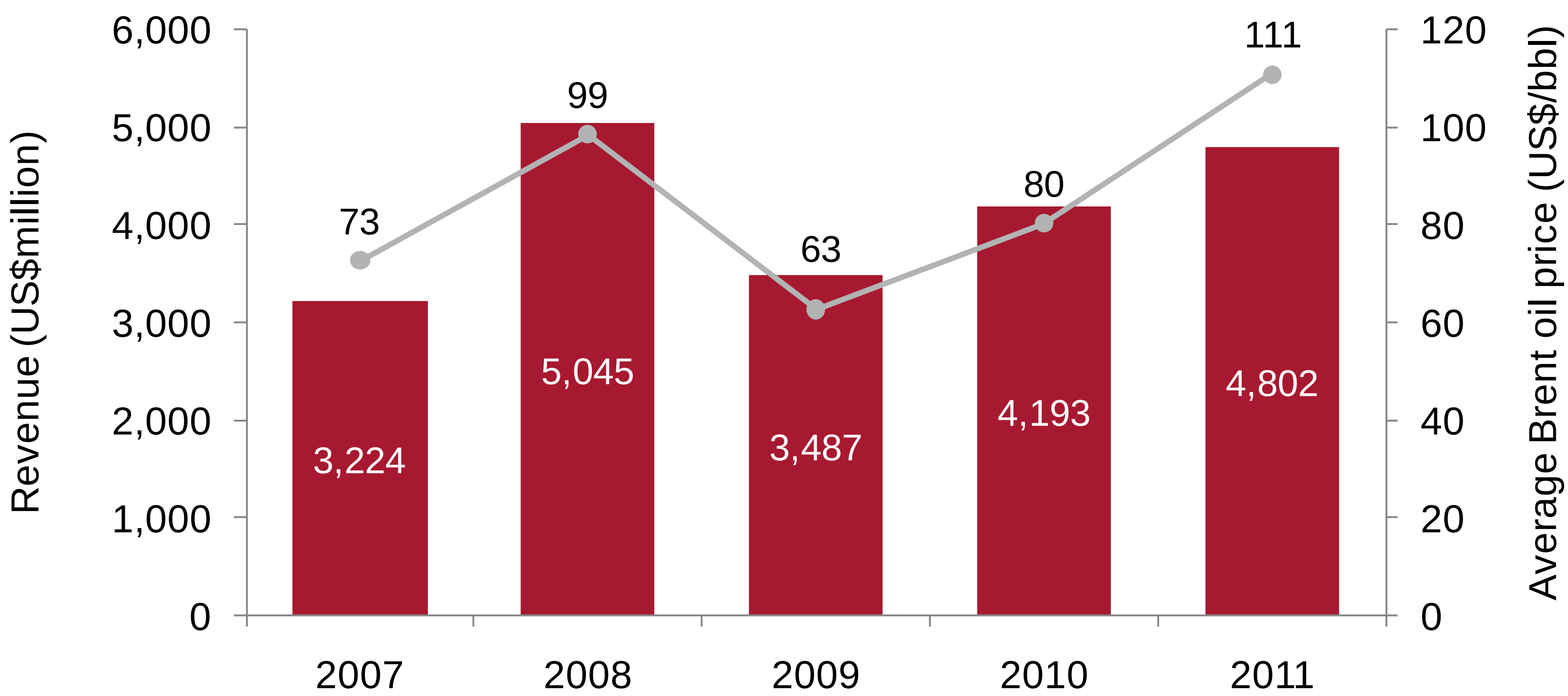
Sales revenue

- Sales revenue up 14.5%, underpinned by strong Brent pricing
  - Greater Enfield Area crudes achieving strong premiums to Brent
  - Brent driving LNG pricing



#2007 revenue excludes revenue from discontinued operations (Mauritania).

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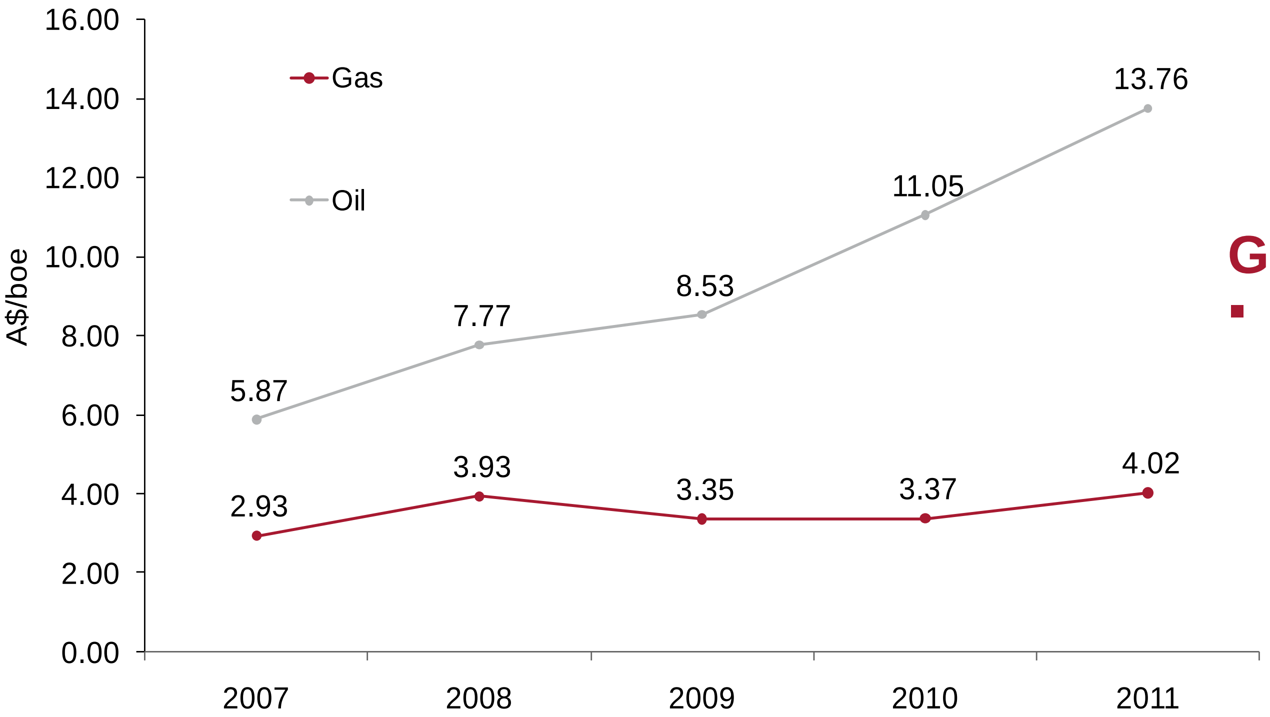
Lifting costs

	2010	2011
Oil Lifting costs (A$ millions)	230	231
Gas Lifting costs (A$ millions)	167	185
Total Lifting costs (A$ millions)	397	416



Oil

- Flat underlying cost. Per unit basis increase due to lower volumes resulting from higher planned outages, cyclone activity impacts and field decline

Gas

- Cost increase due to higher offshore NWS activities coupled with higher onshore operating costs. On a unit basis, cost increase further impacted by lower volumes.

[#]Lifting costs are production costs (excluding FPSO lease costs) divided by production volume (MMboe). Ohanet Risk Sharing Contract derived volumes and cost are excluded.
^Lifting costs are a non-IFRS figure.

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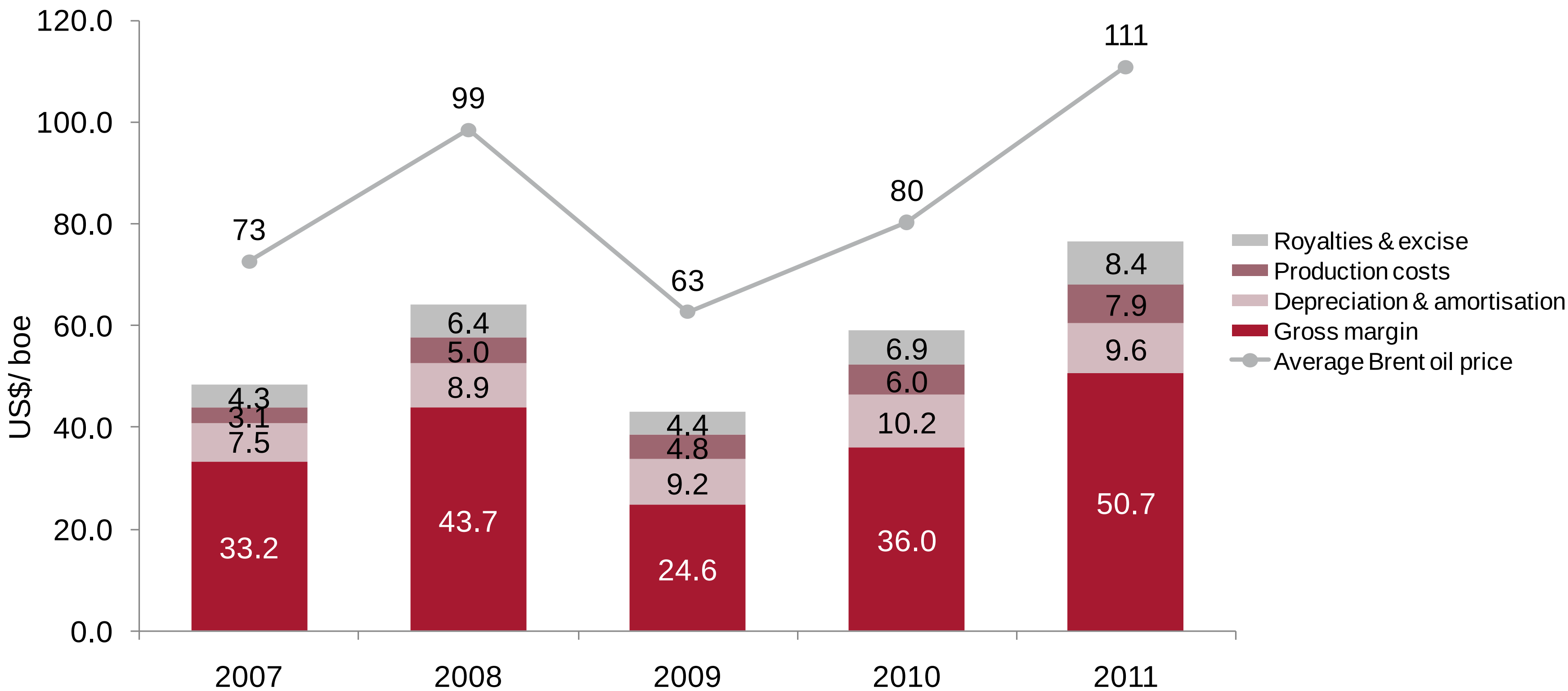
Gross margin

- Margins increasing in line with oil price



1. Ohanet Risk Sharing Contract derived volumes and cost are excluded.
2. Production costs includes insurance, inventory and shipping.

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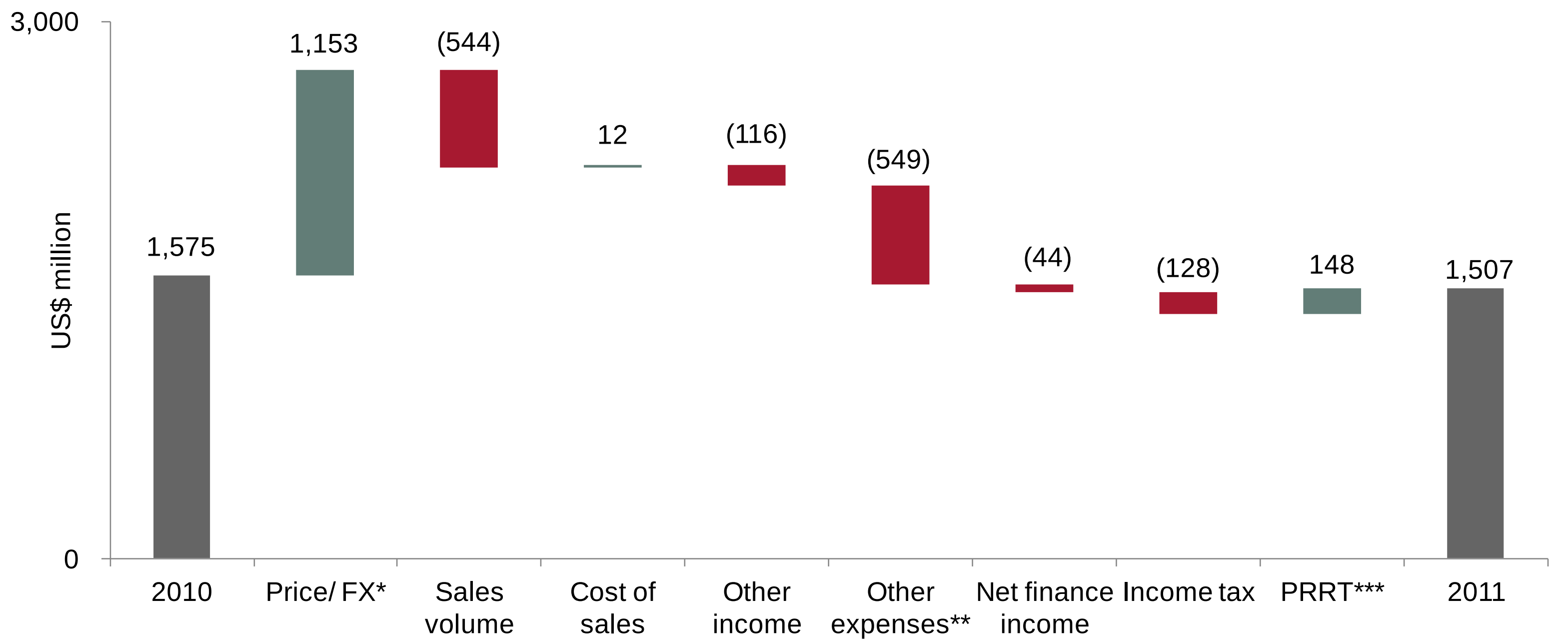
Reported profit

Reported profit down 4.3%, driven by:

- Lower sales volume,
- Higher exploration expense and the impact of the Pluto delay mitigation costs,
- Largely offset by higher prices across all products.



*Price/ FX includes oil price, foreign exchange rates, hedging
**Includes Pluto mitigation and pre-startup costs, write-off of prior-year exploration and evaluation and higher 2011 exploration expense
***Petroleum Resource Rent Tax

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Underlying profit*

- After adjusting for non-recurring items, the 2011 underlying profit was 16.7% higher than 2010
- 2010 profit was boosted by the Otway asset sale

	2011	2010
	$M	$M
Reported NPAT	1,507	1,575
Non-recurring items after tax:		
Pluto delay mitigation cost	(165)	-
Gain on adoption of US functional currency**	-	71
Neptune impairment	17	(92)
Deferred tax asset write downs	-	(60)
Gain on sale of Otway	-	149
Gain on sale of Liberia / Sierra Leone	-	89
Deduct subtotal of non-recurring items after tax	(148)	157
Underlying NPAT (excluding non-recurring items)	1,655	1,418

*Woodside's Financial Report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS). The underlying (non-IFRS) profit but is derived by audited accounts by removing the impact of non-recurring items from the reported (IFRS) audited profited. Woodside believes the non-IFRS profit reflects a more meaningful measure of the company's underlying performance.

**Functional currency impact due to restatement of deferred tax balances

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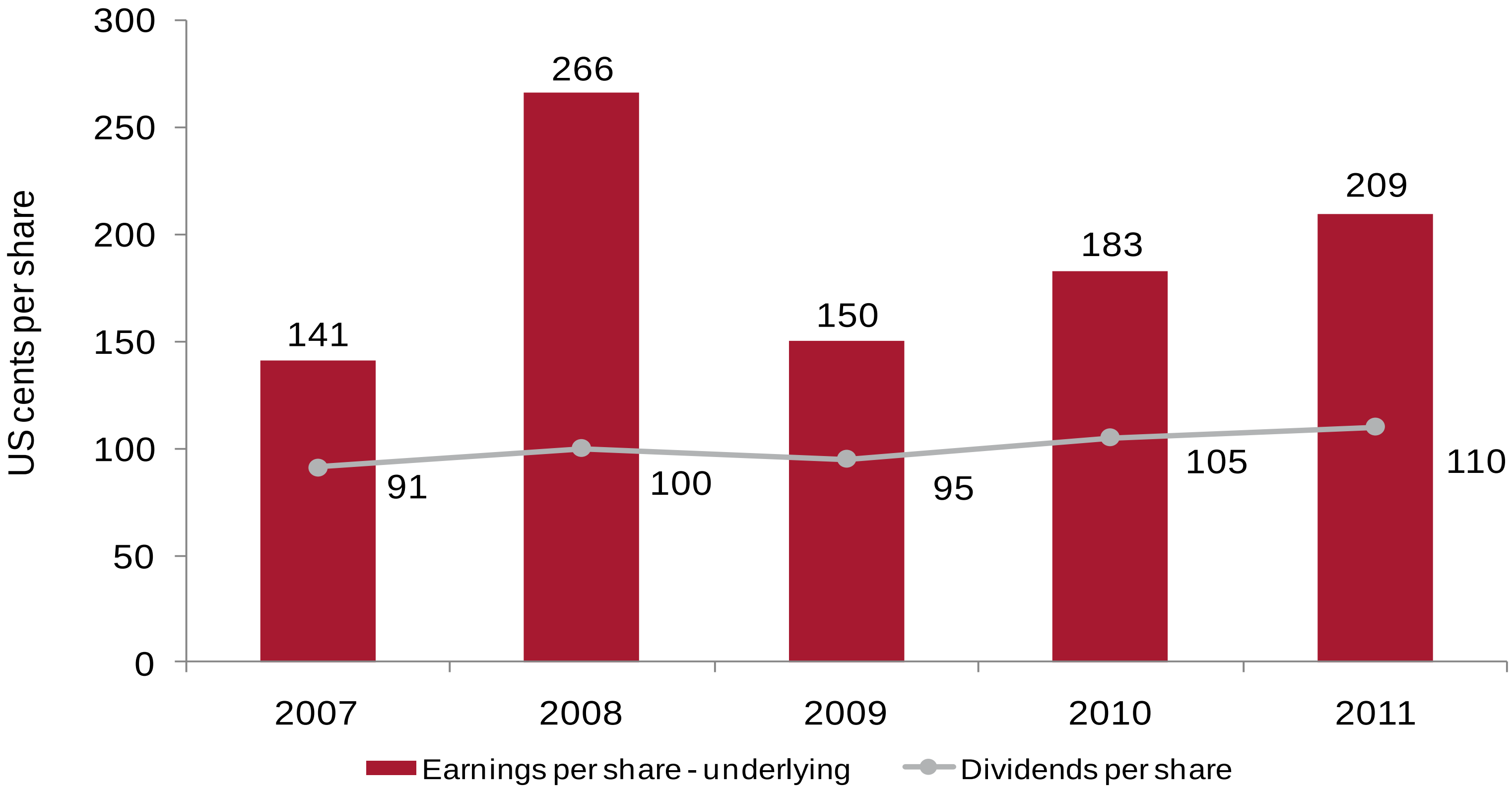
Final dividend

- 2011 final dividend of US55 cps – fully franked
- A record annual dividend of US110 cps – fully franked
- A fully underwritten dividend reinvestment plan to be offered



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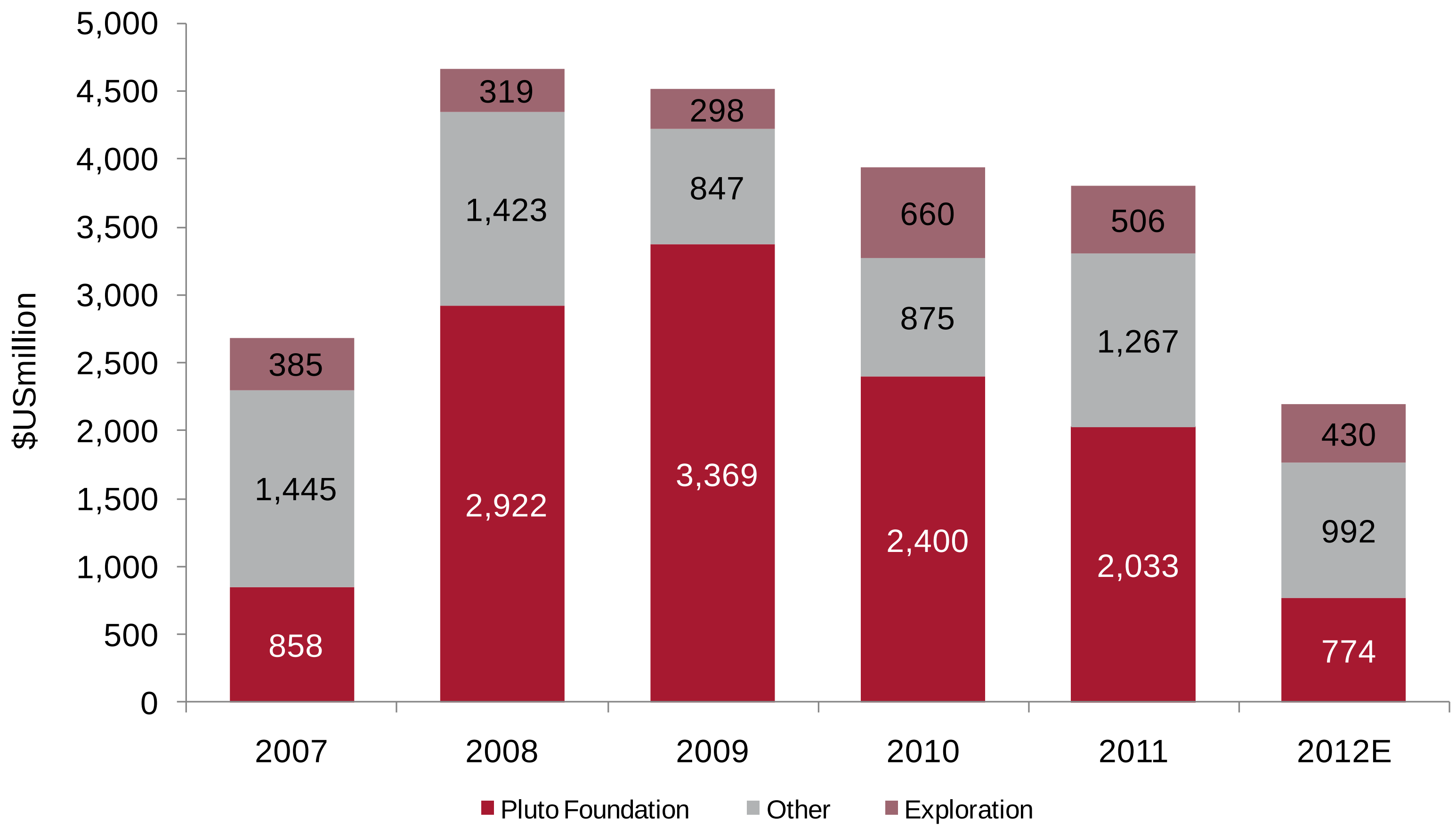
Investment expenditure

- Pluto nearing completion, dual benefit to cash flow



1) 2007-2009 data has been converted from AUD to USD at the average annual AUD/USD exchange rate
2) Other includes NWS, Australia Oil, Pluto Expansion, Browse, Sunrise and Corporate
3) Chart includes capital and all exploration expenditure less capitalised interest
4) Excludes Pluto delay mitigation costs, which have now been recognised in the income statement

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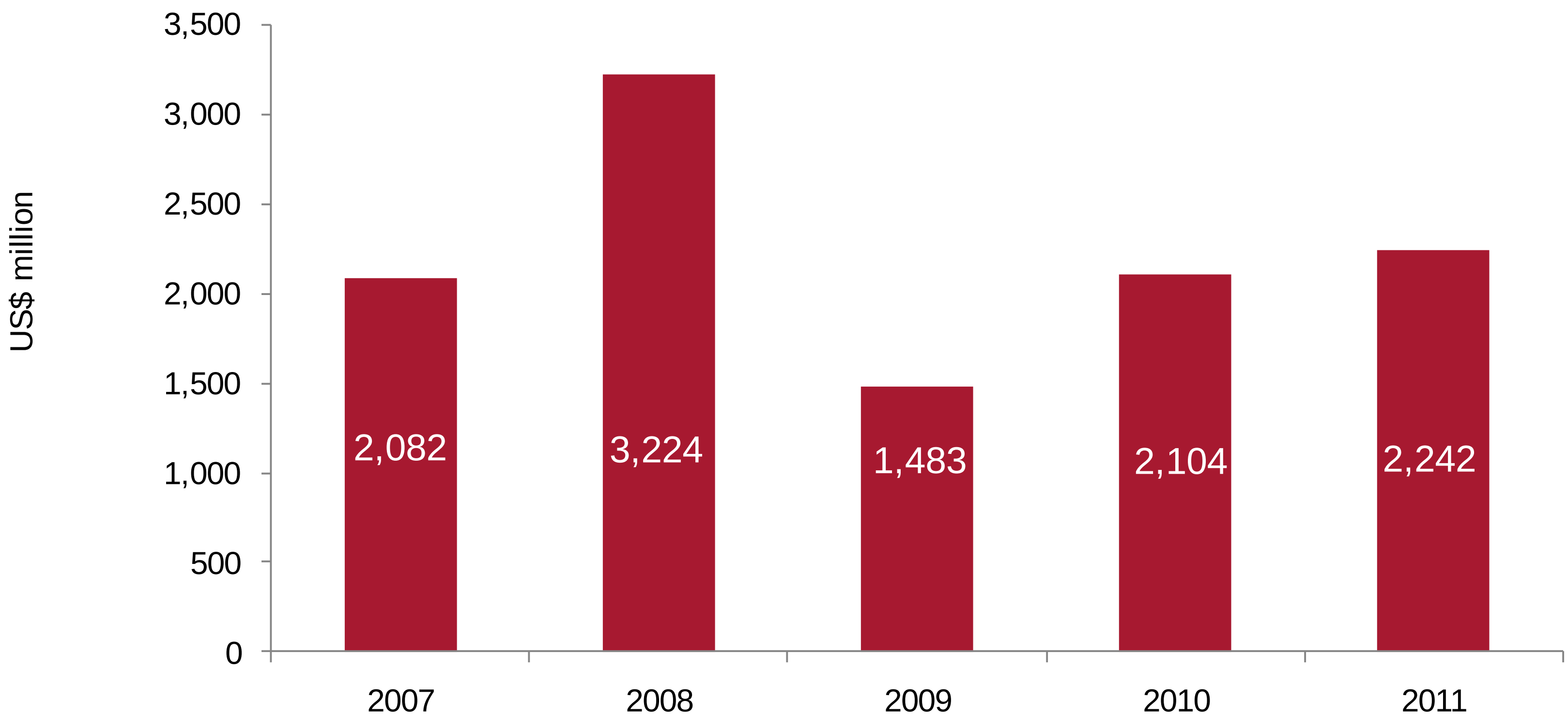
Operating cash flow

- 2011 operating cash flow 6.6% higher than 2010
- Step change in 2012-2013 with ramp up of Pluto LNG



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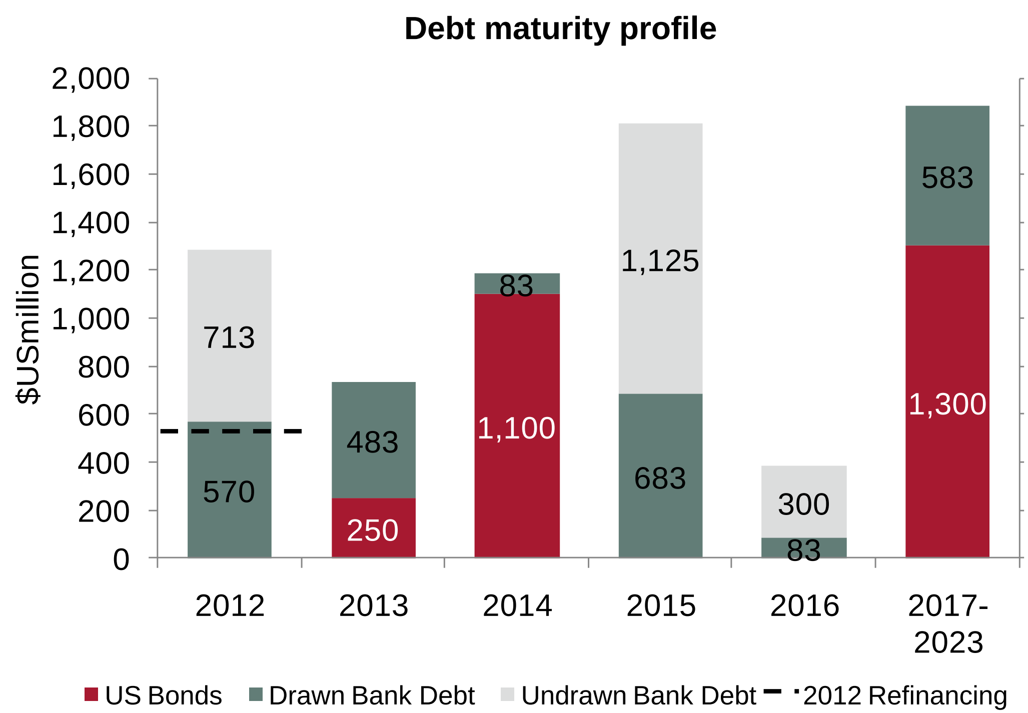
Funding and debt maturity profile

During 2011

- $700 million 10 year Bond issued at low coupon rate of 4.6%
- $400 million short-term funding secured at highly competitive margins
- Renewal of maturities at more favourable terms
- Standardisation of debt terms post-2008 GFC

Looking ahead 2012

- Cash and undrawn facilities of $2.2 billion at 31 December 2011
- Adequate resources to fund commitments
- Maintain investment grade credit rating



Debt maturity profile as at 31 December 2011

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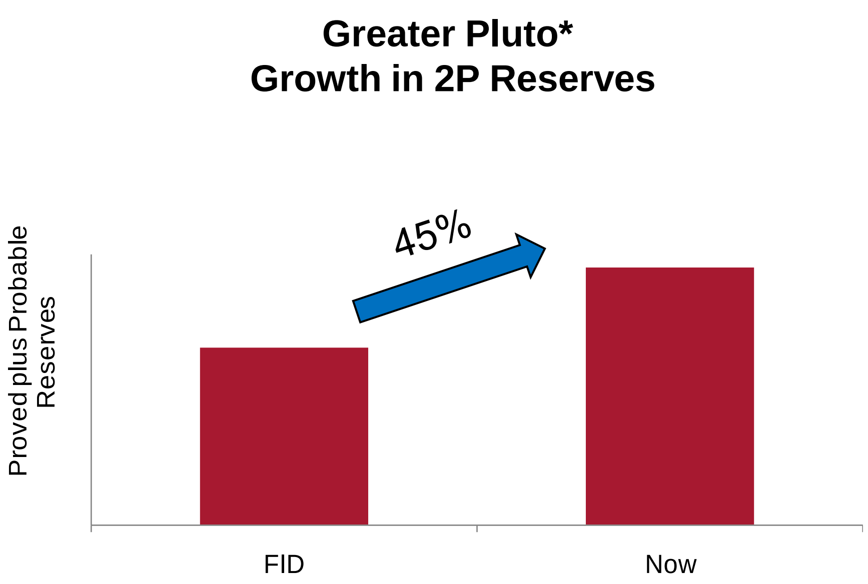
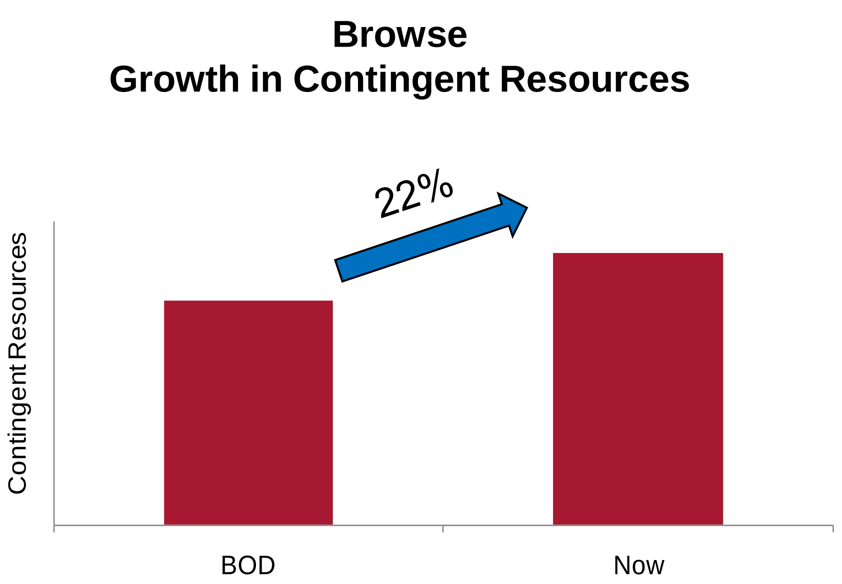
Reserves and resources

Creating value through reserve growth

- Continuing to grow reserves base of foundation business
- Exploration and appraisal delivering additional volumes





*Greater Pluto includes Pluto hub (including Pluto and Xena), Central hub and Claudius hub

Outlook – Project updates and operational performance

Rob Cole

Executive Director, Commercial

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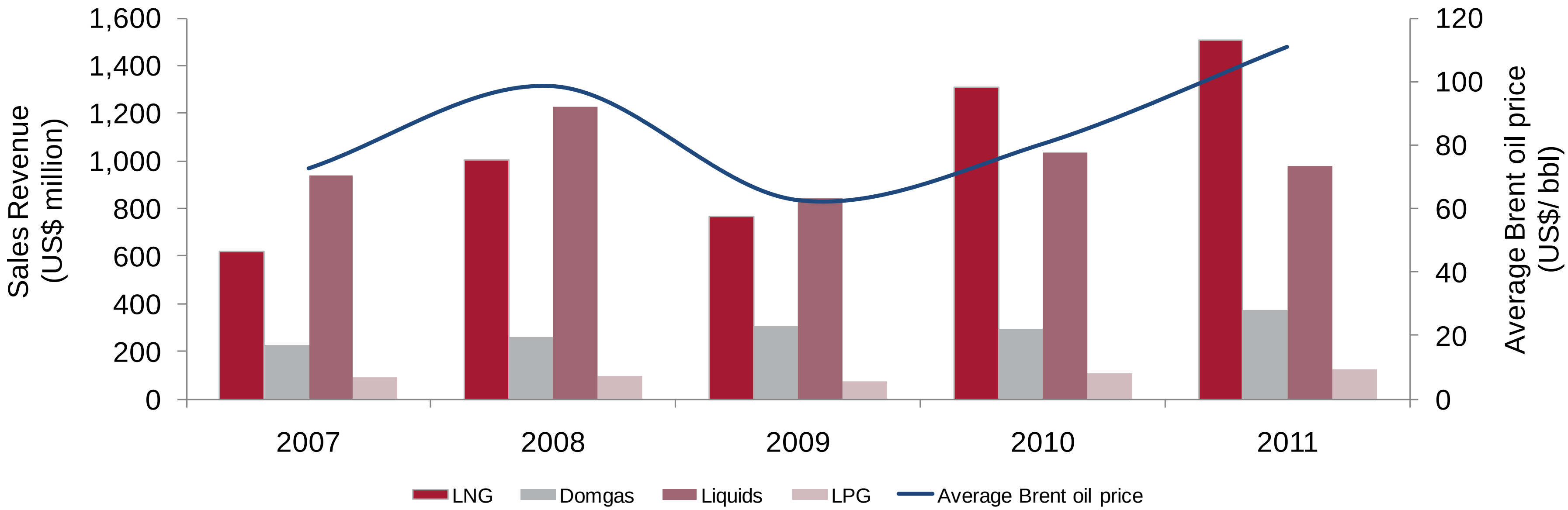
Maximising value of producing assets

North West Shelf continues to perform at record levels

- Revenue US$3 billion
- Safety performance at Karratha Gas Plant – 120 days incident free
- 98% LNG production reliability



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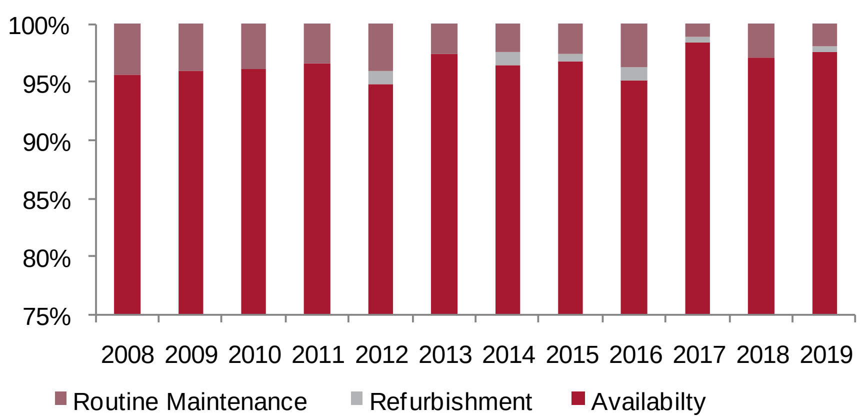
Maximising value of producing assets

Refurbishing Karratha Gas Plant to maintain production

- Routine maintenance critical to sustaining reliable and safe operations
- Impacts short term availability but protects long-term reliability and integrity
- Record LNG reliability of 98% in 2011, but availability lower in 2012

LNG Planned Maintenance, Refurbishment and Availability



Shut-downs	2011 (actual)	2012 (approx.)	2013 (approx.)	2014 (approx.)
Routine (days)	LNG1 (18) LNG5 (38)	LNG2 (30) LNG4 (40)	LNG3 (30)	LNG1 (30)
Refurbishment (days)	*Stab1 (46)	LNG2 (20) *TOT (40)		LNG1 (20)

* Stab1 = condensate stabiliser, TOT = Trunkline Offshore Terminal
Days allowed for expected shutdowns are approximations. Shutdown periods may overlap to varying degrees.

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Maximising value of producing assets

North Rankin Redevelopment Project

- Access low pressure reserves
- North Rankin B jacket launched and in position. Topsides fabrication complete
- Bridges complete, ready for installation
- On budget and on schedule for completion in 2013

NWS Oil Redevelopment

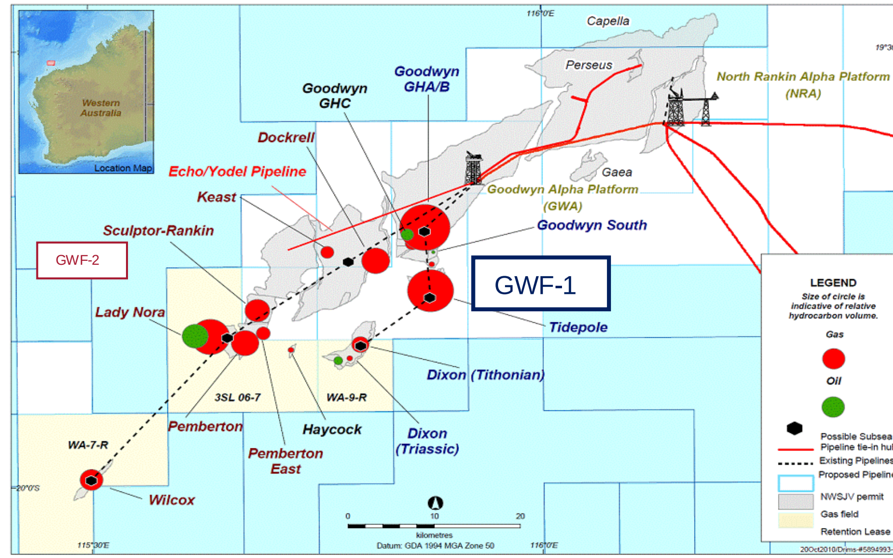
- Extends life of CWLH fields
- Production commenced in September 2011
- $1.8 billion project, on budget
- 30,000 bopd achieved mid-Feb (100% project)

North Rankin B topsides unit on the heavy lift 'Heerema' barge, commences its journey from the Republic of Korea construction yards to the North West Shelf.

Maximising value of producing assets

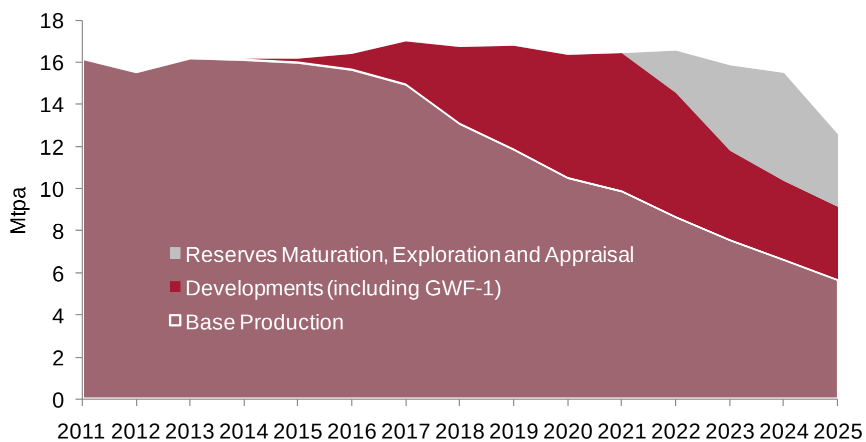
Greater Western Flank (GWF)

- GWF 3 Tcf gas, 100 MMboe condensate (100% project)
- Phase 1 FID late 2011, expect start up early 2016
- A$2.5 billion project



Outline of NWS assets depicting GWF potential

LNG supply



- Maintain supply into next decade
- Assessing subsequent phases of GWF, Persephone and Lambert Deep
- Exploration volumes to extend plateau from portfolio of >20 targets

Maximising value of producing assets

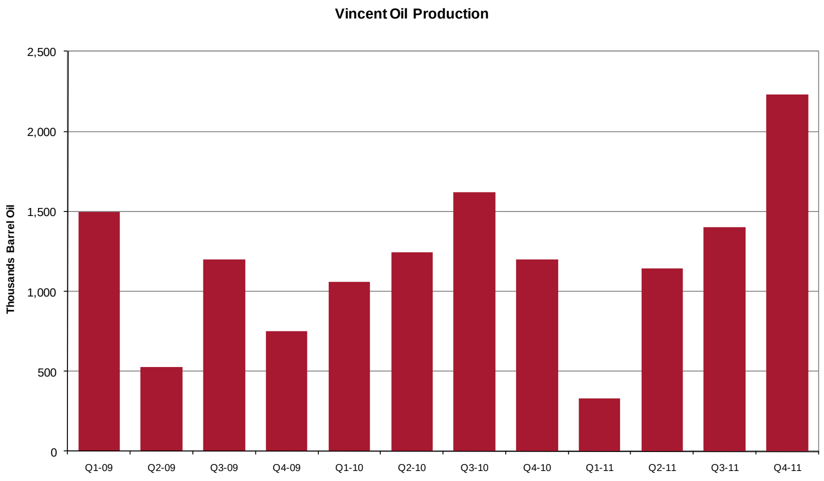
Maintain steady production through enhanced reliability and growth options

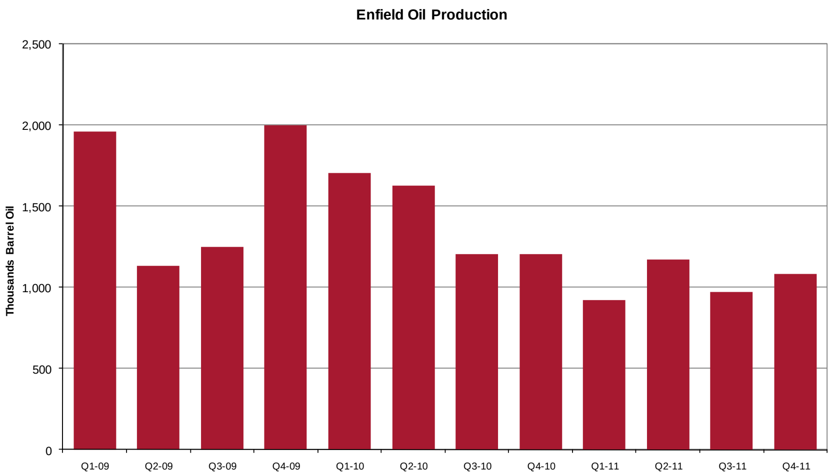
Vincent

- Infill wells lifted Q4 production
- FPSO purchased to maximise long-term production and leverage core capabilities
- Continue focus on reliability and availability

Enfield

- 2011 production exceeded expectation
- Ongoing seismic analysis to identify further infill opportunities
- Cimatti tie-back to lift production post-2015





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Maximising value of producing assets

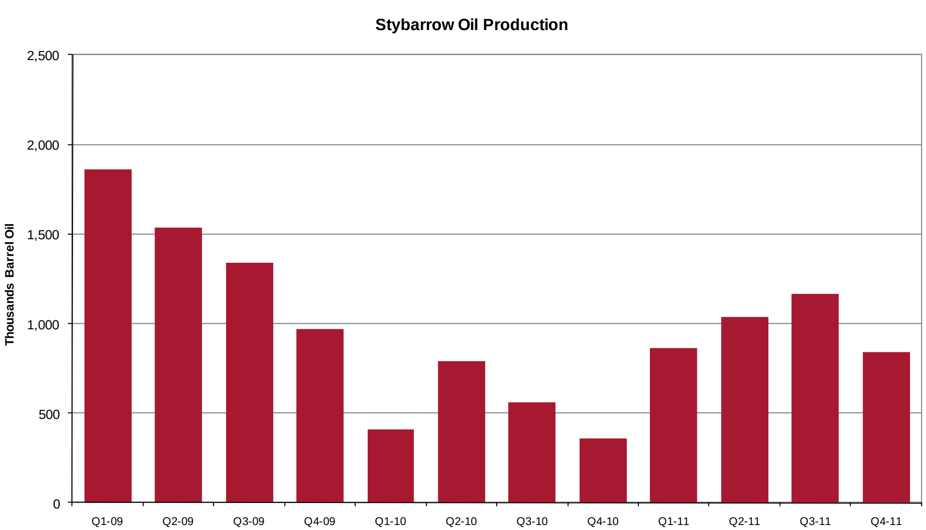
Maintain steady production through enhanced reliability and growth options

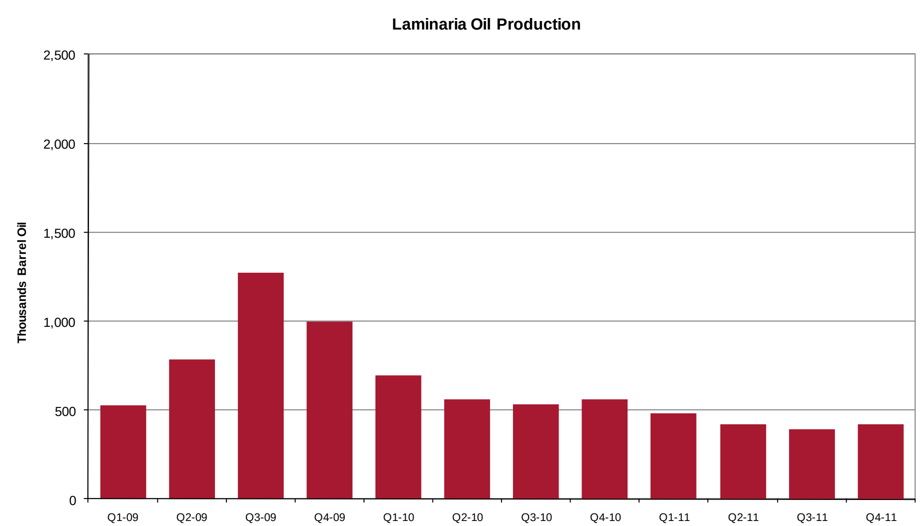
Stybarrow

- Stybarrow North tie-back online December 2010
- Lifted production in 2011

Laminaria-Corallina

- Over 12 years of production
- Mature profile provides stable production





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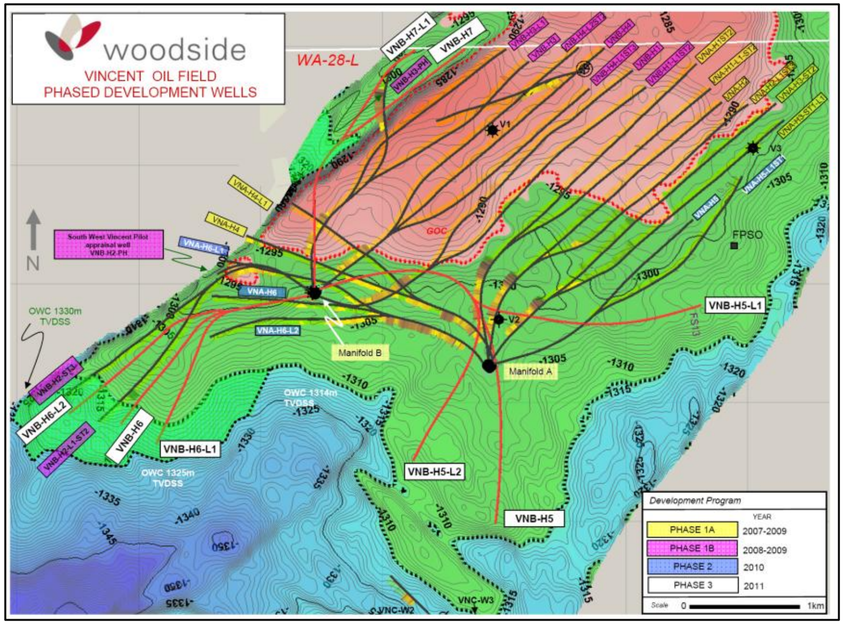
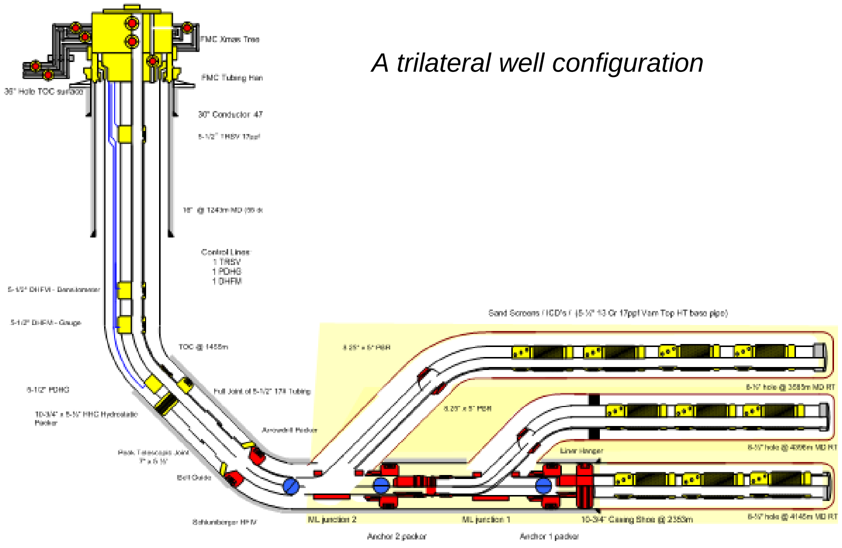
Maximising value of producing assets

Vincent oil field – using leading multi-lateral technology

- 13 horizontal multilateral wells
- Well lengths of up to 4,400 metres with horizontal sections of up to 2,100 metres
- Requires precise drilling techniques to maintain horizontal position in the reservoir



Location of production wells on Vincent oil field



A trilateral well configuration

Commercialising new discoveries

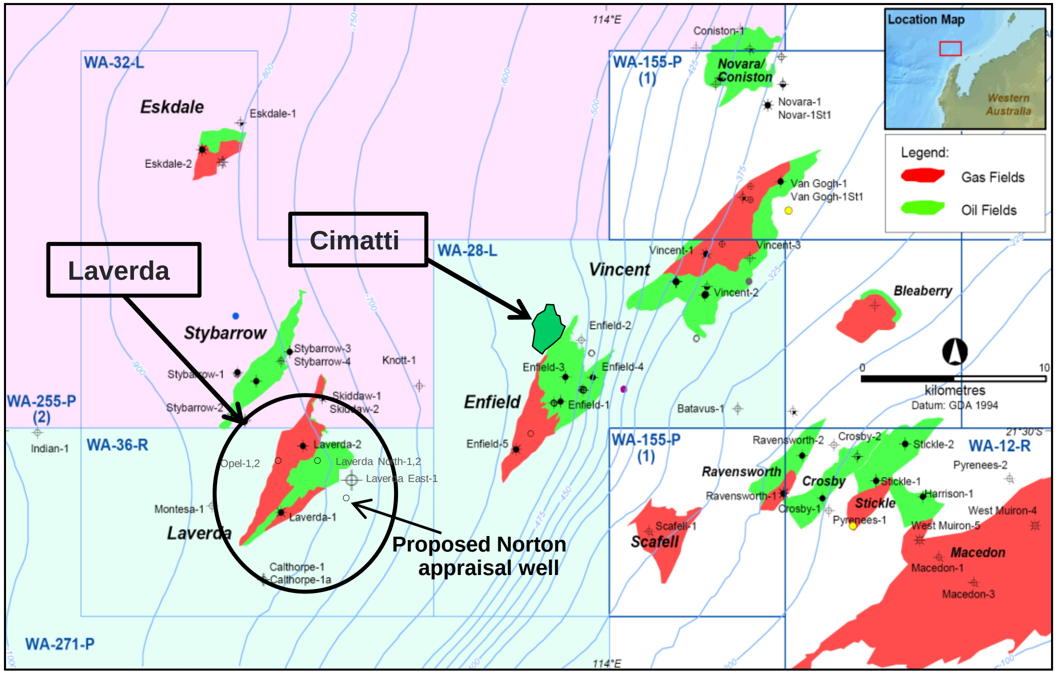
New growth opportunities in an existing production hub

Laverda

- Successful Laverda appraisal in 2011 has taken us to Development phase
- Development options include standalone FPSO or tieback
- Norton-1 scheduled Q1 2012 provides potential additional upside

Cimatti

- 2012 BOD, FEED
- Enfield tie-back
- FID target 2013



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Commercialising our significant gas resources

Pluto goes 'live' as offshore gas enters plant

- Jetty, storage and loading facilities operational
- Offshore platform and infrastructure operational
- Final commissioning of liquefaction systems underway
- Offshore gas entered plant on 18 February
- No change to previous Pluto 2012 production guidance of 17-21 MMboe

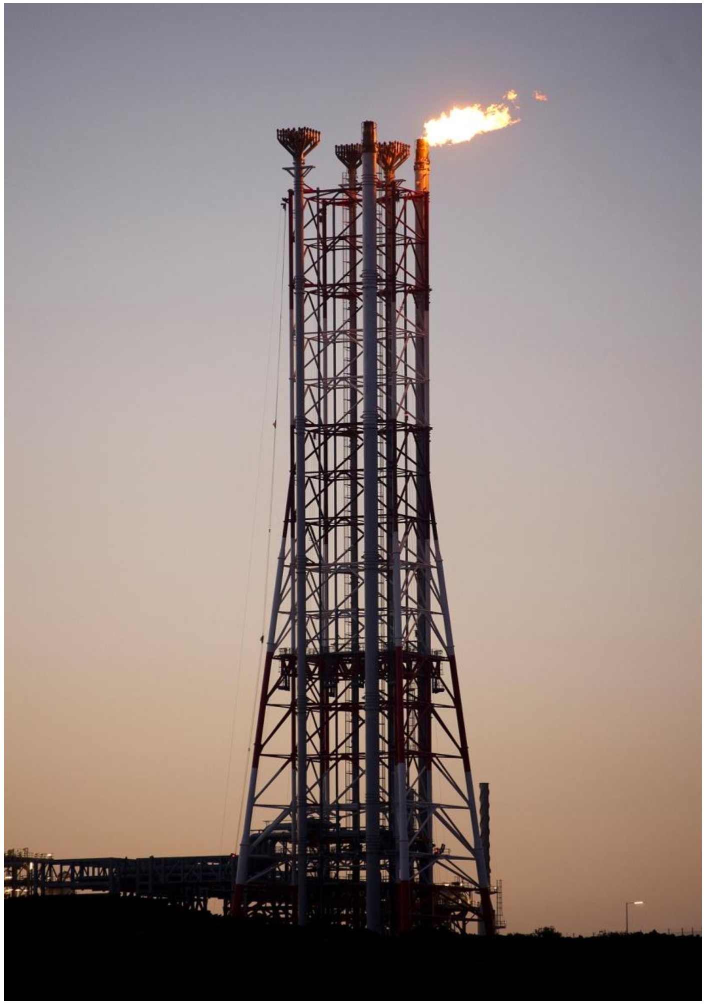
The Pluto LNG Plant

Commercialising our significant gas resources

Pluto delivers a step-change in production

- Pluto expected to account for approximately 25% (17-21 MMBoe) of Woodside's 2012 production
- In steady state contributes around 37 MMboe per annum (Woodside share LNG and condensate)*
- Our focus in 2012 is delivering safe and reliable production
- Identification of plant optimisation (debottlenecking) opportunities is underway
- Pursuing expansion options

*Assumes: 4.3 mtpa at steady state long-term average production rate. In 2013 – 2015 planned maintenance activities are expected to be higher than the long-term average as the greenfield plant becomes established .



Pluto Flare Tower

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Commercialising our significant gas resources

Browse – meeting commitments

Contingent resources increased

- Dry gas volumes up from 13.3 Tcf to 15.5 Tcf (100%)
- Condensate volumes up from 360 MMstb to 417 MMstb (100%)
- Tridacna 3D seismic: process in 2012 and begin interpretation

Front-end engineering and design substantially complete

- Major tender packages released, tender bids due Q2 2012

Securing land tenure with Native Title Agreement

Environmental approvals progressing

- Draft Upstream Environmental Impact Statement and Strategic Assessment Report submitted for 2012 decision

Amendment to retention lease requested

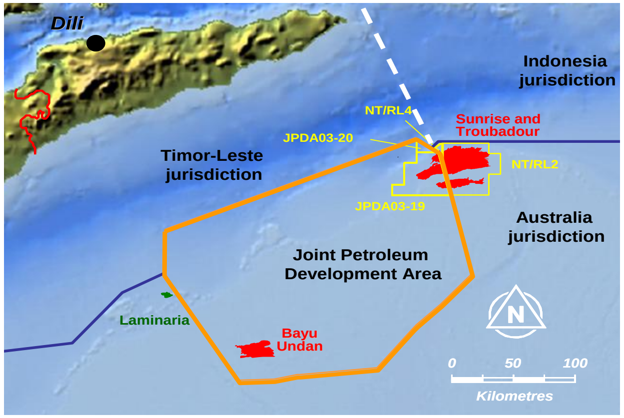
- FID now targeted for 1H 2013
- 2012 budget approved by Joint Venture

Equity position: Assessing minority equity sale

Commercialising our significant gas resources

Sunrise – increasing alignment

- Common desire for resource development amongst Government and Joint Venture
- Contingent resources 5.1 Tcf of dry gas and 225.9 MMbls of condensate (100%)
- Working towards a mutually beneficial development outcome
- Willing to work collaboratively to study all development concepts



81.9% of Greater Sunrise hydrocarbons are apportioned to Australia and 18.1% to Timor-Leste

Prime Minister of Timor Leste, Xanana Gusmao, meets with Woodside CEO

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Maximising and broadening our portfolio

Republic of Korea

- Drilling first exploration well, Jujak-1 in Q2 2012

Neptune (non-operator)

- Bottom hole pressure reduction campaign success continues
- Evaluating North Flank appraisal

Gulf of Mexico exploration

- Maturing inventory of 20+ oil prospects: drill Innsbruck 2H 2012

Brazil

- Continued evaluation of Panoramix and Vampira oil and gas fields
- Drilling Panoramix appraisal well in Q4 2012

Algeria

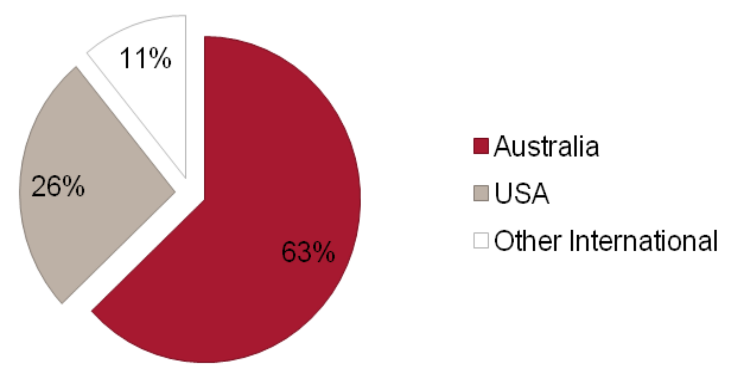
- Contract expired October 2011, received full revenue entitlement

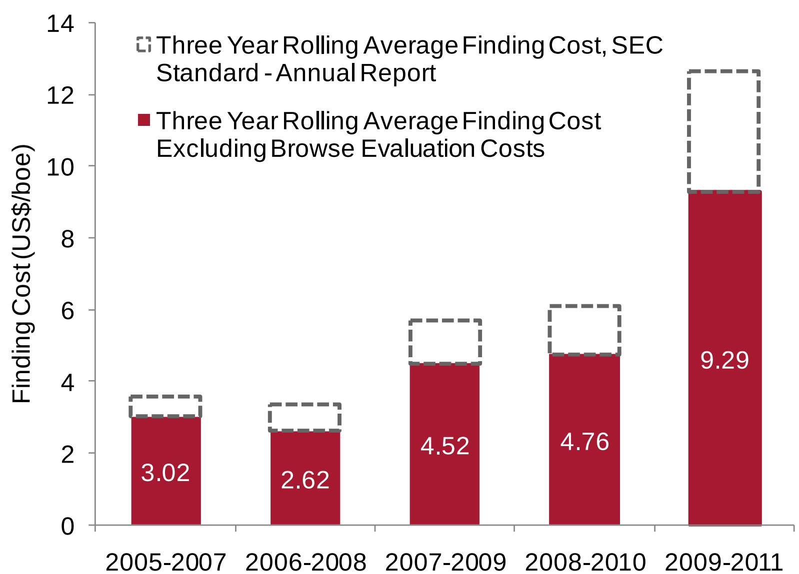
Capturing additional value through exploration

Eight exploration wells in 2012, six Australian and two international

- Ragnar-1: 190 metre gross gas interval
- Four wells to support Pluto expansion
- Two wells target oil in Greater Enfield area
- Two international wells
- Exploration's three-year running average finding cost ranges from US$2.62/boe to $9.29/boe*, over the past five-year period

2012 Exploration Budget by Country





*Excludes Browse evaluation costs

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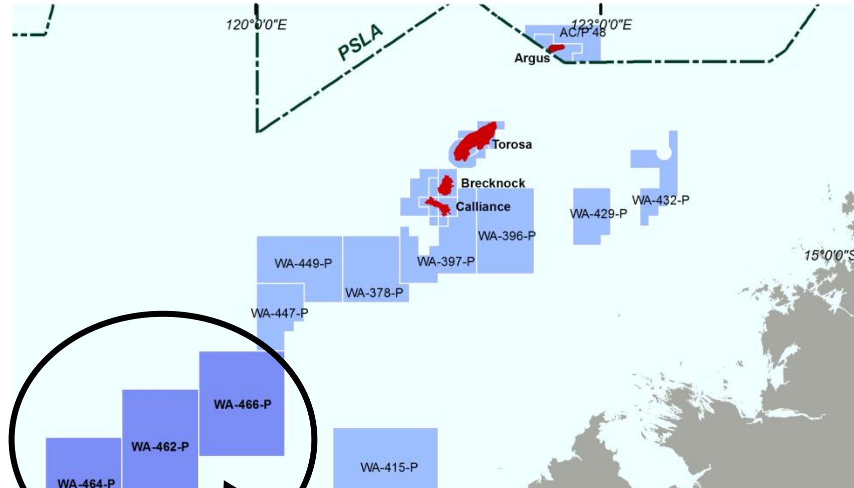
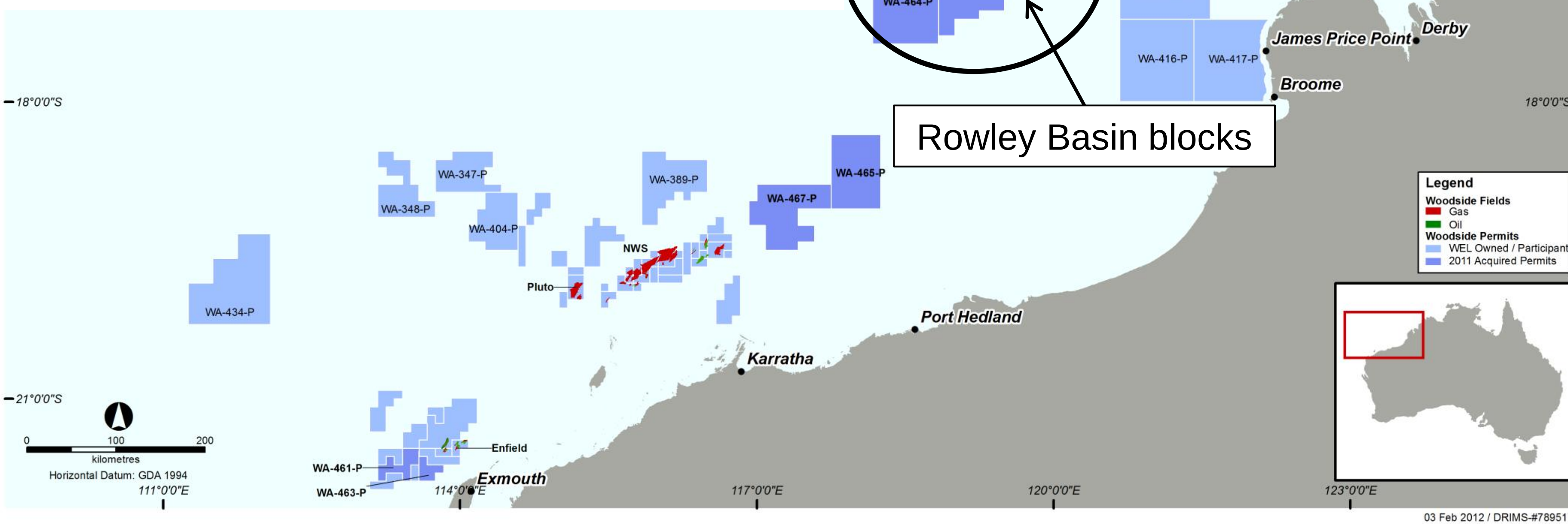
Capturing additional value through exploration

Exploration portfolio strengthened

- 2011: awarded seven new exploration blocks
- 2012: acquire over 11,000 km^2 of 3D seismic over the Rowley Basin blocks. Potential targets range from 0.2 to 12Tcf
- 2013: expect to start exploration drilling





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Strategic direction

Peter Coleman
CEO and Managing Director

22 February 2012

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Strategic direction

Over the past 30 years Woodside has regularly delivered top quartile TSR performance*

- Implementing strategies to continue this level of performance
- Maximising the value of our producing assets through:
  - Operational efficiencies
  - Project adds, extensions and enhancements
- Commercialising our existing premium LNG assets (e.g. Pluto expansion, Browse, Sunrise)
- Capturing top quartile performance requires additional sources of profitable growth
- To ensure growth targets are met we need to do more, including broadening our global upstream portfolio of opportunities

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*Calculated on a seven year cycle

Leveraging our capabilities

- Distinctive core capabilities in LNG, FPSO and subsea operations
  - Built on a strong track record
  - Customer access and relationships in prominent LNG markets
  - LNG plant engineering, construction and operations
- Wider view in generating value than in recent years
  - Leverage our LNG capabilities to access new opportunities
  - Selective geographic focus, oil and gas
  - Access opportunities across exploration, development, production and marketing
- Increase and broaden exploration efforts
- Generate opportunities through long-term partnerships

Disciplined approach

- Disciplined in what we do and how we do it
  - Relentless focus on maximising shareholder value
  - Focus on value accretive opportunities only
  - Build from our core – apply strengths to growth opportunities
  - Pursue operational and project delivery excellence
  - Minimise costs
  - Develop additional capabilities

Summary

- **North West Shelf –** another strong year in 2011
- **Australia Oil –** progressing growth opportunities, material revenue
- **Pluto –** step change in cash flow in 2012 – 2013
- **Commercialising resources –** Pluto expansion, Browse and Sunrise LNG
- **Opportunities –** rebuilding the portfolio in Australia and overseas for an active exploration campaign
- **Strategic direction –** apply core strengths, broaden value-creation options

Appendix

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NPAT: inc. and excluding non-recurring items

	2011 $M[1]	2010 $M[1]	Variance %
Oil and gas revenues	4,802	4,193	14.5%
EBITDAX[2]	3,687	3,205	15.0%
Exploration and evaluation expensed	(587)	(329)	(78.4%)
Depreciation and amortisation	(627)	(749)	16.3%
EBIT[3]	2,473	2,127	16.3%
Net finance income / (costs)	(26)	18	n.m.[4]
Taxes	(792)	(727)	(8.9%)
Underlying NPAT (excluding non-recurring items)	**1,655**	**1,418**	**16.7%**
Non-recurring items:			
Pluto delay mitigation cost	*(165)*	-	
Gain on adoption of US functional currency	-	*71*	
Neptune impairment	*17*	*(92)*	
Deferred tax asset write down	-	*(60)*	
Gain on sale of Otway	-	*149*	
Gain on sale of Liberia / Sierra Leone	-	*89*	
Reported NPAT	**1,507**	**1,575**	**(4.3%)**

[1]All amounts are in US$ and before non-controlling interest, unless otherwise stated
[2]EBITDAX = earnings before interest, tax, depreciation, amortisation and exploration
[3]EBIT = earnings before interest and tax
[4]n.m = not meaningful.

NPAT sensitivities

Impact on 2012 NPAT	
Oil Price, US$1/bbl increase	Increase by US$12 million
Exchange rate, AUD/USD 1 cent increase	Decrease by US$2 million

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