

ASX Announcement

Friday 24 April 2009

FIRST QUARTER REPORT FOR PERIOD ENDED 31 March 2009

Comparative performance at a glance					
Corresponding quarter, prior year		Q1 2009	Q1 2008	Difference	Change %
Production	<i>MMboe</i>	20.6	17.2	+3.4	+20%
Sales	<i>MMboe</i>	20.6	17.0	+3.6	+21%
Revenue	<i>A\$ million</i>	1,090	1,099	-9	-1%
Previous quarter		Q1 2009	Q4 2008	Difference	Change %
Production	<i>MMboe</i>	20.6	23.1	-2.5	-11%
Sales	<i>MMboe</i>	20.6	22.6	-2.0	-9%
Revenue	<i>A\$ million</i>	1,090	1,642	-552	-34%

Key Points

Production and sales volumes up compared to Q1 2008:

- Quarterly production was higher than the previous corresponding period due to additional contributions from new projects. These projects largely came online in the second half of 2008 at Neptune and Power Play (GoM), LNG Train 5 and Angel (NWSV) and Vincent (Greater Enfield area). In addition, the purchase of Shell's equity in NWSV oil has been contributing to production since May 2008.
- Compared to the previous quarter volumes were lower, due to several factors including mechanical and maintenance shutdowns, cyclone interruptions and natural decline.

Sales revenue at similar levels to Q1 2008:

- Although sales volumes increased by 21% compared to the previous corresponding period, adverse movements in commodity prices resulted in sales revenue that was 1% lower than that of Q1 2008.
- Compared to previous quarter, revenues were lower due to lower commodity prices and sales volume.

Activities:

- Pluto – LNG1 on schedule and budget. FEED on future trains under consideration. Martell-1 intersected a gross gas column of 110 metres.
- Browse – Heads of Agreement signed regarding James Price Point as an LNG precinct in the Kimberley.
- Sunrise – work continues to progress a decision between FLNG and Darwin LNG.
- North West Shelf gas – fabrication work continues on North Rankin B.
- North West Shelf oil – refurbishment and conversion works commenced on the FSO Okha.
- Vincent oil – production was shut in on 13 April due to a fire in a compressor unit on the facility. Production remains shut in while investigations continue. It is anticipated that an update will be provided to the market by the end of next week.
- Funding – after a successful round of debt raising, through bilateral facilities and issue of US bonds, Woodside held around US\$1.64 billion in undrawn debt facilities at the end of the quarter.

Activities

Production Summary

The Company's share of production and sales for the quarter ended 31 March 2009

		Q1 2009	Q4 2008	Q1 2008	Year to Date 2009	Year to Date 2008
NWS PIPELINE NATURAL GAS ¹	Deliveries (av.TJ/d)	247	243	263	247	263
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	559,106	577,098	457,444	559,106	457,444
	Sales Delivered (t)	575,801	553,348	466,755	575,801	466,755
	Cargoes Delivered	60	58	50	60	50
NWS CONDENSATE	Production (bbl)	2,199,924	2,274,222	1,822,662	2,199,924	1,822,662
	Sales (bbl)	2,328,109	2,126,726	1,894,640	2,328,109	1,894,640
NWS OIL ²	Production (bbl)	1,165,579	1,596,414	765,777	1,165,579	765,777
	Sales (bbl)	1,297,799	1,473,702	755,911	1,297,799	755,911
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	34,973	35,409	26,791	34,973	26,791
	Sales (t)	33,678	33,578	26,171	33,678	26,171
LAMINARIA-CORALLINA OIL	Production (bbl)	528,807	669,304	320,049	528,807	320,049
	Sales (bbl)	575,323	501,574	(17,842) ⁵	575,323	(17,842) ⁵
MUTINEER-EXETER OIL	Production (bbl)	80,452	79,809	39,870	80,452	39,870
	Sales (bbl)	49,629	91,303	4,736	49,629	4,736
ENFIELD OIL	Production (bbl)	1,960,775	2,343,402	1,568,649	1,960,775	1,568,649
	Sales (bbl)	1,726,664	2,297,762	1,612,440	1,726,664	1,612,440
STYBARROW OIL	Production (bbl)	1,858,719	2,722,012	2,977,049	1,858,719	2,977,049
	Sales (bbl)	1,686,513	2,964,575	2,987,904	1,686,513	2,987,904
VINCENT OIL	Production (bbl)	1,495,432	1,674,645	-	1,495,432	-
	Sales (bbl)	1,457,939	1,594,703	-	1,457,939	-
OTWAY PIPELINE NATURAL GAS	Production (TJ)	5,209	5,939	1,701	5,209	1,701
	Sales (TJ)	5,209	5,902	1,701	5,209	1,701
OTWAY CONDENSATE	Production (bbl)	62,755	76,046	16,826	62,755	16,826
	Sales (bbl)	56,790	73,970	11,785	56,790	11,785
OTWAY LPG	Production (t)	7,339	8,549	-	7,339	-
	Sales (t)	7,113	7,093	-	7,113	-
OHANET CONDENSATE ³ ENTITLEMENT (RSC)	Production (bbl)	335,974	339,600	345,087	335,974	345,087
	Sales (bbl)	335,974	339,600	345,087	335,974	345,087
OHANET LPG ENTITLEMENT (RSC) ³	Production (t)	27,356	27,651	28,098	27,356	28,098
	Sales (t)	27,356	27,651	28,098	27,356	28,098
GULF OF MEXICO PIPELINE NATURAL GAS ⁴	Production (MMBtu)	2,854,795	2,508,791	3,114,744	2,854,795	3,114,744
	Sales (MMBtu)	2,854,795	2,508,791	3,114,744	2,854,795	3,114,744
GULF OF MEXICO CONDENSATE ⁴	Production (bbl)	26,358	25,559	44,112	26,358	44,112
	Sales (bbl)	26,358	25,559	44,112	26,358	44,112
GULF OF MEXICO OIL ⁴	Production (bbl)	408,220	561,231	5,163	408,220	5,163
	Sales (bbl)	408,220	561,231	5,163	408,220	5,163
Total	Production (boe) #	20,648,332	23,145,740	17,158,223	20,648,332	17,158,223
	Sales (boe) #	20,610,879	22,588,978	16,974,758	20,610,879	16,974,758

¹ Affected by equity change. Currently, Woodside's equity share is 50% of the first 414 TJ per day and 16.67% for all gas produced above this amount.

² Affected by Woodside equity change. Woodside equity share now 33.33%. Prior to May 2008 Woodside equity in oil production was 16.67%.

³ Risk Sharing Contract (RSC) derived volumes have been calculated using the 10 year oil price at the time of initial production.

⁴ Gulf of Mexico production and sales volumes are net of royalties.

⁵ There were no liftings during Q1 2008. The negative sales volume is due to entitlement accounting and no liftings during the quarter.

Conversion Factors (see page 8).

Sales Revenue and Expenditure

The Company's share of sales revenue and exploration, evaluation and capital expenditure for the quarter

<i>Amounts in A\$ million</i>		Q1 2009	Q4 2008	Q1 2008	Year to Date 2009	Year to Date 2008
Sales Revenue						
NWS and Otway	Pipeline Natural Gas	88.6	94.4	69.9	88.6	69.9
NWS	LNG	314.1	531.2	223.2	314.1	223.2
	Condensate	132.0	111.4	193.4	132.0	193.4
	Oil	92.1	129.8	79.3	92.1	79.3
	LPG	23.0	38.8	22.5	23.0	22.5
Laminaria-Corallina	Oil	27.5	27.4	(2.0) ⁶	27.5	(2.0) ⁶
Mutineer-Exeter	Oil	2.4	18.1	1.7	2.4	1.7
Enfield	Oil ¹	119.6	198.2	165.8	119.6	165.8
Stybarrow	Oil ¹	116.2	275.6	291.6	116.2	291.6
Vincent	Oil ¹	75.6	106.4	-	75.6	-
Otway	Condensate	3.7	4.4	1.1	3.7	1.1
	LPG	4.9	5.2	-	4.9	-
Ohanet	Condensate	12.4	12.1	9.1	12.4	9.1
	LPG	8.3	8.1	6.0	8.3	6.0
Gulf of Mexico	Pipeline Natural Gas ²	20.2	31.5	32.2	20.3	32.2
	Condensate ²	1.5	2.2	4.9	1.5	4.9
	Oil ²	21.3	39.3	0.5	21.2	0.5
Crude Oil Hedging	Gain ¹	26.6	7.4	-	26.6	-
Total		1,090.0	1,641.5	1,099.2	1,090.0	1,099.2
Exploration and Evaluation Expense						
Exploration Expensed		100.8	50.6	53.9	100.8	53.9
Permit Amortisation		16.7	19.0	21.2	16.7	21.2
Evaluation Expensed		1.2	4.9	0.9	1.2	0.9
Total		118.7	74.5	76.0	118.7	76.0
Capital Expenditure³						
Exploration Capitalised ^{4,5}		30.5	15.7	7.9	30.5	7.9
Evaluation Capitalised ⁵		60.6	75.8	51.9	60.6	51.9
Oil and Gas Properties ⁵		1,240.5	1,734.4	901.7	1,240.5	901.7
Other Property, Plant and Equipment		2.2	7.3	6.0	2.2	6.0
Total		1,333.8	1,833.2	967.5	1,333.8	967.5

1 The Greater Enfield area Zero Cost Collars (established at the time of the Vincent project FID) commenced settling from June 2008.

2 Gulf of Mexico revenue is reported net of royalties and net of any realised gain/loss on hedges that are recognised in the Income Statement.

3 Pluto expenditure shown at 100%, inclusive of minority interests.

4 Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.

5 Project Final Investment Decisions result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil & Gas Properties. The table above does not reflect the impact of such transfers.

6 The negative sales revenue is due to entitlement accounting and no liftings during the quarter.

Production Activities

Field	Woodside share		Full field		Remarks
	Q1 2009	Q4 2008	Q1 2009	Q4 2008	
Australia NWS - Average daily production					
Pipeline gas (TJ)	247	243	652	629	Production increased during the quarter due to increased demand resulting from planned outages from another supplier at the Varanus Island gas facilities during the quarter and strong customer demand.
LNG (t)	6,212	6,273	39,314	39,464	LNG production was slightly lower in this quarter due to cyclone activity, repairs to pipework in the dehydration units on LNG4 and LNG5 requiring unplanned shutdown activities, as well as the ongoing heat exchanger capacity reduction on LNG5. The planned maintenance activity to rectify this capacity reduction has been brought forward to May from September this year and is scheduled to take around 25 to 30 days. During Q3 it is anticipated that LNG4 and either LNG2 or LNG3 will be shut-in for approximately 20-25 days per train for routine maintenance.
Condensate (bbl)	24,444	24,720	111,136	119,264	Production was marginally down due to the slight reduction in LNG production.
Oil (bbl)	12,951	17,352	38,853	52,057	Oil production in Q1 2009 was lower than the previous quarter due to cyclone related shut-downs (11 days), natural field decline and mechanical issues. The WA-1 well was shut-in on 28 Feb for a cyclone but was not able to be restarted. Deferred production from WA-1 is approximately 4,500bbl/day (~1,500bbl/day WPL share). Options to resume production from the WA-1 area include workover activity on the WA-1 well or drilling a new well.
LPG (t)	389	385	2,428	2,397	LPG production was slightly stronger than previous quarter due to richer offshore well flow and higher pipeline gas rates.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	5,876	7,275	8,981	11,148	Production was lower than the previous quarter due to planned subsea flowline replacement operations which were completed in early April. Corallina-3 was returned to production on 20 March. At the end of the quarter the fields were producing approximately 16,000 bbl per day (Woodside share approximately 10,400 bbl per day). Corallina-2ST2 is currently drilling and, if successful, could contribute to production in Q3 2009.
Mutineer-Exeter Oil (bbl)	894	867	10,901	10,579	Production was higher with steady field production. A planned field shutdown in Q1 was postponed to start in April. The fields were producing approximately 11,500 bbl per day (Woodside share 950 bbl per day) at the end of the quarter.
Enfield Oil (bbl)	21,786	25,472	36,311	42,453	Production was lower than the previous quarter due to a three day shutdown during tropical cyclone Dominic and natural decline. A planned two week field shutdown is due to commence mid May for routine maintenance and a required inspection. The field was producing approximately 35,000 bbl per day (Woodside share 21,000 bbl per day) at the end of the quarter. 4D seismic has assisted in locating an injector and production well for the sliver south block. If successful, the sliver south production well could contribute to production in 2H 2009.
Stybarrow Oil (bbl)	20,652	29,587	41,305	59,174	Stybarrow continued its natural production decline. Production was also curtailed by tropical cyclone Dominic and short periods of gas lift unavailability. The field was producing approximately 40,000 bbl per day (Woodside share 20,000 bbl per day) at the end of the quarter.
Vincent Oil (bbl)	16,616	18,203	27,693	30,338	Coiled tubing well intervention operations on two wells were completed and the final Phase I production well was brought on line during the quarter. At that stage 8 wells were online however, subsequent to the end of the quarter; production was shut in on 13 April due to a fire in a compressor unit on the facility. Production remains shut in while investigations continue.
Otway Pipeline Gas (TJ)	58	65	112	126	Production was lower due to reduced customer demand over the summer vacation period. The facility was producing 96TJ/D at the end of the quarter.
Condensate (bbl)	697	827	1,353	1,604	
LPG (t)	82	93	158	180	
Africa					
	Q1 2009	Q4 2008			
Algeria – Ohanet	US\$13.4 million	US\$13.6 million	Woodside's share of the revenue entitlement received from Ohanet was US\$13.4 million for the quarter, which equates to 335,974 bbl of condensate and 27,356 tonnes of LPG. These derived volumes were calculated using the 10 year oil price at the time of initial production.		

United States - Woodside share average daily production

	Q1 2009	Q4 2008	
Gulf of Mexico Gas (MMBtu)	31,720	27,269	Gas and condensate production was higher due to the return to full production after third party facilities sustained damage in Q3 2008. Woodside's net production at the end of the Quarter was approximately 31,655 MMBtu of gas per day and 290 bbl of condensate per day.
Condensate (bbl)	293	278	
Gulf of Mexico Oil (bbl)	4,536	6,100	Oil production decreased in the first quarter, attributable to natural field decline. Neptune's production for the Quarter averaged 20,400 bbls of oil per day (gross), with the field experiencing natural decline from its peak rates. Production from Power Play for the Quarter averaged 5,300 bbl of oil per day (gross). At the end of Q1, Woodside's net production was approximately 4,600 bbl of oil per day.

Development Activities

AUSTRALIA

North West Shelf

- **North Rankin Redevelopment Project:** North Rankin B substructure fabrication continues on schedule at the PT McDermott site in Indonesia. Deck strengthening work has now commenced on NRA platform for landing of the interconnecting bridge. Topsides fabrication is on schedule to commence Q2 2009.
- **Cossack Wanaea Lambert Hermes Redevelopment Project:** Following FID for the \$1.8 billion project in December 2008, outright purchase and title transfer of the FSO Okha took place in January 2009. Refurbishment and conversion works have commenced at the Keppel Tuas Shipyard in Singapore. Engineering design and procurement activities continue and negotiations are underway for the related subsea scope.

Pluto LNG Project

At the end of the quarter, the Pluto LNG Project had reached 55% construction completion.

During Q1, pipe-lay operations commenced and the main cryogenic heat exchangers for the LNG plant sailed away from Germany for Dampier.

In addition to flowline pipe installation, the subsea team also installed six flowbases for the project's production wells.

At the onshore site, preparation earthworks were completed in the main process areas and civil works progressed with the pouring of some 50,000 cubic metres of structural concrete.

Seventy six modules and supporting structures for the LNG train (out of a total 263) have now arrived from Thailand and are being installed on site.

The LNG tanker chartered for the project from AP Moller Maersk was floated for fit out in Korea in January.

The 480-bed expansion of the Gap Ridge Accommodation Village started during the quarter. At completion the village will house more than 2100 construction workers for the project.

The 2009 exploration campaign for Pluto expansion made a positive start with the Martell-1 exploration well discovering gas in February. Wireline logs indicated a gross gas column of about 110 metres in good quality reservoir sandstones.

Browse

Development locations in the Kimberley (James Price Point) and Pilbara (Karratha) are currently under consideration. Commercial discussions, technical, environmental and social impact studies are ongoing. With respect to the Kimberley option, on 21 April Woodside signed a Heads of Agreement between the State of Western Australia and the Kimberley Land Council on behalf of Traditional Owners, in relation to the establishment of a LNG Precinct in the James Price Point area, north of Broome.

The Heads of Agreement was made on the basis that the Kimberley LNG Precinct is Woodside's preferred site for the processing of LNG from the Browse Basin gas fields.

The Heads of Agreement is subject to a number of conditions, and will require the conversion of the Heads of Agreement to an Indigenous Land Use Agreement to be negotiated and entered into later in 2009. The Indigenous Land Use Agreement will enable the State to secure land for an LNG Precinct at James Price Point.

The Browse Joint Venture continues to consider the location for processing Browse gas at either the Kimberley LNG Precinct or at the Woodside operated facilities in Karratha.

Sunrise

Work is progressing on the floating and Darwin LNG development concepts with concept location selection anticipated in 2H 2009.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q1 2009

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Martell-1	Greater Pluto, WA-404-P	Gas	50.00	02/02/2009	1,290	3,270	Gas discovery
Tidepole-2	Carnarvon, WA-5-L	Oil-Gas	15.78	11/12/2008	114	3,718	Appraisal
Lady Nora-3	Carnarvon, WA-28-P	Oil-Gas	15.78	03/03/2009	85	3,521	Appraisal
Torosa-5	Browse, WA-30-R	Gas	50.00	09/11/2008	403	4,770	Appraisal
Brecknock-4	Browse, WA-32-R	Gas	50.00	31/03/2009	651	3,959 ³	Appraisal, currently drilling
Lambert-9	Carnarvon, WA-16-L	Oil	33.33	19/01/2009	131	3,240	Appraisal
AFRICA							
C1-NC205	Libya, Sirte Basin	Oil	45.00	28/01/2009	Onshore	844	Dry hole
LATIN AMERICA							
Panoramix-1	Brazil, Santos Basin	Gas	25.00 ⁴	07/10/2008	162	4,682	Well testing operations ⁵

Notes:

- 1 Water depth measured at lowest astronomical tide (LAT).
- 2 Reported depths referenced to the rig rotary table.
- 3 Proposed total depth.
- 4 Equity in the Brazil, Santos Basin concessions is being farmed down to 12.5%, pending regulatory approval.
- 5 Panoramix intersected hydrocarbons between 3,760m and 4,602m (refer Q4 2008 report). Well testing operations are outlined below.

Panoramix-1 well testing operations

Following an unsuccessful attempt at testing the Lower Santonian reservoir interval in well 1-REPF-3D-SPS (Panoramix) due to mechanical difficulties, a second DST was performed in the shallower Upper Santonian turbidite reservoir between 4,410 and 4,480m depth. On 8 April 2009 a maximum gas flow rate of 13.7 MMscfg/d was achieved through a 32/64" choke together with 1,570 Bbl/d of condensate. A stabilised flow rate of 9.6 MMscfg/d was later obtained using a 20/64" choke size. Analysis of the test data suggest that the well could be capable of delivering up to 30 MMscfg/d. Having collected sufficient high-quality data and samples of gas and liquids, the Operator (Repsol) is now preparing to plug and abandon the well as planned. A third, oil-bearing reservoir interval of Early Campanian age in Panoramix was not programmed for testing in this well. The Joint Venture is currently considering plans to return to Panoramix at a later date to appraise the oil and gas discoveries.

Geophysical surveys conducted during Q1 2009

Location	Survey name	Type	2D (line km full fold) 3D (sq km full fold) 4D (sq km full fold)
AUSTRALIA			
WA-347-P/WA-348-P	Cazadores 3D Marine Seismic Survey	3D	4,404 km in Q1 of total 4,551 km survey (completed)

Exploration or appraisal wells planned to commence in Q2 2009

Well Name	Basin / Area	Target	Woodside's Interest (%)	Water Depth ¹ (metres)	Proposed Total Depth ² (metres)	Remarks
LATIN AMERICA						
Vampira-1 ³	Brazil, Santos Basin	Oil - Gas	25.00 ⁴	133	5,100	Exploration

Notes:

- 1 Water depth measured at lowest astronomical tide (LAT).
- 2 Reported depths referenced to the rig rotary table.
- 3 Not operated by Woodside.
- 4 Equity in the Brazil, Santos Basin concessions is being farmed down to 12.5%, pending regulatory approval.

PERMITS AND LICENCES:

Key changes to permit and licence holdings during the quarter are noted below (some transactions may be subject to government and regulatory approval).

Australia

Woodside has relinquished its 42.73% interest in WA-294-P (Beagle Sub Basin).

Woodside has signed a conditional SPA for the purchase of a 50% interest in WA-401-P. WA-401-P is a 3 graticular block permit that lies immediately to the south west of WA-404-P.

Woodside was awarded a 70% interest in the following permits:

- AC/P48 and WA-429-P in the Browse Basin.
- WA-428-P and WA-430-P in the Carnarvon Basin.

Gulf of Mexico

Woodside exited the following lease blocks as part of ongoing portfolio management:

G21349/ HI 85; G24764/ WC,S 545.

Corporate Activities

Treasury

Woodside previously advised that agreements had been reached in early 2009 for US\$800 million in bilateral debt facilities. In March 2009, Woodside raised US\$1.0 billion through the issue of Rule 144A bonds, which included US\$400 million in five year bonds expiring in 2014 and US\$600 million in ten year bonds expiring in 2019.

Subsequently Woodside reduced its bilateral and 364-day portfolio from US\$1.85 billion to US\$1.65 billion. As at 31 March 2009, Woodside held around US\$1.64 billion in undrawn debt facilities.

A number of additional debt facilities are under consideration for 2009.

Indicative 2009 expenditure

In November 2008 Woodside had advised that the indicative 2009 capital expenditure on its various projects and exploration activities (including capitalized interest) could be in the order of A\$7.3 billion.

Following the management initiatives announced in February 2009, Woodside's spend for 2009 is more likely to be in the order of A\$6.6 to \$6.7 billion. Management initiatives continue to be implemented and a more detailed breakdown will be provided with the interim profit announcement in August 2009.

CONVERSION FACTORS

(boe) = barrel of oil equivalent (TJ)= Terajoules (t) = tonne (bbl) = barrel (MMBtu) = Million British Thermal Units

(MMcfcg) = million cubic feet of gas (Bcf) = billion cubic feet of gas (kt) = thousand tonnes

Product	Factor	Conversion Factors*
Australian Pipeline Natural Gas	1TJ =	163.6 boe
Liquefied Natural Gas (LNG)	1 tonne =	8.9055 boe
Condensate	1 bbl =	1.000 boe
Oil	1 bbl =	1.000 boe
Liquefied Petroleum Gas (LPG)	1 tonne =	8.1876 boe
Gulf of Mexico Pipeline Natural Gas	1 MMBtu =	0.1724 boe

* minor changes to some conversion factors can occur over time due to gradual changes in the process stream

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