

ASX Announcement

Thursday, 16 October 2014

ASX: WPL
OTC: WOPEY

Woodside Petroleum Ltd.
ACN 004 898 962
Woodside Plaza
240 St Georges Terrace
Perth WA 6000
Australia
www.woodside.com.au

THIRD QUARTER REPORT FOR PERIOD ENDED 30 SEPTEMBER 2014

Highlights

- Sales revenue for the quarter was US\$1,959 million, up 16.7% on Q2 2014, and up 46.4% on Q3 2013.
- An LNG Sale and Purchase Agreement was signed with Cheniere Energy, Inc. subsidiary, Corpus Christi Liquefaction, LLC.
- Drilling activities progressed in Australia, with the Toro-1 exploration well in permit WA-430-P intersecting approximately 150 metres gross gas and 65 metres net gas within the Mungaroo Formation target.
- Woodside finalised an agreement with Chariot Oil & Gas to farm-in to the prospective Rabat Deep permits offshore north western Morocco, and Beach Energy to farm-in to the prospective basin of Lake Tanganyika in western Tanzania.
- Woodside acquired a participating interest in an exploration, exploitation and production sharing contract (EESPC) for Block F15 in the Gabon Coastal Basin, located in the south-western offshore area of Gabon.
- Subsequent to the quarter, on 14 October, Woodside advised that an agreement had been finalised with Noble Energy and Glencore to farm in to the Tilapia Production Sharing Contract (PSC) off the coast of Cameroon.

Comparative performance at a glance

Previous quarter		Q3 2014	Q2 2014	Change %
Production	MMboe	25.2	23.5	+ 7.2
Sales	MMboe	24.5	21.5	+ 14.0
Sales Revenue	\$ million	1,959	1,679	+ 16.7
Corresponding quarter, prior year		Q3 2014	Q3 2013	Change %
Production	MMboe	25.2	21.9	+ 15.1
Sales	MMboe	24.5	20.9	+ 17.2
Sales Revenue	\$ million	1,959	1,338	+ 46.4

All dollar amounts are in US dollars unless otherwise stated

Key production and sales points for the quarter

Relative to previous quarter (Q2 2014):

- Production volumes were 7.2% higher mainly due to higher LNG and condensate volumes produced at the North West Shelf (NWS) and Pluto LNG, partially offset by decreased oil volumes produced across our Australia oil assets. Sales volumes were 14.0% higher due to higher production and timing of shipments.
- Sales revenue for the quarter was 16.7% higher reflecting higher LNG and condensate sales volumes and higher LNG realised pricing at Pluto. This was partially offset by lower oil sales volumes.

Relative to corresponding period (Q3 2013):

- Production volumes were 15.1% higher and sales volumes were 17.2% higher predominantly due to higher LNG reliability at NWS and Pluto and the re-start of the Vincent FPSO in late 2013.
- Sales revenue for the quarter was 46.4% higher predominantly due to additional oil volumes sold primarily from Vincent and higher realised prices for Pluto LNG volumes sold in the period.

For personal use only

Production Summary

Woodside's share of production and sales for the quarter ended 30 September 2014 with appropriate comparatives:

		Q3 2014	Q2 2014	Q3 2013	Year To Date 2014	Year To Date 2013
NWS PIPELINE NATURAL GAS ¹	Production(TJ)	21,485	19,777	24,564	61,680	64,908
	Sales (TJ)	21,485	19,777	24,564	61,680	64,908
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	719,428	610,241	645,302	1,955,076	1,805,254
	Sales Delivered (t)	711,833	599,584	626,012	1,909,347	1,788,097
	Cargoes Delivered	72	61	64	193	183
NWS CONDENSATE	Production (bbl)	1,601,004	1,481,668	1,975,508	4,636,353	5,305,249
	Sales (bbl)	1,780,434	1,156,958	1,806,308	4,458,549	5,384,462
NWS OIL	Production (bbl)	702,368	718,776	997,183	2,278,060	2,684,751
	Sales (bbl)	661,222	625,838	879,591	2,162,406	2,555,569
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	25,272	24,485	32,430	74,671	87,746
	Sales (t)	28,336	20,745	27,972	76,374	84,919
PLUTO LIQUEFIED NATURAL GAS (LNG)	Production (t)	1,126,228	1,049,316	784,163	3,140,533	2,527,152
	Sales Delivered (t)	1,120,246	867,431	719,210	3,006,116	2,414,610
	Cargoes Delivered	19	14	12	49	40
PLUTO CONDENSATE	Production (bbl)	761,929	718,801	585,773	2,168,134	1,856,843
	Sales (bbl)	538,423	613,993	730,103	2,171,608	1,975,663
LAMINARIA-CORALLINA OIL	Production (bbl)	260,458	294,505	210,149	733,882	843,136
	Sales (bbl)	0	475,497	294,495	475,497	712,046
ENFIELD OIL	Production (bbl)	333,439	445,668	556,144	947,275	1,396,011
	Sales (bbl)	447,465	101,672	446,818	970,554	1,310,557
STYBARROW OIL	Production (bbl)	232,433	258,925	346,433	777,358	1,079,762
	Sales (bbl)	0	261,848	274,501	549,795	1,114,531
VINCENT OIL	Production (bbl)	1,160,706	1,273,689	0	3,804,156	0
	Sales (bbl)	975,003	1,665,165	0	3,647,863	221,051
GULF OF MEXICO PIPELINE NATURAL GAS ²	Production (MMBtu)	3,778 ³	47,322	193,674	131,032	680,779
	Sales (MMBtu)	3,778 ³	47,322	193,674	131,032	680,779
GULF OF MEXICO CONDENSATE ²	Production (bbl)	41	117	301	324	1,107
	Sales (bbl)	41	117	301	324	1,107
GULF OF MEXICO OIL ²	Production (bbl)	0	85,989	179,135	223,986	567,196
	Sales (bbl)	0	85,989	179,135	223,986	567,196
Total	Production (boe) #	25,211,381	23,501,472	21,898,313	71,673,289	63,771,050
	Sales (boe) #	24,465,769	21,465,107	20,872,240	69,173,997	62,700,998

1 Woodside's equity share is 50% of the first 414 TJ per day (contract flexibilities allow Woodside to receive 50% up to 517.5 TJ per day) and 16.67% for all gas produced above this amount.

2 Gulf of Mexico production and sales volumes are reported net of royalties. Woodside signed and completed a Sale and Purchase Agreement with W&T Energy on 20 May 2014 to sell its 20% interest in the Neptune asset. The transaction remains subject to regulatory approval.

3 Production volumes are minor adjustments to reflect final sales to 20 May 2014.

Conversion Factors are identified on page 8.

Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 30 September 2014, with appropriate comparatives:

<i>Amounts in US\$ million</i>		Q3 2014	Q2 2014	Q3 2013	Year To Date 2014	Year To Date 2013
Sales Revenue						
North West Shelf	Pipeline Natural Gas	95.2	117.5 ¹	94.2	296.4 ¹	270.9
	LNG	460.9	404.4	428.9	1,278.2	1,234.7
	Condensate	172.1	125.0	190.5	458.3	559.1
	Oil	71.3	69.5	99.8	237.1	282.8
	LPG	22.8	18.0	23.7	65.2	71.5
Pluto	LNG	935.2	591.3	288.3	2,103.1	1,060.2
	Condensate	53.3	66.6	75.4	231.5	208.1
Laminaria-Corallina	Oil	-2.2 ²	50.2	31.3	48.0	74.0
Mutineer-Exeter³	Oil	0.0	0.0	0.0	0.0	0.2
Enfield	Oil	47.5	12.0	53.0	108.2	147.5
Stybarrow	Oil	-2.9 ⁴	30.8	32.6	60.7	130.3
Vincent	Oil	105.7	185.0	0.0	403.3	24.9
Gulf of Mexico⁵	Pipeline Natural Gas	0.0	0.4	1.1	0.9	3.7
	Condensate	0.0	0.0	0.0	0.0	0.1
	Oil	-0.1	8.7	19.0	22.1	59.6
	Total	1,958.8	1,679.4	1,337.8	5,313.0	4,127.6
Exploration and Evaluation Expense						
	Exploration Expensed	29.1	46.6	43.1	149.3	212.5
	Permit Amortisation	1.9	6.4	8.0	19.2	21.9
	Evaluation Expensed	0.4	2.4	10.5	9.2	23.8
	Total	31.4	55.4	61.6	177.7	258.2
Capital Expenditure						
	Exploration Capitalised ^{6,7}	48.8	87.3	10.3	145.2	7.7
	Evaluation Capitalised ⁷	35.2	34.4	16.5	98.2	106.0
	Oil and Gas Properties ⁷	110.9	66.6	81.9	251.3	311.1
	Other Property, Plant and Equipment	1.6	2.3	8.2	7.7	18.3
	Total	196.5	190.6	116.9	502.4	443.1

1 NWS Pipeline Natural Gas revenue in Q2 2014 was positively impacted by a one-off price adjustment for volumes delivered in prior periods.

2 The negative sales revenue represents an adjustment between the estimated price in June, and the final realised price in July.

3 A sale and purchase agreement was signed with Santos on 21 December 2012 to sell an 8.2% interest in the Mutineer-Exeter oil project with effect from 1 July 2012. The agreement completed on 26 February 2013.

4 The negative revenue represents an adjustment to the expected realised price of product stock entitlements.

5 Gulf of Mexico revenue is reported net of royalties. A Sale and Purchase Agreement was signed and completed with W&T Energy on 20 May 2014 to sell a 20% interest in the Neptune asset.

6 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.

7 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.

Production Activities

Field	Woodside share		Full field		Remarks
	Q3 2014	Q2 2014	Q3 2014	Q2 2014	
Australia NWS - Average daily production					
Pipeline gas (TJ)	234	217	494	476	Production was driven by customer demand for the quarter.
LNG (t)	7,820	6,706	49,823	42,804	Production was higher due to increased reliability in Q3, and because a planned shutdown of approximately one month was completed at LNG Train 3 in Q2. During Q4, a planned shutdown of approximately one month is scheduled for LNG Train 1.
Condensate (bbl)	17,402	16,282	85,316	78,909	Production was higher due to higher gas production.
Oil (bbl)	7,634	7,899	22,903	23,696	Production was lower primarily due to natural reservoir decline.
LPG (t)	275	269	1,735	1,700	Production was relatively stable.
Australia Pluto - Average daily production					
LNG (t)	12,242	11,531	13,602	12,812	Production was higher than the previous quarter as a planned shutdown of approximately 5 days was completed during Q2.
Condensate (bbl)	8,282	7,899	9,202	8,777	Production was higher in line with LNG production.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	2,831	3,236	4,469	5,098	Production was lower due to natural reservoir decline and a planned facility shutdown in August of approximately one week. At the end of the quarter, production was approximately 5,000 bbl/day (Woodside share 3,200 bbl/day).
Enfield Oil (bbl)	3,624	4,897	6,041	8,162	Production was lower due to reduced facility utilisation and natural reservoir decline. At the end of the quarter, production was approximately 7,600 bbl/day (Woodside share 4,560 bbl/day).
Stybarrow Oil (bbl)	2,526	2,845	5,053	5,691	Production was lower due to natural reservoir decline and a planned facility shutdown in August of approximately one week.
Vincent Oil (bbl)	12,616	13,997	21,027	23,328	Production was lower due to natural reservoir decline. At the end of the quarter, production was approximately 24,000 bbl/day (Woodside share 14,400 bbl/day).
United States - Woodside share average daily production					
	Q3 2014	Q2 2014			
Gas (MMBtu)	0	946	Divestment of the sole US producing asset, Neptune, occurred in Q2 2014.		
Oil and Condensate (bbl)	0	1,722	Divestment of the sole US producing asset, Neptune, occurred in Q2 2014.		

Development Activities

Australia

Browse FLNG

During the quarter, Woodside, as operator of the Browse Joint Venture, concluded key basis of design documentation for the proposed Browse floating LNG (FLNG) Development. Woodside continues to progress engineering and non-technical activities to be in a position to make a recommendation on entering front-end engineering and design late in 2014.

Engineering continues in the FLNG and subsea areas of the Development. Non-technical activities extend to progressing environmental approvals, retention lease renewals and engagement on the maritime boundary change as advised by the National Offshore Petroleum Title Administrator in May 2014.

Greater Enfield Area

Development opportunities for Greater Enfield continue to be evaluated. Greater Enfield seeks to aggregate undeveloped oil resources in the Exmouth sub-basin, through maximising existing infrastructure.

Pluto

During the quarter, drilling of Xena Phase 1 commenced. Xena first gas is expected in 2H 2015.

North West Shelf

Persephone

The Persephone Development continued key design activities in preparation for a Final Investment Decision planned for 2H 2014. Persephone is the next major gas development for the NWS Project and involves a subsea tieback to the North Rankin Complex.

Greater Western Flank Phase 1 Project

During the quarter, the A\$2.5 billion Greater Western Flank Phase 1 project continued subsea installation and topside modifications. Subsea installation is expected to be completed by Q4 2014. The project remains on budget and on schedule for start-up in early 2016.

International

Sunrise LNG

During the quarter, the Timor-Leste and Australian Governments agreed to a six month adjournment to a dispute relating to the Treaty on Certain Maritime Arrangements in the Timor Sea while the two governments negotiate toward an acceptable settlement. Woodside remains committed to developing Greater Sunrise.

Canada

During the quarter, Woodside progressed environmental and regulatory approval obligations under the Sole Proponent Agreement. In September, geotechnical investigations commenced at the Grassy Point site to assess the feasibility of a potential LNG development.

Exploration and Appraisal Activities

Australia

In WA-430-P the Toro-1 well was spudded on 2 May 2014 resulting in a gas discovery announced on 2 July 2014. Well results continue to be evaluated.

During the quarter, drilling in the Outer Canning Basin commenced using the Deepwater Millennium drillship. The Hannover South-1 well in WA-466-P was spudded on 18 July 2014. Steel Dragon-1 in WA-464-P is the next well on the drilling sequence.

On 1 September 2014, Woodside farmed down 11.1% in Outer Canning permits WA-462-P and WA-466-P to BP Developments Australia Pty Ltd. This reduces Woodside's equity in both permits to 43.9%. Partial divestment supports Woodside's disciplined approach to portfolio management in a frontier basin.

New Zealand

Preparations progressed in support of 3D seismic acquisition planned for Q1 2015.

Republic of Korea

Processing of data from the Muneo 3D seismic survey in the Ulleung Basin Block 8/6-1N was completed in September, and interpretation of this data has commenced.

Spain (Canary Islands)

Woodside continues to work with joint venture participants to address timing of drilling obligations in the permit. Woodside has elected not to participate in an exploration well, planned for Q4 2014.

Peru

During the quarter, 2D seismic operations commenced, including geological and geochemical surveying.

Morocco

An agreement was finalised with Chariot Oil & Gas (Chariot) to farm-in to the prospective Rabat Deep permits offshore north-western Morocco. Under the agreement Woodside acquires an initial 25% participating interest in the Rabat Deep Offshore permits I-VI with an option for Woodside to increase its participating interest to 50% and take operatorship. The Rabat Deep Farm-in remains subject to government approval. A 3D survey was completed in Rabat Deep by Chariot during 3Q 2014 and seismic processing has commenced.

Tanzania

An agreement was finalised with Beach Energy to farm-in to the prospective basin of Lake Tanganyika in western Tanzania. Under the agreement Woodside acquires an initial 70% participating interest in the Lake Tanganyika South Block and the respective Production Sharing Agreement. The proposed work program includes seismic studies, with an option for future drilling and operatorship. The agreement remains subject to required government and regulatory approvals. Beach Energy is in the final stages of preparation for 2D seismic acquisition planned for Q4 2014.

Gabon

Woodside acquired a 40% participating interest in an exploration, exploitation and production sharing contract (EESPC) for Gabon Block F15, located in the south-western offshore area of Gabon. Noble Energy has a 60% participating interest in the EESPC and will be the operator. The commitment for Block 15 is a 3D seismic survey with an option for future drilling.

Cameroon

Subsequent to the quarter, on 14 October 2014, Woodside advised that an agreement had been finalised with Noble Energy and Glencore to farm in to the Tilapia Production Sharing Contract (PSC) off the coast of Cameroon. Under the agreement, Woodside will acquire a 30% non-operating interest. The Joint Venture plans to drill the Cheetah exploration well in 2015. The agreement is subject to required government and regulatory approvals.

Exploration or appraisal wells drilled during Q3 2014

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Hannover South-1	Outer Canning Basin, WA-466-P	Gas	43.90	18/07/2014	820	5,512	Exploration, in progress

Notes:

1 Water depth measured at lowest astronomical tide.

2 Reported depths referenced to the rig rotary table.

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).

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
AUSTRALIA				
Browse Basin	WA-275-P	(17.00)	0.00	Permit surrendered
Outer Canning Basin	WA-462-P	(11.10)	43.90	Equity sale ¹
Outer Canning Basin	WA-466-P	(11.10)	43.90	Equity sale ¹
MOROCCO				
Offshore Rabat Deep	Rabat Deep I-VI	25.00	25.00	Equity acquisition ¹
TANZANIA				
Lake Tanganyika	Lake Tanganyika South Block	70.00	70.00	Equity acquisition ¹
GABON				
Coastal Basin	F15	40.00	40.00	Permit Award ¹

Notes:

1 Subject to government and regulatory approval.

Exploration or appraisal wells planned to commence in Q4 2014

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres) ¹	Proposed Total Depth (metres) ²	Remarks
AUSTRALIA						
Steel Dragon-1	Outer Canning Basin, WA-464-P	Gas	55.00	2,038	4,062	Exploration
Anhalt-1	Outer Canning Basin, WA-462-P	Gas	43.90	912	5,958	Exploration

Notes:

1 Water depth measured at lowest astronomical tide.

2 Reported depths referenced to the rig rotary table.

Corporate Activities

2014 Production Guidance

Woodside's production target range for 2014 has been revised to 93 to 95 MMboe (previously 89 to 94 MMboe). This reflects continuing strong operating performance across all assets.

Marketing and Trading

On 1 July 2014, Woodside advised that its subsidiary, Woodside Energy Trading Singapore Pte Ltd, had signed a LNG Sale and Purchase Agreement with Cheniere Energy, Inc. subsidiary, Corpus Christi Liquefaction, LLC.

Under the agreement Woodside will purchase approximately 0.85 million tonnes of LNG per annum from the Corpus Christi Liquefaction Project on start-up of the second train at the LNG export facility being developed near Corpus Christi, Texas. The Corpus Christi Liquefaction Project is planned to include three LNG trains with a combined production capacity of 13.5 million tonnes a year.

LNG will be purchased on a free on board basis. Subject to the lifting of certain conditions and receipt of permits, delivery of cargoes to Woodside from the facility is expected to commence in late 2019.

Capital Management

A proposed selective buy-back of 78.3 million Woodside shares held by Shell Energy Holdings Australia Limited (Shell) was not approved by the requisite 75% of votes of eligible shareholders (72% of votes were in favour of the transaction) at Woodside's General Meeting on 1 August 2014. The selective buy-back was associated with an underwritten sell-down by Shell of another 78.3 million shares, which completed in June 2014. Shell currently holds a 13.6% stake in Woodside.

CONVERSION FACTORS

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

(MMcft) = 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

Contacts:

MEDIA

Michelle Grady
W: +61 8 9348 5995
M: +61 418 938 660
E: michelle.grady@woodside.com.au

INVESTORS

Craig Ashton
W: +61 8 9348 6214
M: +61 417 180 640
E: investor@woodside.com.au