

# 2009 Half Year Results Briefing

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19 August 2009

## 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, outcomes of negotiations, project delay or advancement, approvals and cost estimates.

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

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

# Woodside: building the future

## Headlines

- Production – record first half: 40.1MMboe
- Profit – robust: A\$898 million
- North West Shelf – running at 16.3+Mtpa design rate
- Pluto T1 – over 70% complete
- Pluto T 2 & 3 – initiating FEED
- Browse – strong government support
- Sunrise – concept select underway





# Financial Results

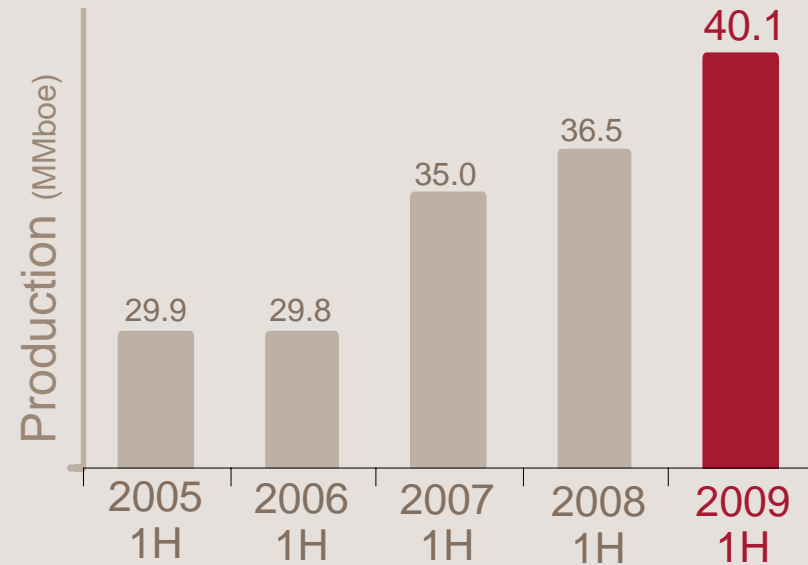
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# Production

## Production 40.1 MMboe, up 10%

- excellent output from NWS
- strong performance from Australian oil

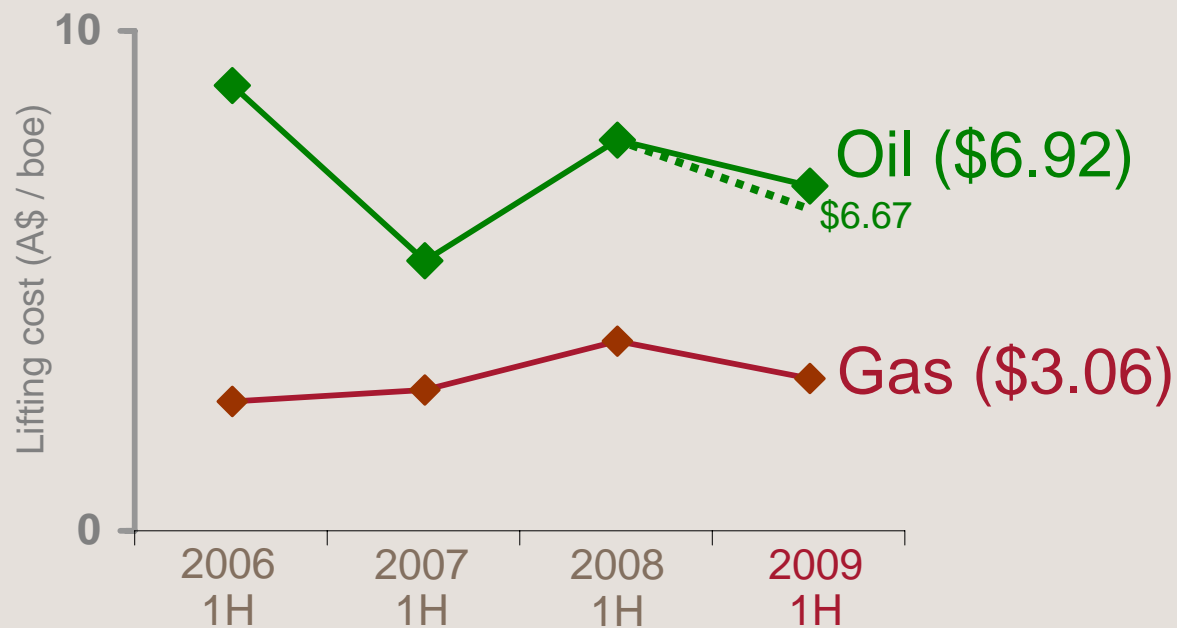


## 2H outlook is positive

- NWS Trains 1 - 5 operating at expected capacity
- Vincent production restored
- Corallina and Enfield wells to support production

**2009 target of 81 – 86 MMboe unchanged**

# Lifting costs



## Oil

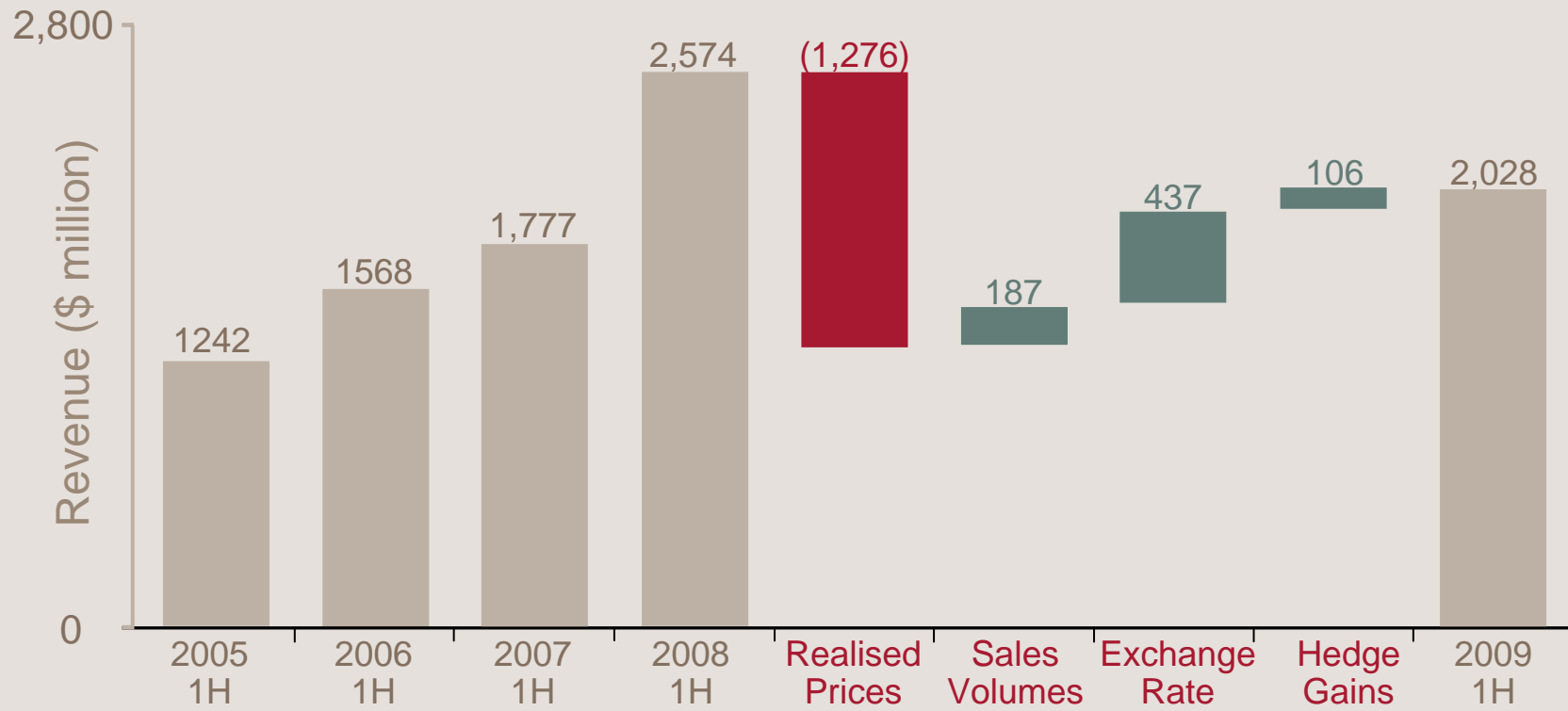
- higher production despite natural field decline
- Vincent 9 week shut-in
- underlying lifting cost: A\$6.67 / boe (US\$5.38 / boe)

## Gas

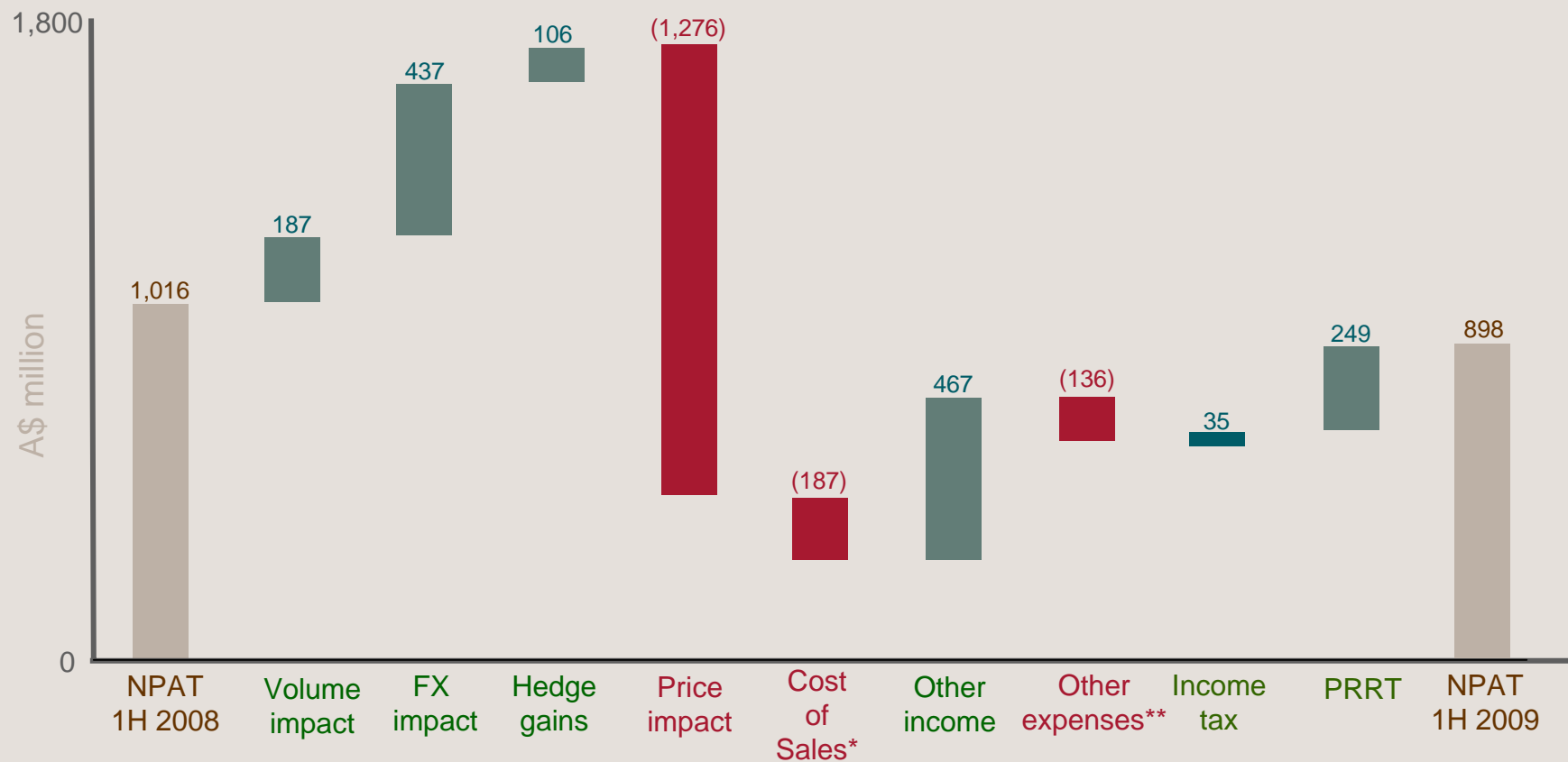
- additional production at NWS and Otway
- lower operating costs at NWS
- underlying lifting cost: A\$3.06 / boe (US\$2.47 / boe)  
A\$0.54 / mcf (US\$0.44 / mcf)

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# Revenue



# Reported Profit

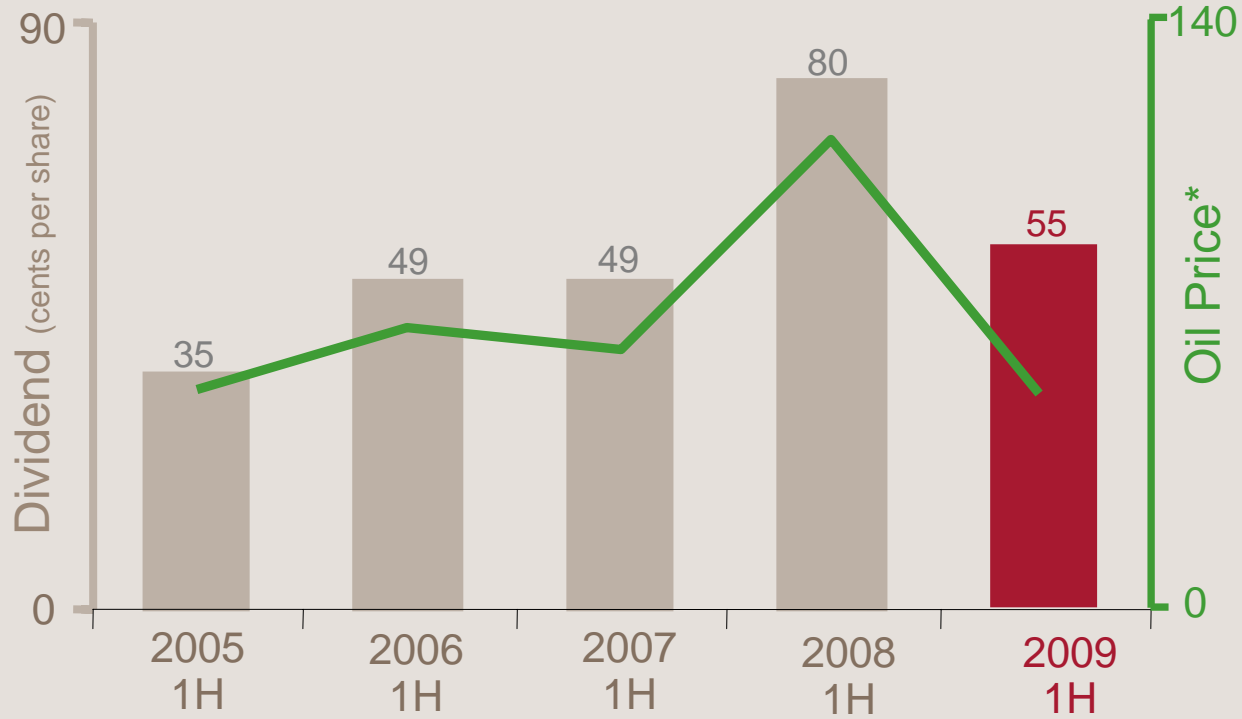


\* Cost of sales includes production costs; royalties and excise; third party gas; insurance; inventory movement; shipping and direct sales costs; depreciation and amortisation

\*\* Other expenses includes a \$79m loss on derivative financial instruments (a result of unfavourable revaluation of Greater Enfield Area hedges and interest rate swaps) compared to a \$26m gain in 1H 2008



# Dividends

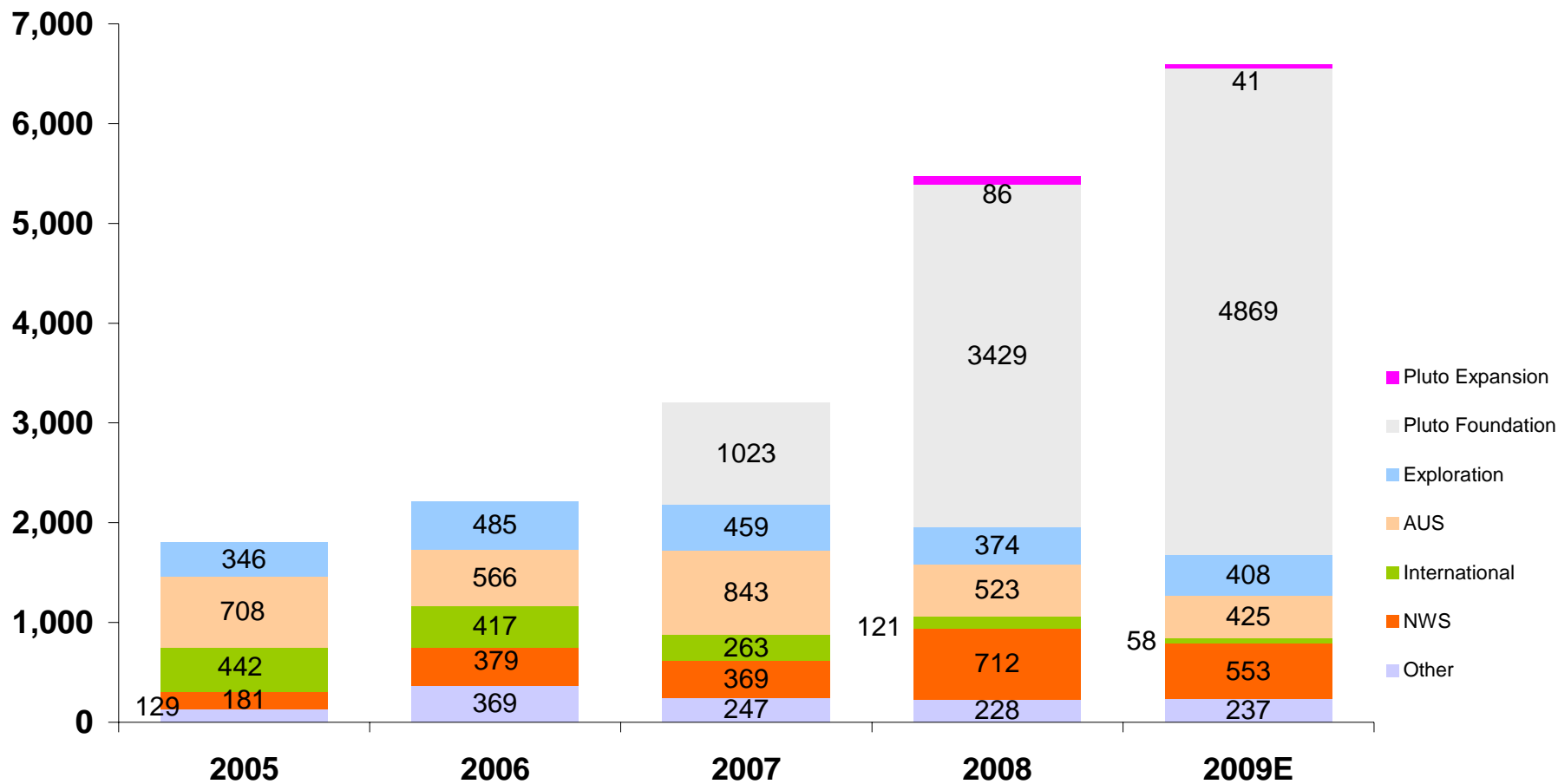


Fully underwritten DRP for half-year dividend

\*Oil Price: average closing daily price in each 6 month period

# Capital and exploration expenditure

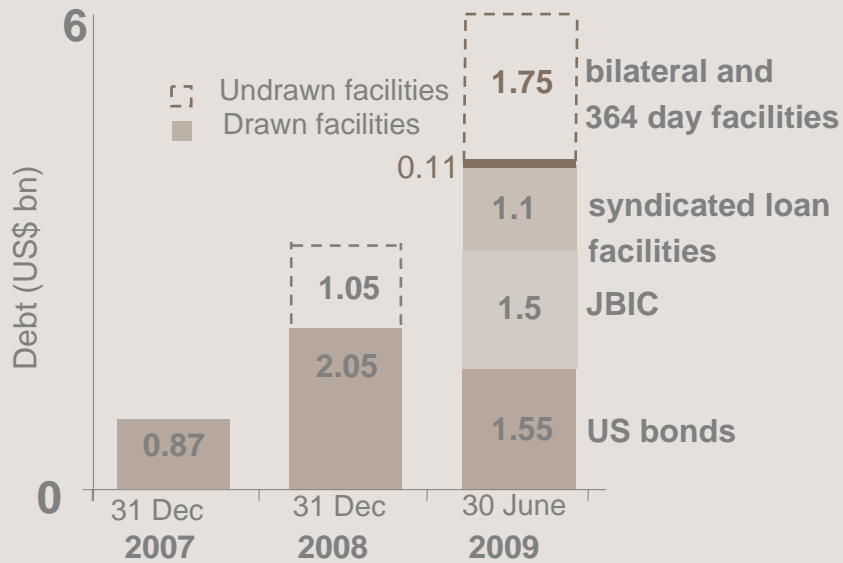
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**Reduced 2009 spending by \$500 million**

Note: Chart excludes capitalised interest for 2005: \$55m, 2006: \$77m, 2007: \$95m, 2008: \$82m; 2009 forecast \$240m

# Funding update



- 2009 funding complete
- Considering funding plan for 2010
  - Discussions on additional bilateral facilities in progress
- 2010 funding requirements will be impacted by:
  - Scale of activity in LNG growth portfolio
  - Outcome of non-core asset reviews (e.g. Otway, Brazil, Libya)

Average cost of debt is ~4% p.a. on a portfolio basis (US\$)

# Oil development

## Laminaria Corallina

- Corallina-2 sidetrack-2 drilled and tied back
- 26,000 bopd start up production
- 4 similar development targets being worked up

## Enfield

- ENE-01 drilled and tied back
- 20,000 bopd start up production
- 1-2 additional production wells planned in 2010
- 1- 2 exploration prospects planned for drilling in 2010

## Vincent

- production restarted after 9 week shutdown,
- plan to reinstate compression during Q1 2010
- 2 development wells planned for 2010

## Stybarrow

- 1 development well planned for 2010

## Neptune

- 1 development well planned for drilling in 2H 2009
- 1-2 development wells planned for 2010

# Exploration drilling in 2009

Well Name	Basin	Title	Target	% Equity	Comment
<b>Australia</b>					
Martell-1	Carnarvon	WA-404-P	Gas	50.0%	Gas discovery
Pelion-1	Carnarvon	WA-34-L	Gas	90.0%	Planned for Q4-2009
Elatus-1	Carnarvon	WA-34-L	Gas	90.0%	Planned for Q4-2009
Noblige-1	Carnarvon	WA-404-P	Gas	50.0%	Planned for Q4-2009
Somerset-1	Otway	T/34P	Gas	51.6%	Planned for Q4-2009
<b>USA</b>					
Rickenbacker	GOM	KC426	Oil	10.0%	123 day well planned to start September 2009
<b>Brazil</b>					
Panoramix-1	Santos	S-M-674	Oil & Gas	12.5%	Gas and oil discovery
Vampira-1	Santos	S-M-789	Oil & Gas	12.5%	Gas and oil discovery
Panoramix-2	Santos	S-M-673	Oil & Gas	12.5%	Appraisal well - planned for Q4 2009
<b>Libya</b>					
C1-NC205	Sirte	NC205	Oil	45.0%	Dry hole
<b>Sierra Leone</b>					
Venus B	Sierra Leone	Block SL-6	Oil-Gas	25.0%	Currently drilling

# Outlook

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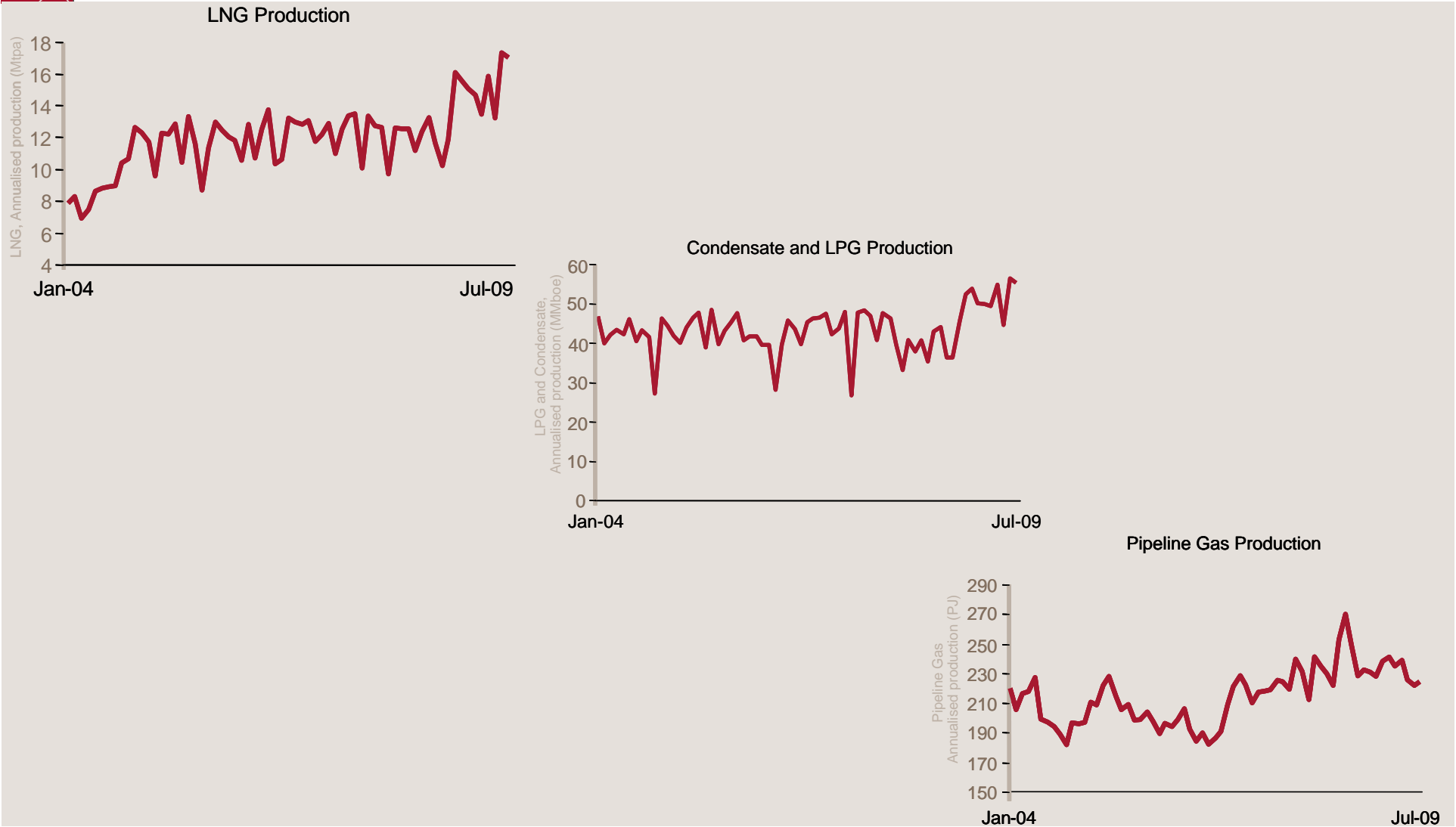
# NWS 25 years of operations

- ~65% of WA pipeline gas supply
- >2700 cargoes in 20 years of LNG exports
- >1000 condensate cargoes



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# NWS 5 trains now built and operating to full capacity





# Pluto powers ahead

- **Pluto Train 1** – greenfield foundation 72.5% complete. (WPL 90%)
- **Pluto Train 2** – brownfield expansion now in FEED (WPL 60% – 90%)
  - LLIs Q2/Q3 2010
  - FID end 2010
  - **First gas end 2013**
- **Pluto Train 3** – brownfield expansion now in FEED (WPL 75% - 90%)
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- **Pluto Train 4** – location confirmed (WPL 100%)
- **Pluto Train 5** – to follow (WPL 100%)

Note: Trains 2 to 5, indicative percentages and timeline based upon projections of exploration success and a mix of Woodside and 3<sup>rd</sup> party gas



# Pluto greenfield foundation is taking shape





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# Project is 72.5% complete





>150 of 264 modules delivered



# Exceptional technology application





# Jacket sail away planned for August 2009



# Topside fabrication approaching completion





# Storage and loading facility progressing well





# Pipeline and flowlines under construction



# Expect ~85% complete by year end

offshore



Commence pipe lay operations



Commence 2nd drilling campaign



Complete Phase 1 of Burrup Materials Facility  
Jacket sail away from yard



Topsides sail away from Malaysia  
Lift of topsides onto substructure

Q1 2009

Q2 2009

Q3 2009

Q4 2009

onshore

Heat exchangers delivered

Compressor delivered (06/07/09)  
Commence site mechanical engineering

Liquefaction module ready for load-out  
All major construction contracts awarded

Final GTG module ready for load-out  
Set down main liquefaction modules





# Moving into 2010 and beyond

- Pluto Train 1: maintaining cost and schedule
  - Peak construction, a critical phase for remaining on cost, is anticipated to be completed over the next 6 months
  - Late 2010 – first gas from Pluto field
  - Early 2011 – first LNG
  - Mid 2011 – achieve expected capacity production



# Pluto powers ahead

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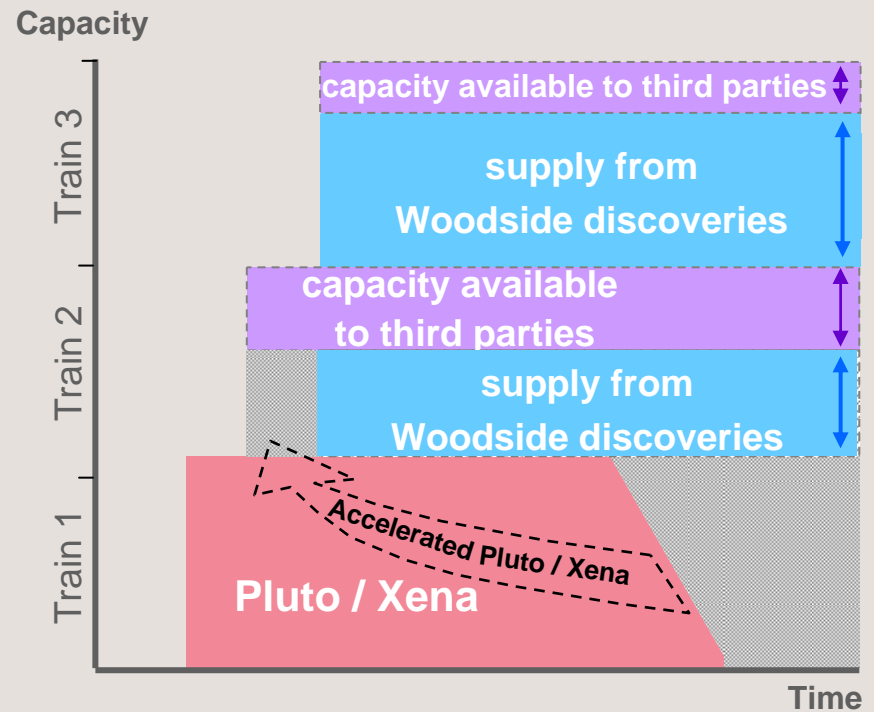
Note: Trains 2 to 5, indicative percentages and timeline based upon projections of exploration success and a mix of Woodside and 3<sup>rd</sup> party gas



# Trains 2 & 3 FEED initiated

## Gas sourcing:

- gas available from Pluto/Xena acceleration
- exploration discoveries
- exploration portfolio
- other resource owners (ORO)



Note: Trains 2 and 3, indicative percentages and timeline based upon projections of exploration success and a mix of Woodside and 3<sup>rd</sup> party gas

## Train 2 – projected gas sourcing achievable

### Cumulative TCF of gas required for 4.3mtpa trains : (assuming Pluto type gas)

	TCF	
	15yr	20yr
<b>Pluto train 2</b>	<b>3.8</b>	<b>5.1</b>
Pluto train 3	7.6	10.2
Pluto train 4	11.4	15.3
Pluto train 5	15.2	20.4

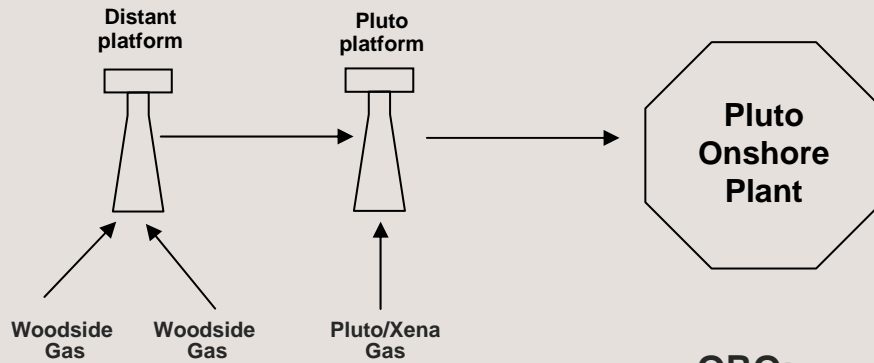
### Train 2 gas supply scenario\*:

	TCF	
	15yr	20yr
available from Pluto/Xena acceleration	0.4	0.4
additions expected from ORO	1.5	1.5
discovered gas	0.5	0.5
additions expected from WPL discoveries	1.4	2.7
<b>Total</b>	<b>3.8</b>	<b>5.1</b>

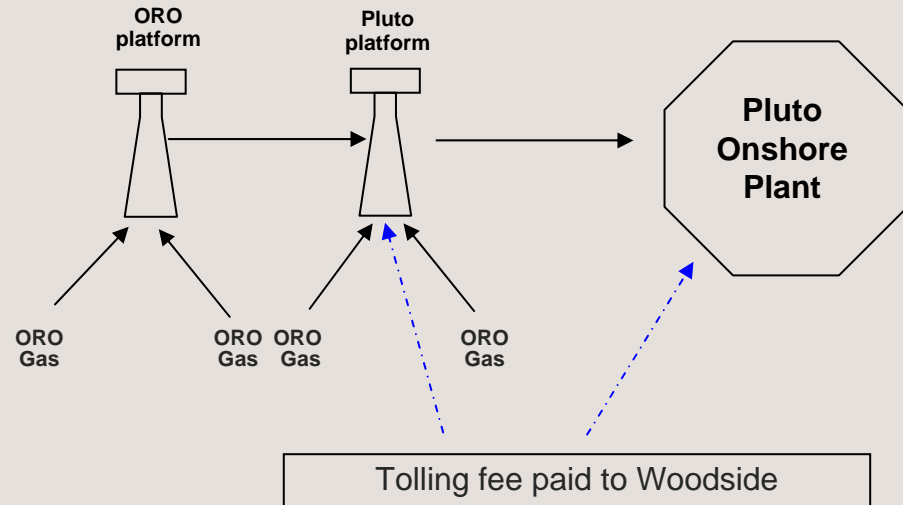
\*Pluto/Xena volumes supplied to Pluto Train 1 = 4.85 TCF

# Woodside gas or ORO ... maintaining economic equivalency

## Woodside:



## ORO:

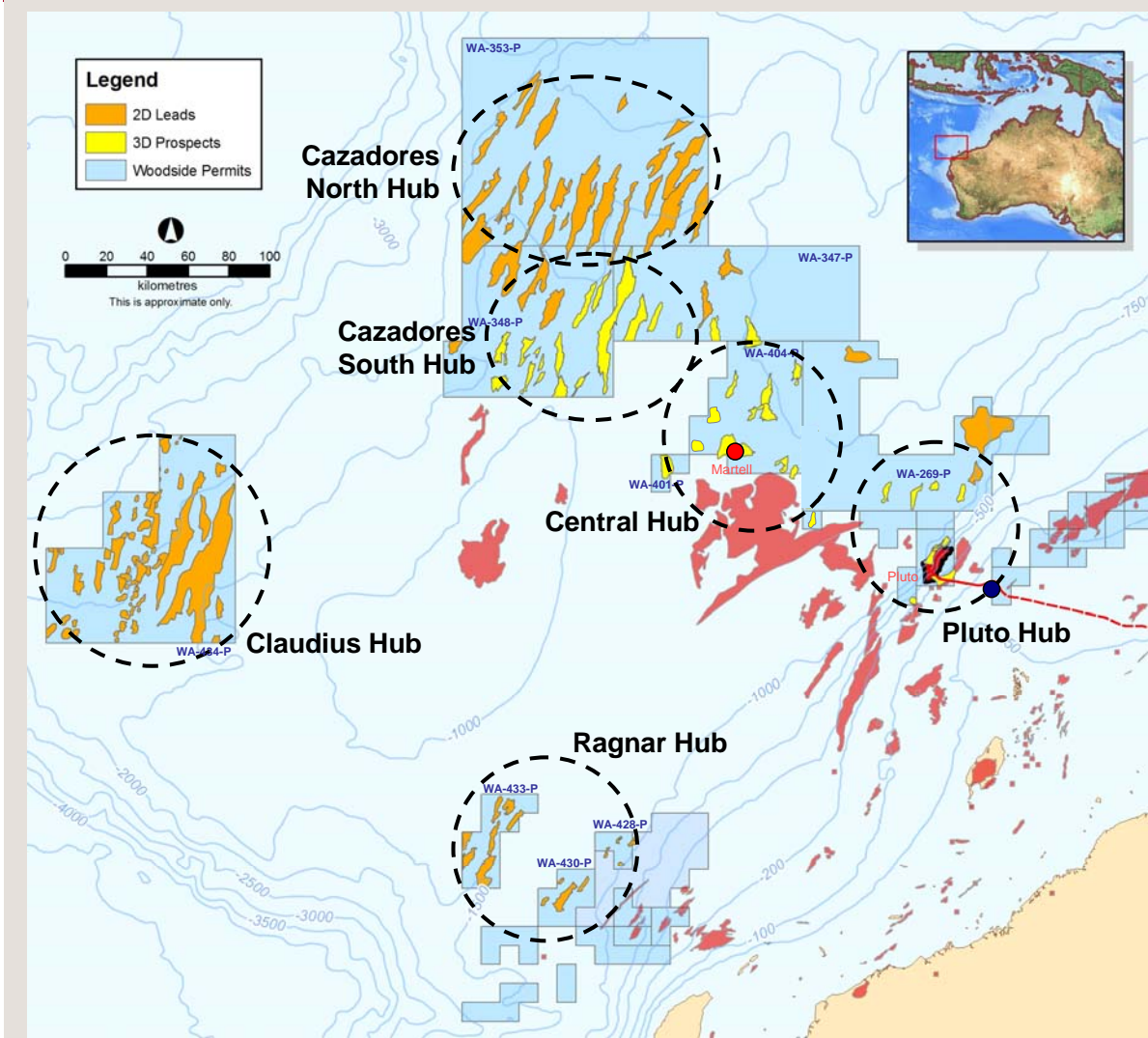


## Pluto expansion: negotiations progressing

- Enquiries from multiple companies
- Discussions with 5 companies
  - 2 companies ... due diligence and negotiations well advanced
  - 1 company ... due diligence and negotiation ongoing
  - 1 company ... commercial proposal under consideration
  - 1 company ... joint study under consideration



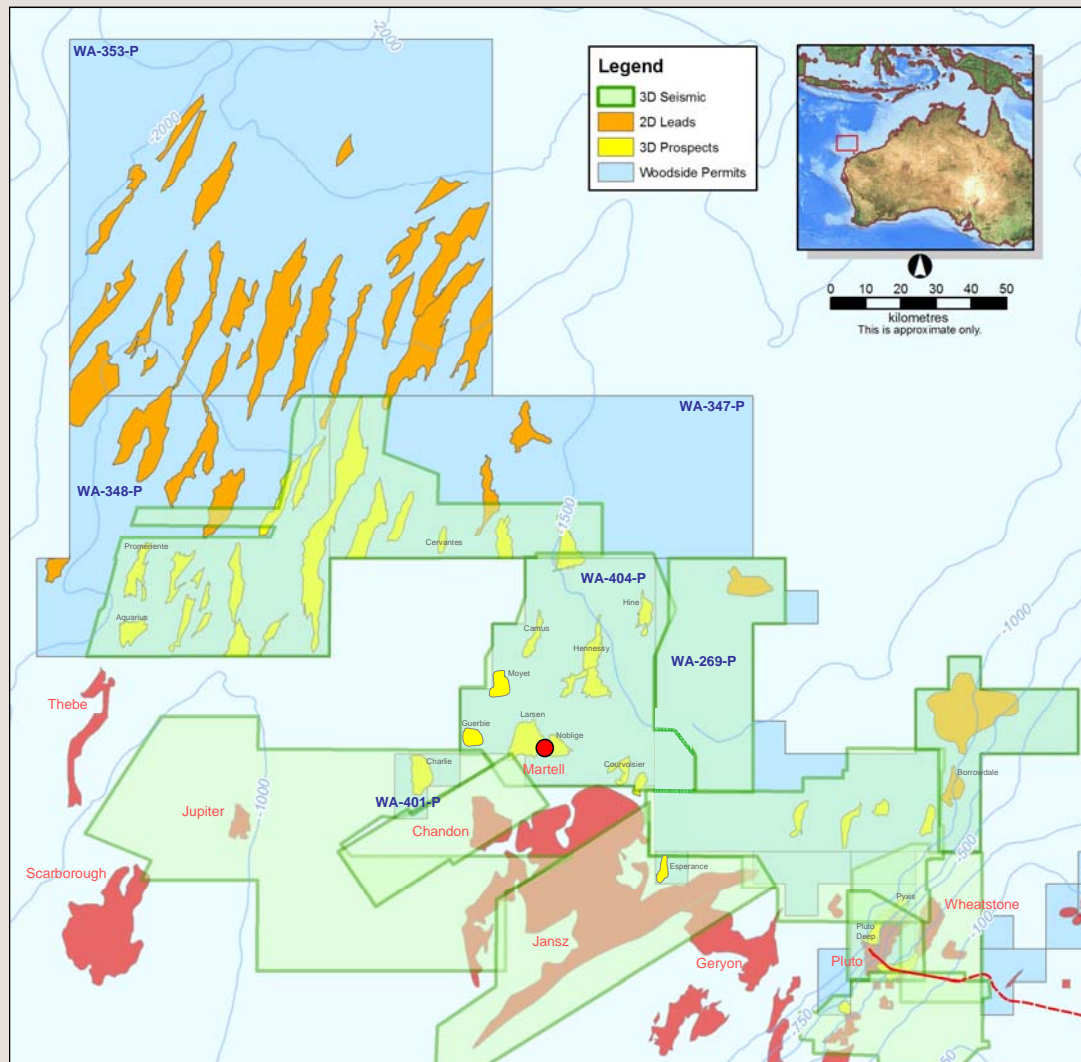
# Expanding Pluto exploration portfolio



Woodside has continued to build the leading Carnarvon Basin exploration portfolio:

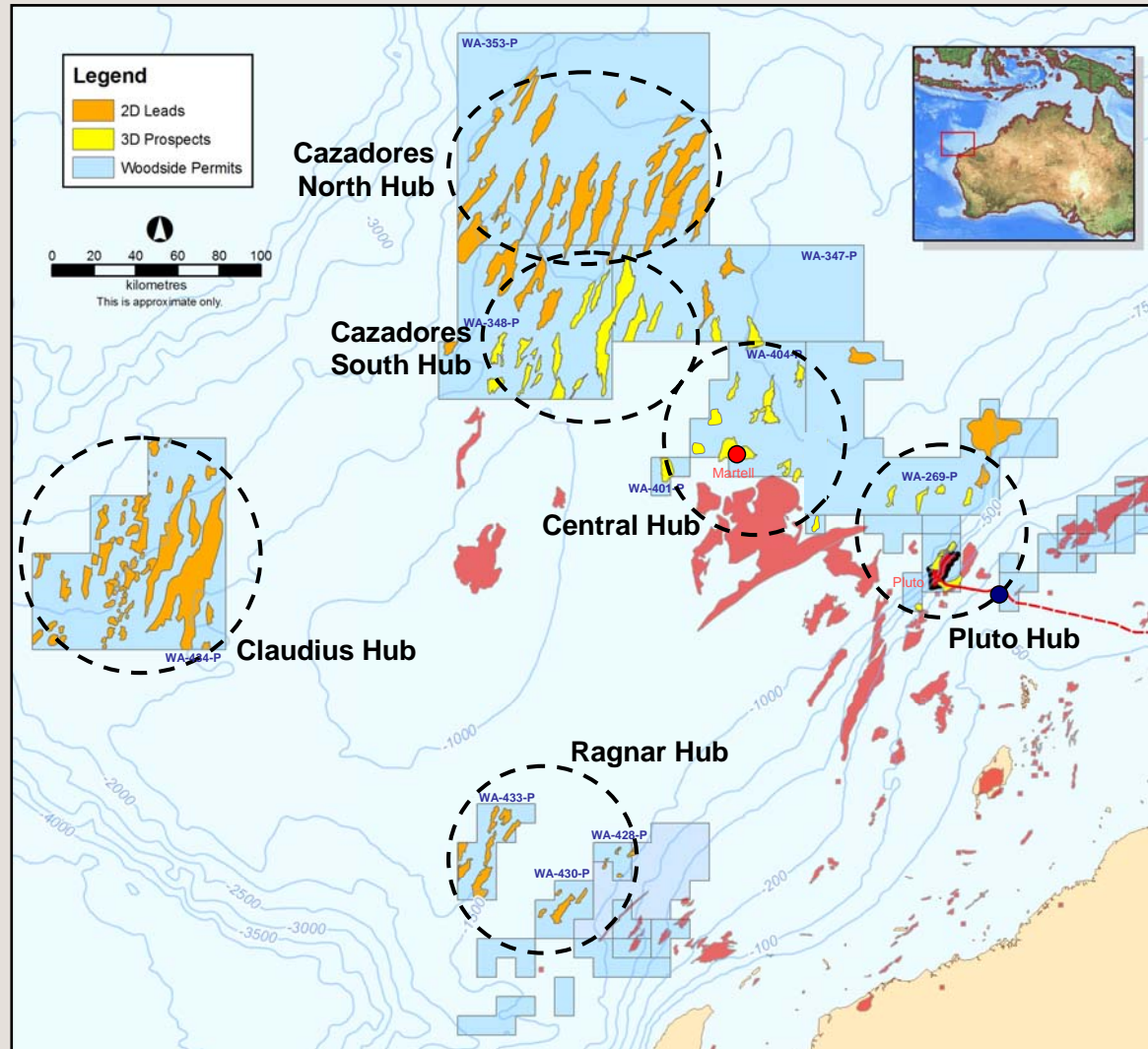
- 1) Strong acreage position in tieback range to Pluto
- 2) Acquisition of 3D datasets to mature portfolio
- 3) 5 new permits in 2009
  - Claudius Hub (WA-434-P)
    - Woodside 100%
  - Ragnar Hub (WA-428, 430, 433-P)
    - Woodside 70%
  - Central Hub (WA-401)
    - Woodside 50%

# Expanding Pluto exploration 3D seismic coverage



- Continued building complete 3D regional dataset
  - 17,000 km<sup>2</sup> of new 3D seismic recently acquired in Pluto, Central & Cazadores hubs
  - Additional 23,000 km<sup>2</sup> of new, spec and vintage data to be added by end 2010 across all hubs
  
- All prospects matured on 3D seismic

# Pluto exploration prospect/lead inventory



## Carnarvon Basin

- 39 exploration prospects
- 35+ exploration leads
- Individual prospects ranging from 0.5 - 10 Tcf potential

## Pluto Hub

- 11 prospects
- POS Range: 15% - 52%

## Central Hub

- 13 prospects
- POS Range: 15% - 35%

## Cazadores Hub

- 15 prospects
- POS Range: 15% - 20%

## Claudius Hub

- 3 separate plays / 20 leads
- 3D seismic planned Q4 2009

## Ragnar Hub

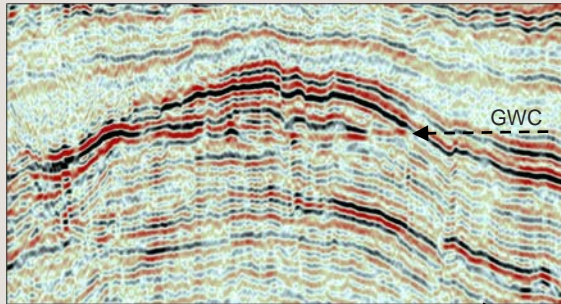
- 3 separate plays / 15 leads
- 3D seismic being acquired



# Variety of plays matured in hub areas

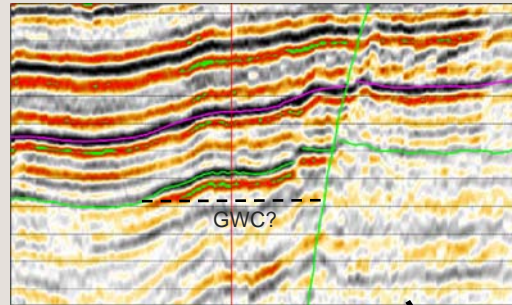
## Top Triassic

- **Fields:** Pluto, Martell, Goodwyn, N. Rankin, Wheatstone, Gorgon



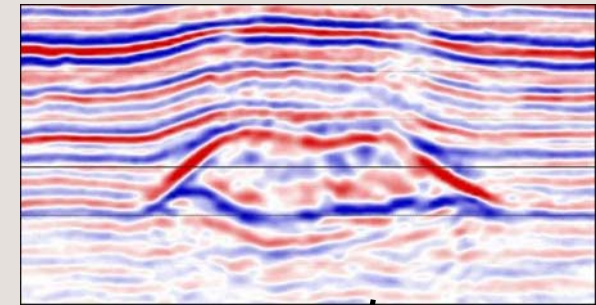
## Cretaceous/Jurassic

- **Field:** Jansz-lo



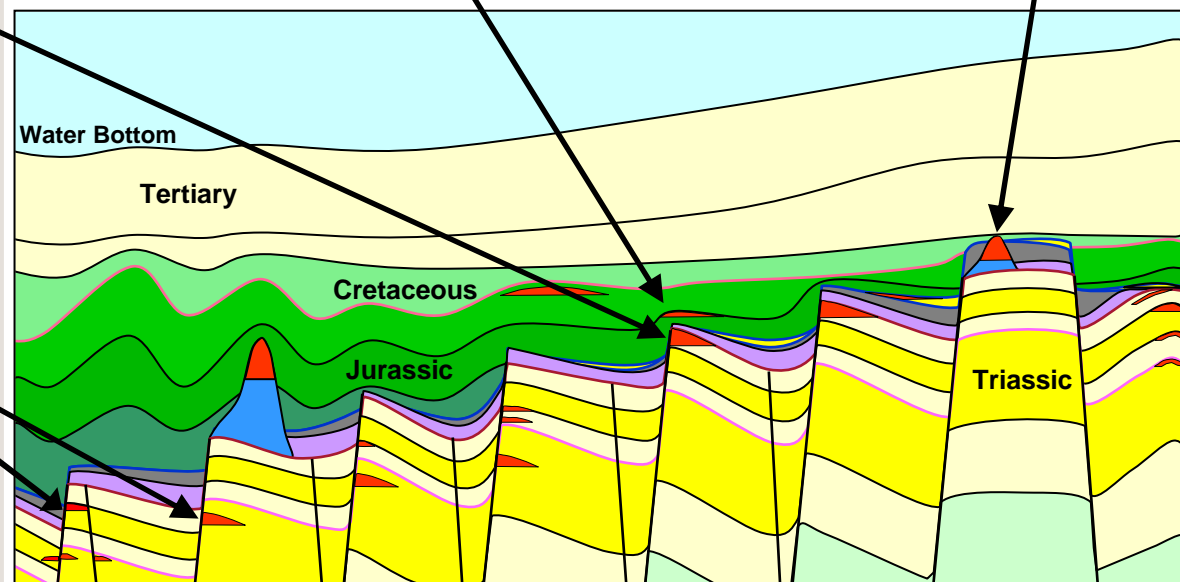
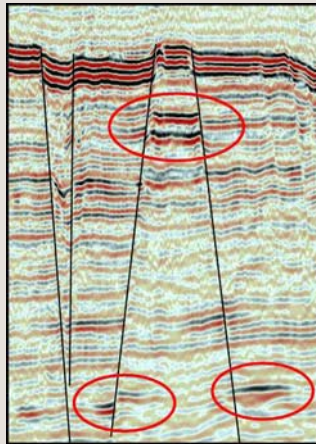
## Carbonate pinnacles

- No fields drilled to date
- Recently identified on new 3D



## Deep Triassic

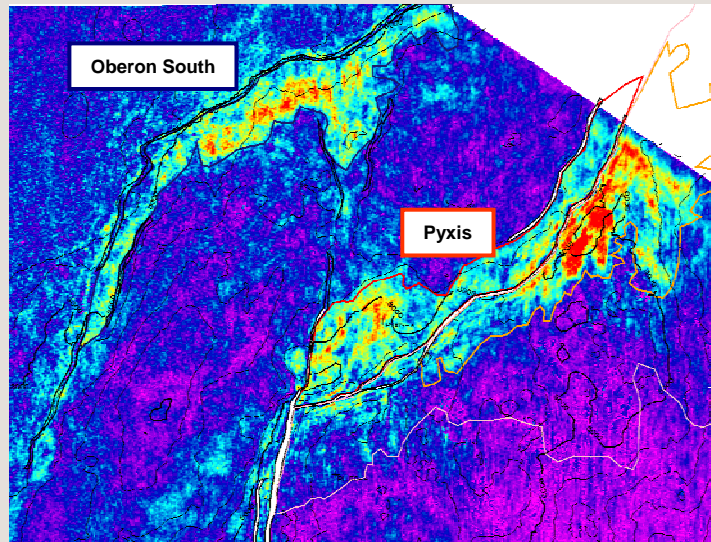
- **Fields:** Goodwyn-H, Clio, Urania



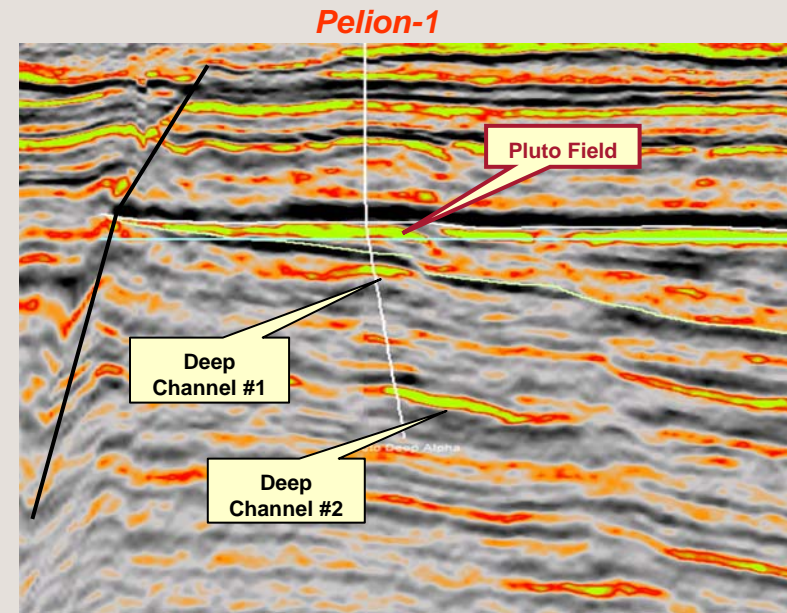
# Pluto hub – high POS prospects

## Pluto and Xena deep prospects

- Woodside 90%
- Targeting deep Triassic below gas fields
- 6 prospects identified
- Pelion-1 (Pluto deep) drilling Q4 2009



Map view of seismic amplitude variation at reservoir level



Seismic cross-section showing gas potential

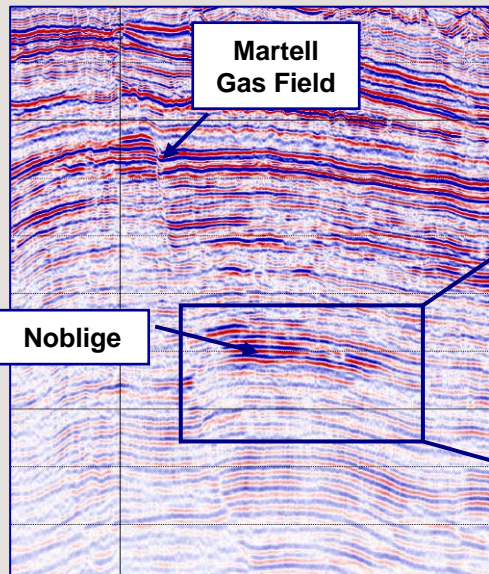
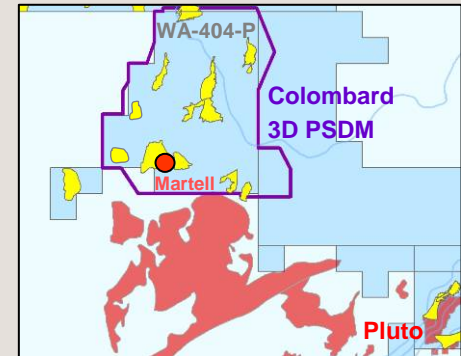
## Pyxis

- Woodside 90%
- Adjacent to Pluto gas field
- High POS amplitude supported prospect
- Several follow-up prospects

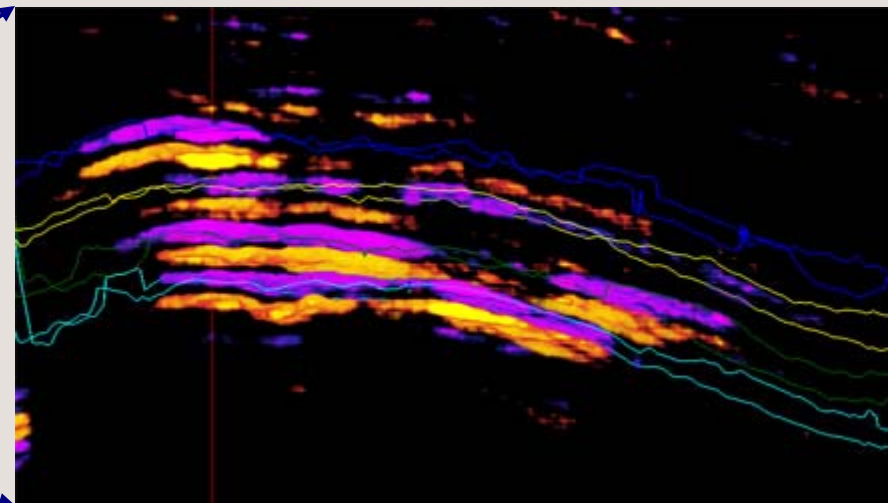


# Central hub – diversified portfolio drill ready

- Woodside 50%
- Martell-1 gas discovery in Q1 2009
- Noblige-1 significant potential adjacent to Martell
- Prospect portfolio matured on PSDM 3D seismic
- 4 different geological plays identified

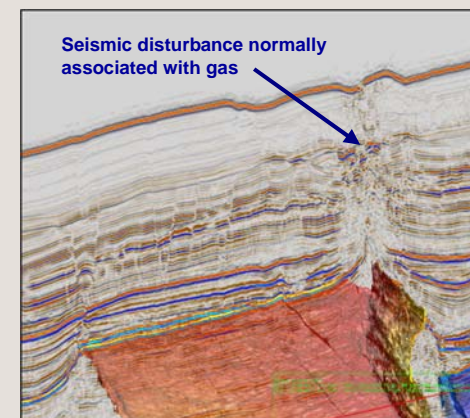
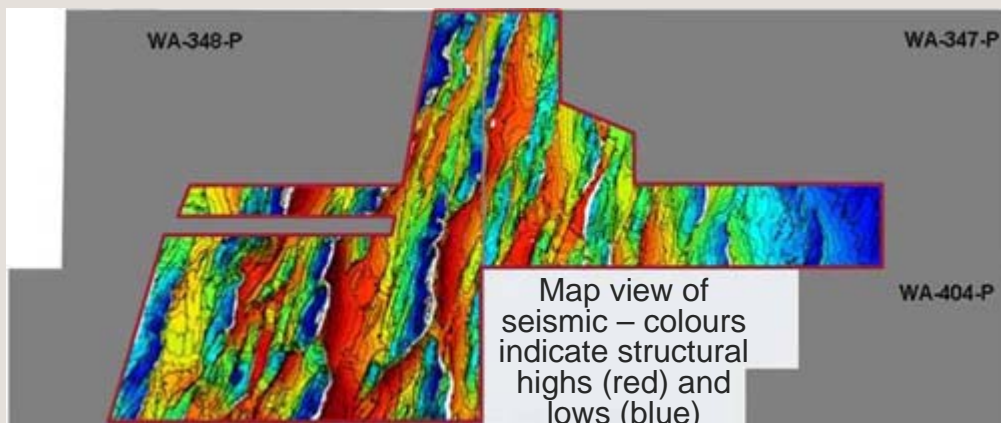


Seismic cross-section

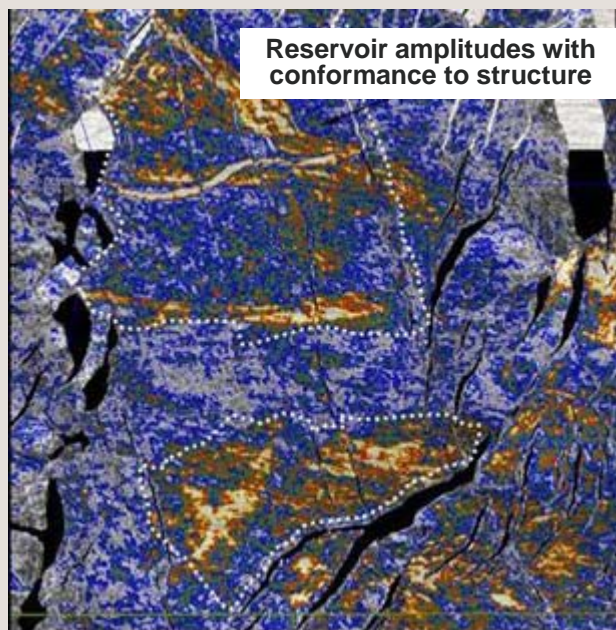


Seismic attribute analysis highlighting potential for gas

# Cazadores hub – drilling planned in Q1 2010



Seismic cross-section



Map of seismic amplitudes

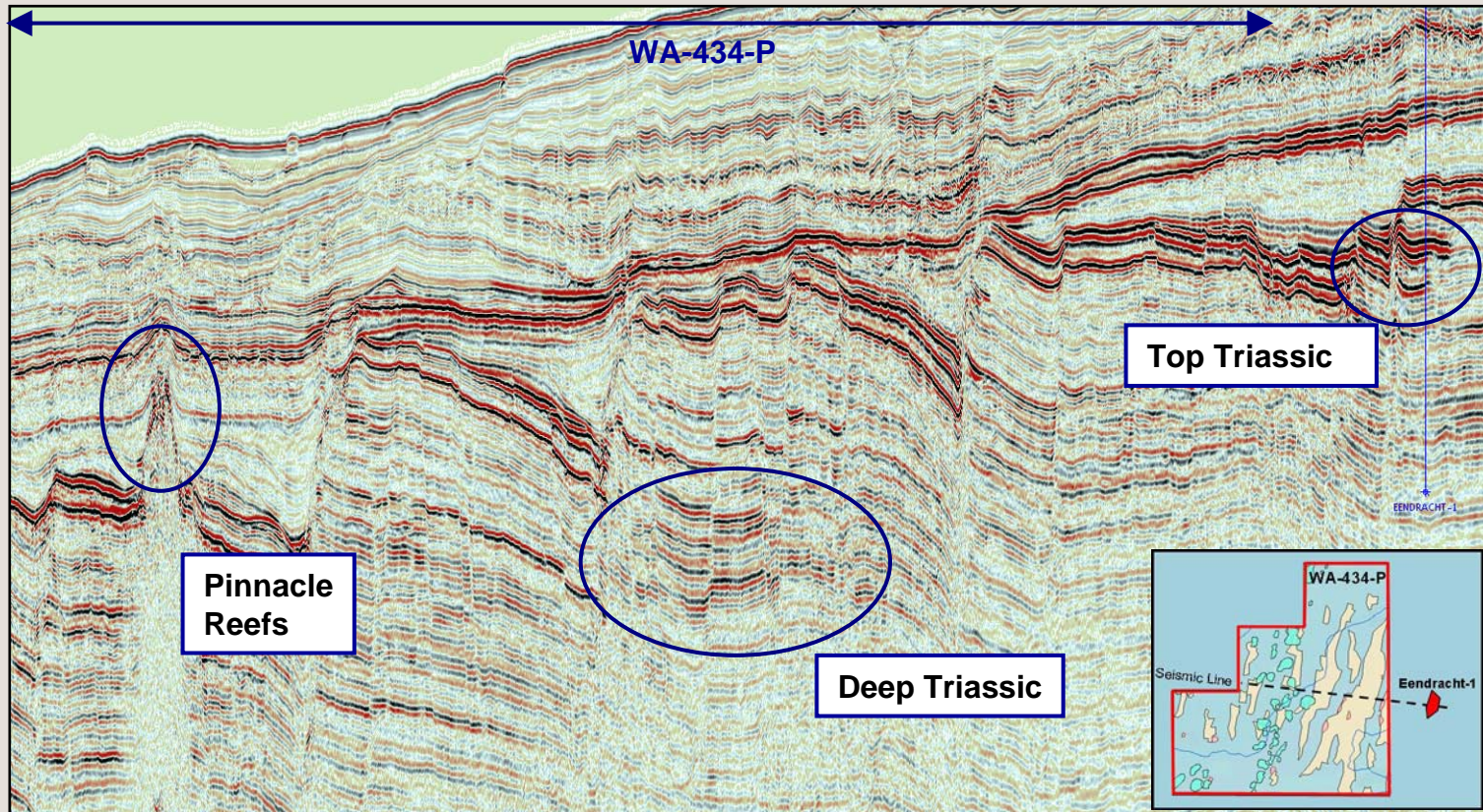
- Woodside 90% - 100%
- New 3D seismic acquired in Q1 2009
- Structures proven on 3D seismic
- Reservoir channel sands mapped throughout Triassic section
- Indications of possible hydrocarbons
  - seismic “gas chimney” features
  - amplitude conformance to structure



# Claudius hub – new permit with new play

- WA-434-P newly awarded permit
- Woodside 100%
- Gas discovery on eastern edge of block
- Multiple geologic play types
- Carbonate pinnacles identified
- 3D seismic in late 2009

**Eendracht-1  
Gas Discovery**



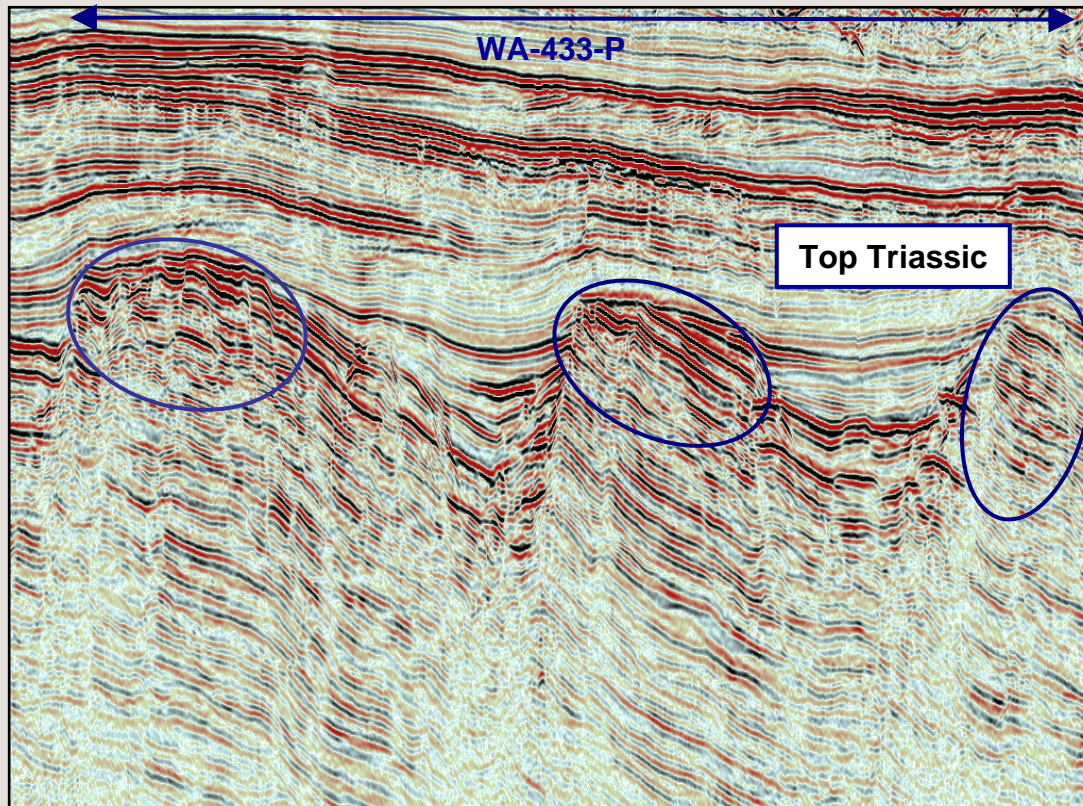
Green = pinnacle reefs  
Yellow = structural traps

Seismic cross-section



# Ragnar hub

- 3 new permits (WA-428, 430, 433-P)
- Woodside 70%
- 3D seismic being acquired
- Multiple Triassic gas plays
- Cretaceous/Jurassic oil and gas play



Seismic cross-section

# Pluto exploration and appraisal rig sequence

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Rigs	2009				2010												2011												
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Songa Mercur		Reflex WA-34L	Eurus WA-34L																										
Atwood Eagle		Noble																											
Maersk B281					Prominate WA-347-P	Larsen WA-404-P	Hine WA-404-P	Guerble WA-404-P	Churchill WA-348-P	Couvoisier WA-404-P	Camus WA-404-P	Hemsey WA-404-P	Moyet WA-404-P	Cervantes WA-347-P	Claudis WA-434-P	Constantine WA-434-P	Berrowdale WA-269-P	Esperance WA-369-P	Charlie WA-401-P	Aquaris WA-348-P	Calligula WA-424-P	Arcadius WA-434-P	Rig on 3 year Contract Unallocated time for appraisal and exploration						
Ocean America					Browse Basin Exploration and Appraisal										Pluto Desp WA-34L	Pyxis WA-34L	Gumbo WA-430-P	Rig on Long term Contract Unallocated Time for Appraisal and follow-up exploration											

Inner Pluto Hub	
Martell Hub (WA-404-P)	
Cazadores Hub	
Claudis Hub	
Gumbo Hub	

Note: Well sequence may change based on drilling results and continued prospect de-risking

# Pluto powers ahead

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Note: Trains 2 to 5, indicative percentages and timeline based upon projections of exploration success and a mix of Woodside and 3<sup>rd</sup> party gas





# Pluto expansion concept plan



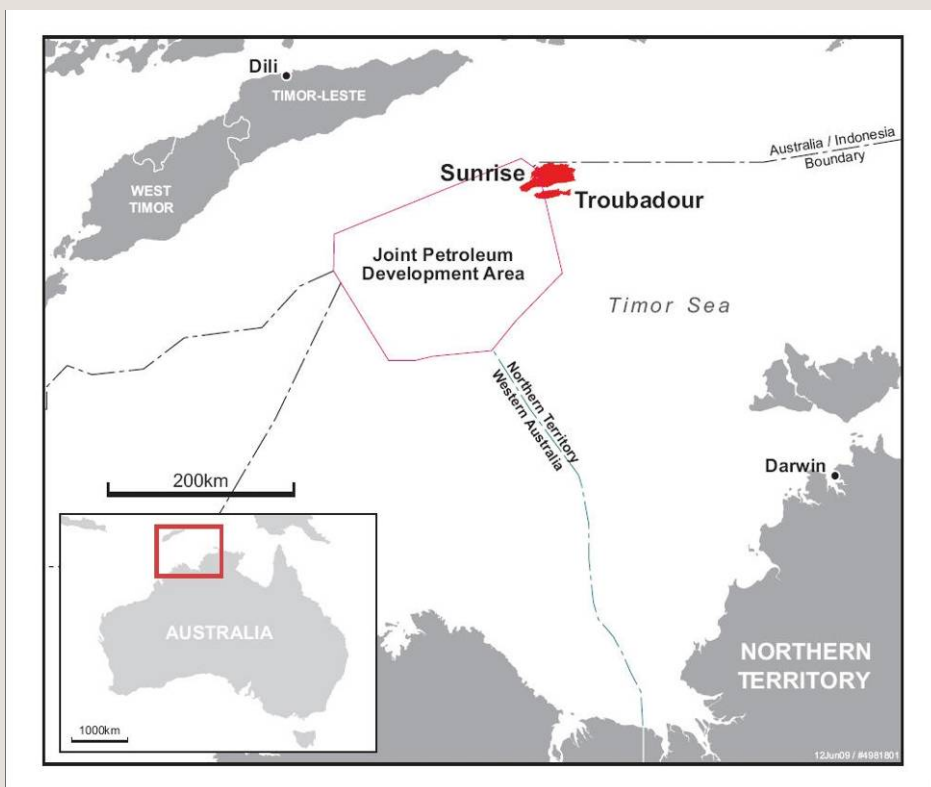
Trains 4 & 5 co-location and infrastructure studies are underway



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# Sunrise: approaching theme select



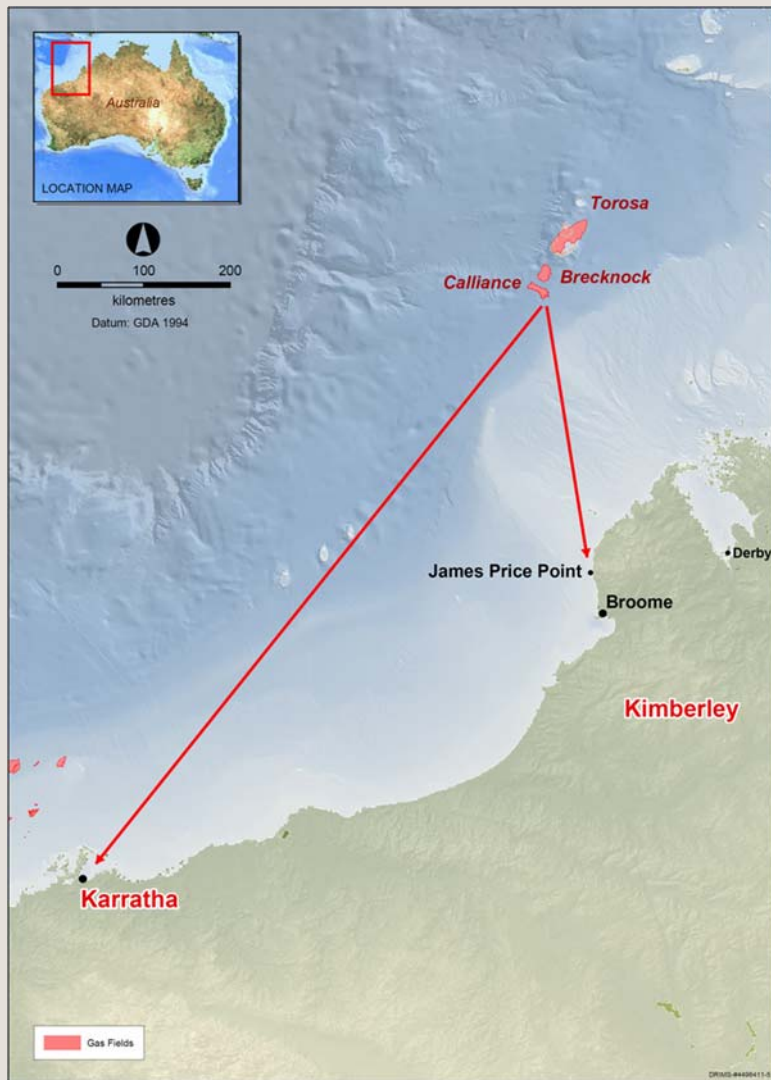
## Key milestones delivered

- Final evaluation of DLNG and FLNG underway by JVPs
- Contingent resource volume agreed by JVPs
- Robust economics
- Governments engaged

## Forward plan

- Select development theme in 2H 2009
- Submit Field Development Plan for Sunrise Commission Approval

# Browse: significant progress made



## Over last 4 years

- 12 appraisal wells drilled
- A\$1 billion invested
- LNG Key Term Agreements signed
- Engineering reference cases produced
- Strong government support
- Environmental studies and approvals progressed

## Current resource estimate

- 14 Tcf (sales gas)
- 370 MMbbls

## Two development options

- James Price Point – earliest start-up
- Karratha – later start-up and slower ramp-up

## Browse: Woodside equity position



Kimberley LNG Precinct at James Price Point is Woodside's preferred development

Heads of Agreement executed with KLC/WA State Government

Strong government alignment for James Price Point

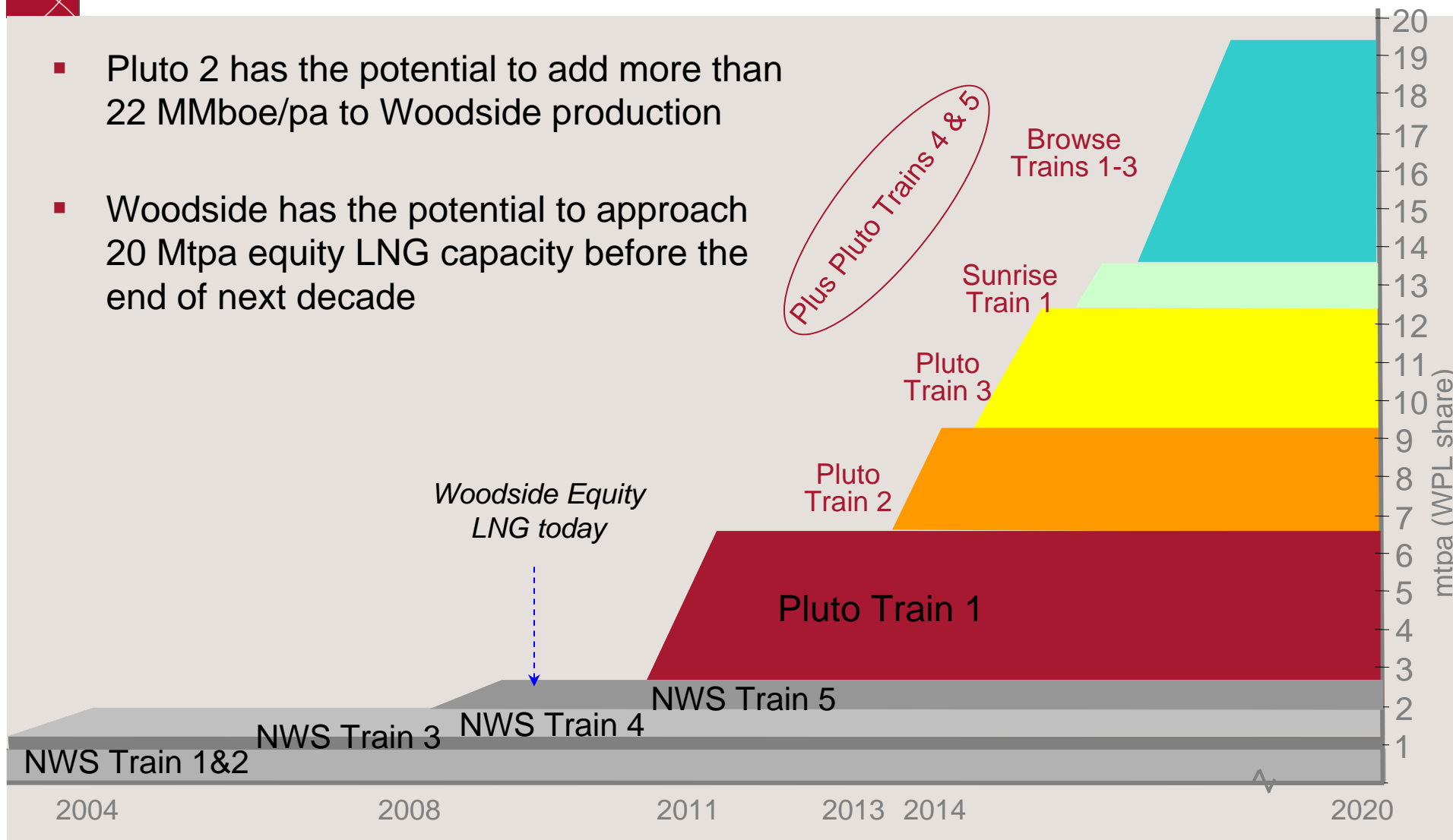
Critical path activities to facilitate FID as early as 2011

- early 2010 – commence BOD, following Concept Select
- mid 2010 – Strategic Assessment approval for precinct (includes site environmental permits)
- early 2011– commence FEED
- early 2011– commence site works



# Woodside LNG: building a bright future

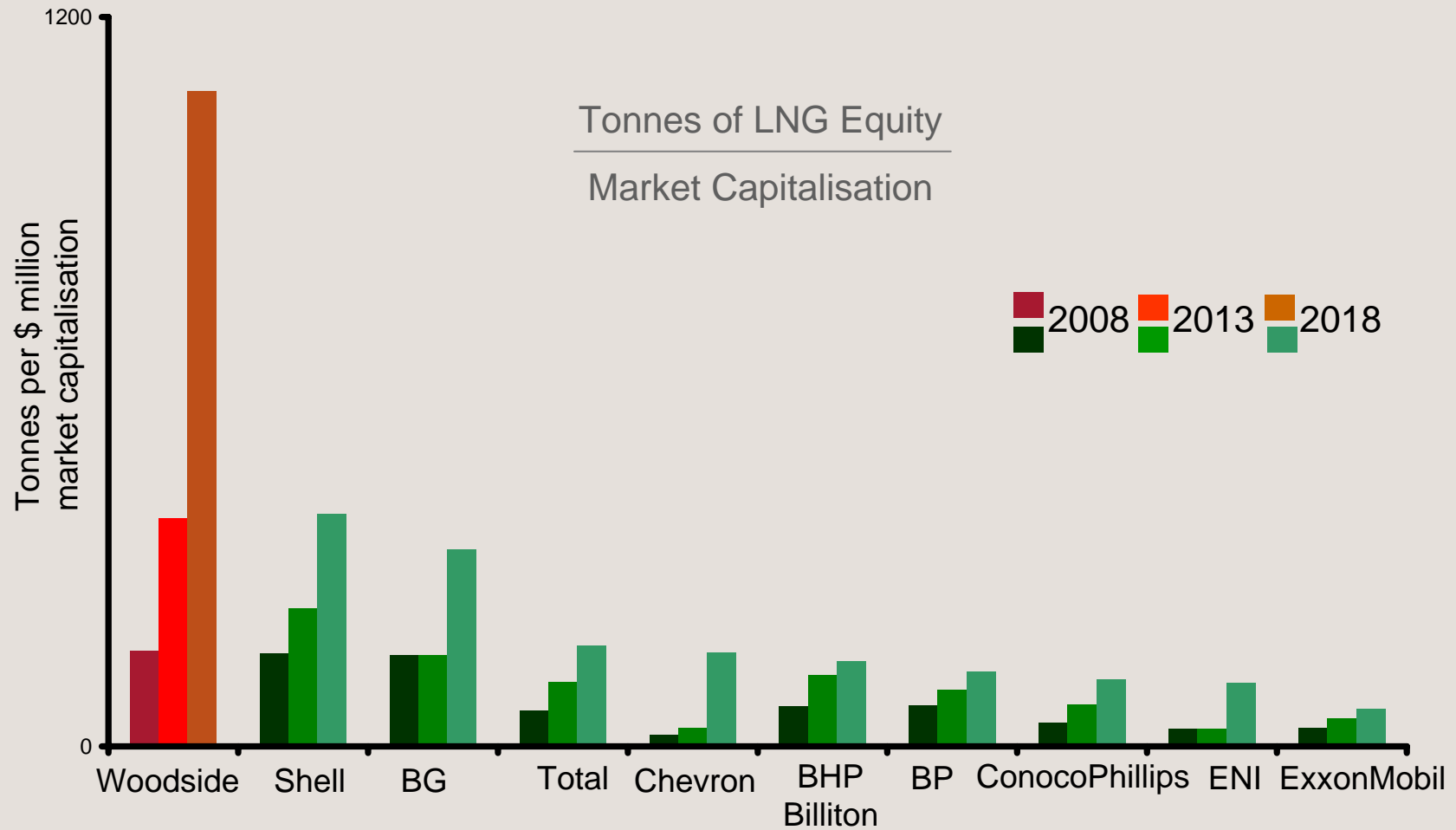
- Pluto 2 has the potential to add more than 22 MMboe/pa to Woodside production
- Woodside has the potential to approach 20 Mtpa equity LNG capacity before the end of next decade



Note: This scenario shows indicative equity percentages for Pluto T2 and T3 of 60% & 75% respectively



# Leveraged to LNG



Poten and Partners equity estimate , Market Capitalisation at 31 December 2008, US\$M

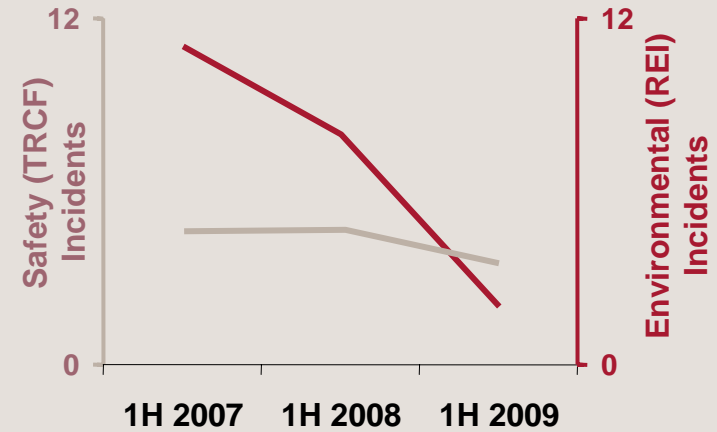
# Woodside's sustainability performance

## Safety

- now reports directly to CEO
- >20,000 staff & contractors participated in 'stand together for safety'

## Environment

- continuing footprint reduction initiatives



## Well prepared for competition

On front-foot to lead LNG developments. Pluto provides first mover advantage in Carnarvon basin; Sunrise progressing on target; and Browse critical elements being aligned

Beating the competition for resources:

- **People** – highly competitive remuneration and a newly introduced company-wide equity share plan will boost staff retention
- **Construction** – project elements advanced in parallel with modular construction
- **Contractors and materials** – solid history of development as well as significant portfolio of potential projects plus expansion, ensures Woodside gets priority access



# Appendices

19 August 2009

# Unrealised foreign exchange gain

	Balance as at Jun 09	Effect on balance sheet	Unrealised FX effect on P&L
	US\$'M	A\$'M	A\$'M
USD Drawn Debt Facilities	(4,258)		741
USD Investments – Net asset position	1,148	239	
Hedge of Net Investment Adjustment		(239)	(239)
		Net impact	502
		Tax Effect	(151)
		FX gain	351

- To accurately forecast this impact the following information would be required:
  - Monthly USD debt balance
  - FX monthly movement
  - Monthly net asset position of USD investments

# NPAT Sensitivities

Oil price WTI, US\$1 / bbl Increase	+A\$14 million
Exchange rate AUD/USD 1 cent decrease	-A\$33 million



# 2 discoveries in Santos Basin, Brazil

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