

ASX Announcement

Wednesday, 20 April 2016

ASX: WPL
 OTC: WOPEY

FIRST QUARTER REPORT FOR PERIOD ENDED 31 MARCH 2016

- Discovered gas at the Thalin-1A exploration well, located offshore Myanmar. The discovery intersected approximately 62 m of net gas pay within the primary target interval.
- Following completion of FEED work, the Browse Joint Venture participants decided not to progress with the reference case for a three FLNG facility development at this time, in view of the current economic and market environment.
- Achieved an annualised loaded LNG production rate equivalent of 4.8 mtpa at Pluto LNG (100% project), exceeding the 4.3 mtpa average expected annual production capacity at the time of FID in 2007.
- Woodside's existing credit ratings of Baa1 and BBB+ were affirmed by Moody's and Standard & Poor's respectively.
- Commenced charter of a 174,000 m³ LNG carrier, the fourth vessel in the fleet, to support trading activities as well as underpinning long-term supply from our global portfolio.
- Entered into a Project Development Agreement with Sempra LNG & Midstream to continue assessments of a potential 10 mtpa natural gas liquefaction facility in Port Arthur, Texas.
- North West Shelf project participants entered FEED with the Equus project participants to process third party gas resources.

Woodside CEO Peter Coleman said the company was progressing well with its low-cost, high-value growth strategy.

"We are taking advantage of market conditions and applying latest technology to reduce life cycle costs further enhancing our position as a low cost operator. This will also improve project concepts to deliver a portfolio of globally competitive decision-ready projects," he said.

Comparative performance at a glance

Previous quarter		Q1 2016	Q4 2015	Change %
Production	MMboe	23.7	24.9	-4.8
Sales	MMboe	24.2	25.2	-4.0
Sales Revenue	\$ million	982	1,105	-11.1
Corresponding quarter, prior year		Q1 2016	Q1 2015	Change %
Production	MMboe	23.7	21.8	8.7
Sales	MMboe	24.2	23.9	1.3
Sales Revenue	\$ million	982	1,408	-30.3

All dollar amounts are in US dollars unless otherwise stated

Key production and sales points for the quarter:

Relative to previous quarter (Q4 2015)

- Production volumes decreased 4.8%, predominantly due to lower oil volumes from the NWS oil asset as a result of planned maintenance, lower oil volumes at Vincent due to field decline and Balnaves which ceased oil production on 20 March. This was partially offset by higher pipeline gas volumes from Canada as a result of additional wells starting production during the quarter.
- Sales volumes decreased 4.0%, in line with production volumes.
- Sales revenue for the quarter was 11.1% lower, largely reflecting lower oil sales volumes and low global oil and gas prices.

Relative to corresponding period (Q1 2015)

- Production volumes increased 8.7%. This was predominantly due to higher production at Pluto LNG. This was partially offset by lower oil volumes from the NWS oil asset as a result of planned maintenance.
- Sales volumes increased 1.3%, predominantly reflecting the timing of LNG shipments.
- Sales revenue for the quarter was 30.3% lower, reflecting low global oil and gas prices impacting the portfolio.

Production Summary

Woodside's share of production and sales for the quarter ended 31 March 2016 with appropriate comparatives:

		Q1 2016	Q4 2015	Q1 2015	Year to date 2016	Year to date 2015
NWS PIPELINE NATURAL GAS ¹	Production(TJ)	20,129	20,241	19,609	20,129	19,609
	Sales (TJ)	20,129	20,241	19,609	20,129	19,609
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	646,879	674,710	661,161	646,879	661,161
	Sales Delivered (t)	619,713	671,585	679,851	619,713	679,851
	Cargoes Delivered ²	60	67	65	60	65
NWS CONDENSATE	Production (bbl)	1,454,249	1,478,829	1,444,885	1,454,249	1,444,885
	Sales (bbl)	1,492,534	1,610,997	1,567,160	1,492,534	1,567,160
NWS OIL	Production (bbl)	171,617	683,373	592,480	171,617	592,480
	Sales (bbl)	257,871	671,476	642,961	257,871	642,961
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	22,443	21,165	23,174	22,443	23,174
	Sales (t)	21,673	20,237	29,252	21,673	29,252
PLUTO LIQUEFIED NATURAL GAS (LNG)	Production (t)	1,092,742	1,108,991	908,516	1,092,742	908,516
	Sales Delivered (t)	1,122,451	1,122,460	1,051,493	1,122,451	1,051,493
	Cargoes Delivered ²	18	19	17	18	17
PLUTO CONDENSATE	Production (bbl)	755,869	776,842	639,986	755,869	639,986
	Sales (bbl)	965,321	883,463	639,963	965,321	639,963
LAMINARIA-CORALLINA OIL	Production (bbl)	170,467	216,099	246,705	170,467	246,705
	Sales (bbl)	365,593	193,387	389,098	365,593	389,098
ENFIELD OIL	Production (bbl)	299,412	340,734	268,958	299,412	268,958
	Sales (bbl)	100,699	431,965	431,795	100,699	431,795
STYBARROW ³ OIL	Production (bbl)	-	-	156,417	-	156,417
	Sales (bbl)	-	-	275,336	-	275,336
VINCENT OIL	Production (bbl)	1,059,504	1,438,389	1,082,283	1,059,504	1,082,283
	Sales (bbl)	1,010,328	1,341,870	1,064,872	1,010,328	1,064,872
BALNAVES ⁴ OIL	Production (bbl)	291,131	424,206	N/A	291,131	N/A
	Sales (bbl)	548,551	442,403	N/A	548,551	N/A
CANADA PIPELINE NATURAL GAS	Production (TJ)	3,096	855	N/A	3,096	N/A
	Sales (TJ)	3,096	855	N/A	3,096	N/A
Total	Production (boe)⁵	23,677,808	24,874,999	21,208,244	23,677,808	21,208,244
	Sales (boe)⁵	24,232,798	25,176,609	23,877,205	24,232,798	23,877,205

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 Cargoes delivered are total venture cargoes, not Woodside share (NWS: Woodside share 16.67%, Pluto: Woodside share 90%).

³ Production ceased in June 2015. The final cargo was shipped in August 2015.

⁴ Production ceased 20 March 2016.

⁵ 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 31 March 2016, with appropriate comparatives:

<i>Amounts in US\$ million</i>		Q1 2016	Q4 2015	Q1 2015	Year to date 2016	Year to date 2015
Sales Revenue						
North West Shelf	Pipeline Natural Gas	72.3	78.2	73.3	72.3	73.3
	LNG	211.4	254.0	342.8	211.4	342.8
	Condensate	54.4	67.9	75.8	54.4	75.8
	Oil	9.3	28.2	37.9	9.3	37.9
	LPG	7.3	7.9	13.4	7.3	13.4
Pluto	LNG	516.1	526.7	712.0	516.1	712.0
	Condensate	36.8	37.8	31.1	36.8	31.1
Laminaria-Corallina	Oil	13.6	8.2	19.0	13.6	19.0
Enfield	Oil	4.1	19.5	27.3	4.1	27.3
Stybarrow	Oil	-	-	17.8	-	17.8
Vincent	Oil	34.8	56.2	57.3	34.8	57.3
Balnaves	Oil	19.8	19.8	N/A	19.8	N/A
Canada	Pipeline Natural Gas	2.5	0.9	N/A	2.5	N/A
Total Sales Revenue		982.4	1,105.3	1,407.7	982.4	1,407.7
LNG Processing Revenue		48.9	49.5	45.0	48.9	45.0
Gross Trading Revenue		1.6	96.9	81.4	1.6	81.4
Total Operating Revenue		1,032.9	1,251.7	1,534.1	1,032.9	1,534.1
Exploration and Evaluation Expense						
Exploration Expensed		121.5	118.0	105.0	121.5	105.0
Permit Amortisation		5.8	5.7	4.2	5.8	4.2
Evaluation Expensed ¹		1.3	0.1	(1.5)	1.3	(1.5)
Total		128.6	123.8	107.7	128.6	107.7
Capital Expenditure						
Exploration Capitalised ^{2,3}		36.3	4.3	64.1	36.3	64.1
Evaluation Capitalised ³		81.1	102.3	21.4	81.1	21.4
Oil and Gas Properties ³		326.6	460.2	106.2	326.6	106.2
Other Property, Plant and Equipment		1.6	2.1	3.5	1.6	3.5
Total		445.6	568.9	195.2	445.6	195.2

¹ 2015 Evaluation Expensed credit primarily due to inventory sold from drilling campaign.

² 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.

³ Project Final Investment Decisions result in amounts of previously capitalised Exploration and Evaluation expense (from current and prior years) being transferred to Oil and Gas Properties. The table above does not reflect the impact of such transfers.

Production Activities

Field	Woodside share		Full field		Remarks
	Q1 2016	Q4 2015	Q1 2016	Q4 2015	
Australia NWS - Average daily production					
Pipeline gas (TJ)	221	220	499	492	Production satisfied customer demand.
LNG (t)	7,109	7,334	44,425	46,726	Production was slightly lower due to higher ambient temperatures, cyclone activity and lower reliability.
Condensate (bbl)	15,981	16,074	77,013	79,206	Production was slightly lower, in line with LNG production.
Oil (bbl)	1,886	7,428	5,658	22,284	Production was lower due to planned FPSO riser replacement.
LPG (t)	247	230	1,531	1,452	Production was slightly higher in Q1 following the completion of planned maintenance.
Australia Pluto - Average daily production					
LNG (t)	12,008	12,054	13,342	13,394	Production was marginally lower than Q4, with high plant reliability slightly offset by lower capacity due to higher ambient temperatures. Annualised loaded LNG production rate equivalent of 4.8 mtpa at Pluto LNG (100% project), exceeding the 4.3 mtpa average expected annual production capacity at the time of FID in 2007.
Condensate (bbl)	8,306	8,444	9,229	9,382	Production was marginally lower than Q4 in line with LNG production.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	1,873	2,349	2,944	3,707	Production was lower due to reduced facility utilisation and natural reservoir decline.
Enfield Oil (bbl)	3,290	3,704	5,484	6,173	Production was lower due to natural reservoir decline.
Vincent Oil (bbl)	11,643	15,635	19,405	26,058	Production was lower due to reduced facility utilisation and natural reservoir decline. At the end of the quarter production was approximately 25,700 bbl/day (Woodside share 15,420 bbl/day).
Balnaves Oil (bbl)	3,199	4,611	4,922	7,094	Production was lower due to reduced facility utilisation and natural reservoir decline. On 4 March 2016, Woodside terminated the FPSO Services Agreement with Bumi Armada for contractor performance-related issues. As a result of the contract termination, production ceased on 20 March 2016 and the Armada Claire FPSO departed from the field on 2 April 2016.
Canada - Average daily production					
Pipeline gas (TJ)	34	9	68	19	Daily gas production for the quarter has increased due to contribution from the D-A28-B and B-B03-K appraisal wells, combined with a higher facilities reliability.

Development Activities

Australia

Browse Development

On 23 March, Woodside announced that following completion of FEED work, the Browse Joint Venture participants had decided not to progress with the reference case for a three FLNG facility development at this time in view of the current economic and market environment.

Woodside is working with the other Browse Joint Venture participants on a new work program and budget to progress development activities. It is anticipated that during the next phase, the additional time will be used to pursue further capital efficiencies for the development.

Woodside remains committed to the earliest commercial development of the world-class Browse resources and to FLNG as the preferred solution, but the economic environment is not supportive of a major LNG investment at this time.

Wheatstone

The Wheatstone Project Operator is targeting first LNG in mid-2017. During the quarter, the two subsea manifolds for the Julimar Project (Woodside-operated) were installed. The Julimar Project remains on target to achieve start-up on budget and schedule in 2H 2016.

Greater Enfield

The final Field Development Plan for the development and Production Licence Application for Laverda, being part of the Greater Enfield Development, was submitted to the National Offshore Petroleum Titles Administrator.

North West Shelf

Persephone Project

The first phase of the drilling campaign was completed. The project continues to progress platform modifications and fabrication of key subsea infrastructure including completing the manifold. The project remains on budget and schedule for expected start-up in early 2018.

Greater Western Flank Phase 2 Project

The project completed its transition to the execute phase, awarded remaining major contract packages and continued the manufacture and fabrication of key project infrastructure.

Lambert Deep

FEED activities are being finalised to enable incorporation of results from the Fortuna seismic survey to support consideration of a final investment decision in 2H 2016.

Third party gas processing

The NWS Project participants entered the FEED phase with Hess Exploration Australia to process resources from the Equus project within Hess's permits in the Carnarvon Basin. The scope includes both technical activities and progression of key commercial agreements in order to inform a proposed FID by the NWS Project participants in 2017. It is intended that Hess will deliver gas to the NWS Project's offshore infrastructure for processing at the Karratha Gas Plant and take responsibility for marketing and delivering its own volumes.

International

Kitimat LNG

Appraisal work on the Liard basin continued to underpin reservoir potential. The second development scale appraisal well (B-B03-K/94-O-12) was brought into production during the quarter and the early results are above expectations. The project is continuing to progress through the concept select phase.

Exploration and Appraisal Activities

Myanmar

On 12 February, Woodside announced a gas discovery at Thalin-1A, which followed a discovery at the Shwe Yee Htun-1 well in Block A-6, announced on 4 January. The Thalin-1A exploration well in Block AD-7 encountered a 64 m gross gas column, with 62 m net pay. Thalin-1A is located in the northern part of the Rakhine Basin, approximately 60 km west of the Daewoo-operated producing Shwe Field, which has onshore gas plant and pipeline gas export facilities.

Extensive 2D and 3D seismic surveys (including gravity and magnetic data acquisition) over Blocks A-4, A-7, AD-2 and AD-5 commenced in late 2015 and will continue into Q2 2016. Seabed coring programs in Blocks A-4 and A-7 commenced in March 2016, and will continue through to May 2016.

The acquisition of additional 3D seismic surveys over Blocks A-6 and AD-7 has been approved. Acquisition of 1200 km² of data has commenced in AD-7. Acquisition of 1800 km² of data in A-6 will commence in April 2016 as a continuation of the A-7 and AD-5 3D survey.

Senegal-Guinea Bissau Joint Development Zone

Woodside entered into an agreement to acquire a 65% participating interest in a Production Sharing Contract (PSC) and associated joint operating agreement for the offshore AGC Profond Block in the Senegal-Guinea Bissau Joint Development Zone. The AGC Profond PSC covers approximately 6,700 km² with water depths ranging from 1,400 m to 3,700 m. Completion of the acquisition is subject to satisfaction of customary conditions precedent.

The block is currently in the Initial Exploration Period with a minimum work obligation involving seismic licencing, reprocessing and studies.

Morocco

In the Rabat Ultra Deep Offshore Reconnaissance Licence, processing of 1,074 km of new 2D seismic data was completed. This data is currently being interpreted to determine the forward work program.

Canada (Nova Scotia)

Processed data from the 7,000 km² Tangiers 3D seismic survey became available and is currently being interpreted.

New Zealand

Processing data from the Vulcan and Toroa 3D seismic surveys is continuing with completion expected in Q2 2016.

Gabon

In Block Doukou Dak (F15), the processing of purchased multi-client 3D seismic data is continuing. Acquisition of a new azimuth of 3D seismic data is planned to commence in Q2 2016.

Ireland

Woodside has been awarded Licensing Option 16/14 in the south-east Porcupine Basin following a successful bid in the 2015 Atlantic Margin Licensing Round. The term of the Licensing Option is for two years commencing on 1 March 2016 and the minimum work obligation includes an undertaking to acquire and process 1500 km² 3D seismic data, together with gravity and magnetic data.

Planning is continuing to acquire new 3D seismic in Q2 and Q3 2016 in Frontier Exploration Licences 3/14 and 5/14.

Permits and Licences

Key changes to permit and licence holdings during the quarter are noted below.

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
SPAIN				
Canarias	Blocks 1-9	(30.0)	0.0	Relinquishment
IRELAND				
Porcupine Basin	LO 16/14	100.0	100.0	Awarded
SENEGAL/GUINEA-BISSAU				
Joint Development Zone	AGC Profond Block	65.0	65.0	Farm-in ¹

Notes:

1 Subject to conditions precedent.

Exploration or appraisal wells drilled during Q1 2016

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Depth ² (metres)	Remarks
MYANMAR							
Thalin-1/1A	Rakhine Basin, Block AD-7	Gas	40.0	20/1/16	836	3,034	Gas discovery
AUSTRALIA							
Skippy Rock-1	Beagle Sub-Basin, WA-472-P	Oil	100.0	9/02/16	67	1,943	Exploration, dry hole
Stokes-1	Beagle Sub-Basin, WA-472-P	Oil	100.0	26/02/16	67	2,375	Exploration, dry hole
CANADA³							
B-A03-K/94-O-12	Liard Basin	Gas	50.0	15/01/15	N/A	6,795	Appraisal in progress
B-E03-K/94-O-12	Liard Basin	Gas	50.0	21/03/14	N/A	7,216	Appraisal in progress
B-C03-K/94-O-12	Liard Basin	Gas	50.0	14/10/15 ⁴	N/A	6,960	Appraisal reached TD and rig released

Notes:

- 1 Water depth measured at lowest astronomical tide.
- 2 Well depths referenced to the rig rotary table.
- 3 Liard wells are dual appraisal and production wells.
- 4 Well re-entry date (top holes were pre-drilled).

Geophysical surveys conducted during Q1 2016

Location	Survey name	Progress
AUSTRALIA		
Carnarvon Basin – mainly Production Licence WA-34-L (Pluto)	2015 Pluto 4D MSS	1,241 km ² acquired ¹ . Survey complete.
MYANMAR		
Rakhine Basin – Blocks A-7 & AD-5	Thazin 3D MSS	13,976 km ² of 14,210 km ² planned (In progress)
Rakhine Basin – Blocks A-4 & AD-2	BG15MY 3D MSS	12,320 km ² of 14,912 km ² planned (In progress)
Rakhine Basin – Block AD-7	2016-AD-7-3D MSS	224 km ² of 1,152 km ² planned (In progress)

Notes:

- 1 As part of planned reservoir surveillance and management activities, the area of 1,241 km² consists of both the 4D and HD3D phases of the survey.

Exploration or appraisal wells planned to commence in Q2 2016

None planned.

Corporate Activities

Marketing, Trading & Shipping

During the quarter the Woodside Chaney, a 174,000 m³ LNG carrier, commenced its charter to Woodside. The ship will be used to support trading activities as well as underpinning long-term supply from our global portfolio.

Subsequent to the end of the quarter, Woodside Energy Trading Singapore Pte Ltd signed a Heads of Agreement (HOA) with PT Pertamina (Persero) for the supply of approximately 0.5 to 1.0 million tonnes of LNG per annum from Woodside's LNG portfolio for a period of 15 to 20 years (commencing in 2019).

This HOA remains conditional upon the negotiation and execution of a fully termed LNG sales and purchase agreement and obtaining all necessary approvals (including the relevant Woodside and Pertamina board approvals).

Credit ratings

Woodside's Baa1 credit rating was affirmed by Moody's on 22 March with a negative outlook. This follows Standard & Poor's affirmation of Woodside's BBB+ credit rating in January. The affirmations came even though the ratings agencies significantly reducing their internal oil price assumptions.

Finance facilities

During the quarter, Woodside extended US\$700 million of existing bilateral facilities for a further year. Woodside also increased the three year tranche of its existing syndicated loan facility by US\$200 million at existing pricing of USD LIBOR plus 0.9%. This brings the syndicated loan facility total to US\$1.2 billion.

Business Development

Grassy Point LNG (British Columbia, Canada)

Woodside is progressing the Environmental Assessment process with a public open house held in Prince Rupert in March.

Sempra LNG (Port Arthur, USA)

Woodside's affiliate, Woodside Energy (USA) Inc. (WUSA), entered into a Project Development Agreement (PDA) with Sempra LNG & Midstream (Sempra), an affiliate of Sempra Energy (NYSE: SRE).

Under the PDA, WUSA and Sempra will continue discussions and assessments of a potential 10 mtpa natural gas liquefaction facility in Port Arthur, Texas. The PDA builds upon the non-binding memorandum of understanding previously signed by the parties in June 2015 and provides a framework within which Sempra and WUSA will contribute their experience and share costs related to the technical design, permitting and commercial development of the project.

Annual General Meeting and Board changes

Woodside advises that its Annual General Meeting will be held in Perth, Western Australia on Thursday, 21 April 2016 at 10.00am (AWST).

Ann Pickard was appointed to the Board effective 29 February 2016. Andrew Jamieson will retire from the Board at the Annual General Meeting on 21 April 2016.

Investor Briefing Day

Woodside advises that its 2016 Investor Briefing Day will be held in Sydney, New South Wales on Friday, 20 May 2016.

CONVERSION FACTORS

(boe) = barrel of oil equivalent

(TJ) = terajoules

(bbl) = barrel

(MMBtu) = million British thermal units

(MMcfcg) = million cubic feet of gas

(t) = tonne

(Bcf) = billion cubic feet of gas

(kt) = thousand tonnes

Product	Factor	Conversion Factors ¹
Pipeline Natural Gas ²	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

1. Minor changes to some conversion factors can occur over time due to gradual changes in the process stream

2. Includes both Canadian and Australian product

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