

ASX Announcement

Friday, 8 November 2019

ASX: WPL
OTC: WOPEY

Woodside Petroleum Ltd.

ACN 004 898 962

Mia Yellagonga
11 Mount Street
Perth WA 6000
Australia

T +61 8 9348 4000

www.woodside.com.au

SCARBOROUGH RESOURCE VOLUME INCREASED BY 52%

The estimated gross contingent resource (2C) dry gas volume for the Scarborough field has increased to 11.1 Tcf (100%; 8.3 Tcf Woodside share), up 52% from 7.3 Tcf (100%; 5.5 Tcf Woodside share).

Woodside's interest in Greater Scarborough (covering the Scarborough, Thebe and Jupiter fields) comprises a 75% interest in WA-1-R (which contains the majority of the Scarborough field) and a 50% interest in each of WA-61-R, WA-62-R and WA-63-R. Woodside is the operator of these retention leases.

As a result of the Scarborough resource volume increase, Greater Scarborough contains an estimated gross dry gas contingent resource (2C) volume of 13.0 Tcf (100%; 9.3 Tcf Woodside share), a 41% increase from the previous 9.2 Tcf (100%; 6.4 Tcf Woodside share).

The increased volume estimates follow completion of integrated subsurface studies incorporating full waveform inversion (FWI) 3D seismic reprocessing and updated petrophysical interpretation. The new FWI 3D seismic reprocessing improved the reservoir imaging quality and increased reservoir sand distribution. In addition, a comprehensive integrated review of the wireline log data and measurements from special core analysis has increased net sand proportion and gas saturations. Assurance of this work has been provided by an external independent reserves auditor.

Woodside's overall Corporate Contingent Resources (2C) have increased by 503 MMboe to 6,020 MMboe.

Woodside is targeting a final investment decision for the development of the Scarborough gas resource in the first half of 2020. Scarborough gas would be initially processed on a deep-water floating production unit and transported through an approximately 430 km pipeline to a proposed second LNG production train at the existing Woodside-operated Pluto LNG facility on Western Australia's Burrup Peninsula.

Woodside CEO Peter Coleman said the increase in estimated resource volume at Scarborough underscored its potential as a world-class project which could meet growing demand for gas in Asia and beyond, as well as supplying the domestic market in Western Australia.

"Our understanding of the value of the Scarborough gas resource has increased after applying leading-edge technology to geophysical data collected since the field's discovery almost 40 years ago.

"By unlocking the huge potential of the Scarborough gas resource we've strengthened the case for development and extended the expected cashflow from Scarborough for years.

"This resource upgrade further improves Scarborough's existing value proposition as we target the delivery of a new, globally competitive LNG project from 2024," he said.

The attached notes on petroleum resource estimates form part of this announcement.

Contacts:

INVESTORS

Damien Gare
W: +61 8 9348 4421
M: +61 417 111 697
E: investor@woodside.com.au

MEDIA

Christine Forster
M: +61 484 112 469
E: christine.forster@woodside.com.au

For personal use only

Reporting of Woodside contingent resource estimate for Scarborough area resources

The Woodside contingent resource estimate for the Scarborough area resources is based on SPE-PRMS.

1. As at the date of this release, the Woodside contingent resource estimate for the Scarborough gas field is gross (100%) 11.1 Tcf of dry gas (at the 2C confidence level). Woodside's net share is estimated to be 8.3 Tcf of dry gas (1,462 MMboe).
2. As at the date of this release, the Woodside contingent resource estimate for the Scarborough area resources, being the Scarborough, Thebe and Jupiter gas fields, is gross (100%) 13.0 Tcf of dry gas (at the 2C confidence level). Woodside's net share is estimated to be 9.3 Tcf of dry gas (1,627 MMboe).
3. The Woodside contingent resource estimate for the Scarborough area resources has been calculated using deterministic and probabilistic methods and has been based on a potential development scenario involving the Burrup Hub.
4. Woodside holds a 75% interest in WA-1-R and a 50% interest in each of WA-61-R, WA-62-R and WA-63-R. The fields covered by the contingent resource estimate are contained within these retention leases.
5. WA-1-R and WA-62-R together contain the Scarborough gas field. For the purposes of estimating Woodside's net share of the Scarborough gas field, Woodside's net share has been based on Woodside's WA-1-R interest only.
6. The Woodside contingent resource estimate is based on Woodside's technical evaluation of subsurface and seismic data. There is no requirement for further appraisal to confirm the estimate. There is no identified requirement for the development of new technology.
7. Technical and commercial maturation of a development concept will be required to later book the contingent resources as reserves.

Notes to petroleum resource estimates

1. Unless otherwise stated, all petroleum resource estimates are quoted as at the balance date (i.e. 31 December) of the Reserves Statement in Woodside's most recent Annual Report released to ASX and available at <https://www.woodside.com.au/news-and-media/announcements>, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius). Woodside is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.
2. Subsequent to the Reserves Statement dated 31 December 2018, reserves and resources have been updated by this ASX announcement dated 8 November 2019.
3. Woodside reports reserves net of the fuel and flare required for production, processing and transportation up to a reference point. For offshore oil projects and floating LNG (FLNG) projects, the reference point is defined as the outlet of the floating production storage and offloading (FPSO) facility or FLNG facility respectively, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.
4. Woodside uses both deterministic and probabilistic methods for estimation of petroleum resources at the field and project levels. Unless otherwise stated, all petroleum estimates reported at the company or region level are aggregated by arithmetic summation by category. Note that the aggregated Proved level may be a very conservative estimate due to the portfolio effects of arithmetic summation.
5. 'MMboe' means millions (10⁶) of barrels of oil equivalent. Dry gas volumes, defined as 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product, are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5.7 Bcf of dry gas per 1 MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbl to MMboe on a 1:1 ratio.
6. The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The estimates have been approved by Mr Ian F. Sylvester, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Sylvester's qualifications include a Master of Engineering (Petroleum Engineering) from Imperial College, University of London, England, and more than 20 years of relevant experience.