

ASX Announcement

Thursday, 16 January 2014

ASX: WPL
 OTC: WOPEY

FOURTH QUARTER REPORT FOR PERIOD ENDED 31 DECEMBER 2013

Highlights

- Record annual production of 87 million barrels of oil equivalent (MMboe), up 2.5% on 2012.
- Global exploration strategy takes shape with new entries to Ireland and New Zealand.
- Quarterly production of 23.2 MMboe, up 5.9% on Q3.
- Sales revenue for the quarter was US\$1,648 million, up 23.2% on Q3.
- North Rankin Redevelopment Project achieved start-up during the quarter.
- Pluto plant reliability and production exceeded all previous quarters.
- The Vincent Floating Production Storage and Offloading (FPSO) vessel re-started production on 29 November.
- Subsequent to the end of the quarter, on 2 January, Pluto loaded its 100th LNG cargo since the start of LNG production in April 2012.

Comparative performance at a glance

Full Year comparison		2013	2012	Change %
Production	MMboe	87.0	84.9	+ 2.5
Sales	MMboe	85.7	83.8	+ 2.3
Revenue	\$ million	5,776	6,223	- 7.2
Previous quarter		Q4 2013	Q3 2013	Change %
Production	MMboe	23.2	21.9	+5.9
Sales	MMboe	23.0	20.9	+10.0
Revenue	\$ million	1,648	1,338	+23.2
Corresponding quarter, prior year		Q4 2013	Q4 2012	Change %
Production	MMboe	23.2	24.3	-4.5
Sales	MMboe	23.0	25.9	-11.2
Revenue	\$ million	1,648	1,767	-6.7

All dollar amounts are in US dollars unless otherwise stated

Key production and sales points for the quarter

- Production volumes were 5.9% higher than the previous quarter and sales volumes were 10% higher than the previous quarter largely due to increased production at Pluto following the re-start of the LNG Train and the change-out of dehydrator beds during the third quarter.
- Revenue for the quarter was 23.2% higher than the previous quarter largely due to sales contracts adjustments for volumes already delivered by Pluto.
- Production volumes were 4.5% lower than the corresponding period predominantly due to lower oil production, as a result of the Vincent FPSO being off station and natural field decline at other oil assets.
- Revenue for the quarter was 6.7% lower than the corresponding period. The impact of the reduced sales volumes was partially offset by the one off price adjustment for Pluto. The average Brent price for the quarter was \$109.35/bbl, slightly below the \$110.13/bbl in the corresponding period.
- Year on year revenue was impacted by the higher proportion of gas volumes sold in 2013, resulting in lower average realised prices. Additional oil is expected in 2014 with the Vincent FPSO re-starting production in November 2013.

Production Summary

Woodside's share of production and sales for the quarter ended 31 December 2013, with appropriate comparatives:

		Q4 2013	Q3 2013	Q4 2012	Full Year 2013	Full Year 2012
NWS PIPELINE NATURAL GAS ¹	Production (TJ)	20,410	24,564	20,508	85,318	84,202
	Sales (TJ)	20,410	24,564	20,515	85,318	84,144 ²
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	602,959	645,302	656,750	2,408,213	2,457,469
	Sales Delivered (t)	598,144	626,012	645,638	2,386,241	2,409,221
	Cargoes Delivered	61	64	67	244	247
NWS CONDENSATE	Production (bbl)	1,581,155	1,975,508	1,828,633	6,886,404	7,390,098
	Sales (bbl)	1,805,480	1,806,308	1,577,223	7,189,942	7,313,879
NWS OIL	Production (bbl)	793,839	997,183	991,046	3,478,590	3,447,139
	Sales (bbl)	840,920	879,591	1,397,940	3,396,489	3,371,785
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	21,589	32,430	30,370	109,335	129,705
	Sales (t)	21,116	27,972	35,569	106,035	134,769
PLUTO LIQUEFIED NATURAL GAS (LNG)	Production (t)	1,086,893	784,163	935,069	3,614,045	2,475,638
	Sales Delivered (t)	1,089,513	719,210	1,019,506	3,504,123	2,379,595
	Cargoes Delivered	18	12	17	58	39
PLUTO CONDENSATE	Production (bbl)	744,310	585,773	699,933	2,601,153	1,927,659
	Sales (bbl)	360,311	730,103	693,127	2,335,974	1,329,834
LAMINARIA-CORALLINA OIL	Production (bbl)	199,528	210,149	343,667	1,042,664	1,415,003
	Sales (bbl)	231,962	294,495	500,917	944,008	2,056,807
MUTINEER-EXETER OIL ³	Production (bbl)	0	0	27,398	0	148,302
	Sales (bbl)	0	0	74,104	0	173,790
ENFIELD OIL	Production (bbl)	489,766	556,144	656,862	1,885,777	2,755,709
	Sales (bbl)	447,315	446,818	778,408	1,757,872	2,734,555
STYBARROW OIL	Production (bbl)	314,591	346,433	453,556	1,394,353	2,235,950
	Sales (bbl)	557,485	274,501	275,644	1,672,016	2,228,861
VINCENT OIL	Production (bbl)	365,495	0	1,263,637	365,495	6,047,155
	Sales (bbl)	0	0	1,904,800	221,051	6,258,512
GULF OF MEXICO PIPELINE NATURAL GAS ⁴	Production (MMBtu)	142,840	193,674	193,916	823,619	548,095
	Sales (MMBtu)	142,840	193,674	193,916	823,619	548,095
GULF OF MEXICO CONDENSATE ⁴	Production (bbl)	386	301	301	1,493	919
	Sales (bbl)	386	301	301	1,493	919
GULF OF MEXICO OIL ⁴	Production (bbl)	148,830	179,135	205,762	716,026	712,154
	Sales (bbl)	148,830	179,135	205,762	716,026	712,154
Total	Production (boe) #	23,227,342	21,898,313	24,283,939	86,998,393	84,943,791
	Sales (boe) #	22,958,711	20,872,240	25,918,079	85,659,708	83,791,791

Notes:

- 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 Sales volumes exclude sales of natural pipeline gas to the Woodside-operated Pluto LNG Plant during the Pluto commissioning phase.
 - 3 Woodside signed a sale and purchase agreement with Santos on 21 December 2012 to sell its 8.2% interest in the Santos-operated Mutineer-Exeter oil project with effect from 1 July 2012. The agreement completed on 26 February 2013.
 - 4 Gulf of Mexico production and sales volumes are reported net of royalties.
- # Conversion Factors are identified on page 9.

Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 31 December 2013, with appropriate comparatives:

<i>Amounts in US\$ million</i>		Q4 2013	Q3 2013	Q4 2012	Full Year 2013	Full Year 2012
Sales Revenue						
North West Shelf	Pipeline Natural Gas ¹	95.5	94.2	92.1	366.4	367.2
	LNG	410.6	428.9	422.8	1,645.3	1,670.3
	Condensate	195.3	190.5	163.6	754.4	765.1
	Oil	93.7	99.8	153.1	376.5	372.7
	LPG	16.8	23.7	34.7	88.3	125.0
Pluto²	LNG	641.2	288.3	406.9	1,701.4	1,163.5
	Condensate	38.1	75.4	72.3	246.2	137.9
Laminaria-Corallina	Oil	25.1	31.3	52.6	99.1	221.9
Mutineer-Exeter³	Oil	0.0	0.0	8.7	0.2	20.1
Enfield	Oil	52.2	53.0	90.2	199.7	324.8
Stybarrow	Oil	64.9	32.6	32.3	195.2	265.3
Vincent	Oil	0.0	0.0	216.1	24.9	712.7
Gulf of Mexico⁴	Pipeline Natural Gas	0.9	1.1	1.0	4.6	2.7
	Condensate	0.1	0.0	0.0	0.2	0.1
	Oil	13.9	19.0	20.7	73.5	73.3
Total		1,648.3	1,337.8	1,767.1	5,775.9	6,222.6
Exploration and Evaluation Expense						
Exploration Expensed		31.9	43.1	109.7	244.4	268.7
Permit Amortisation		22.9	8.0	5.7	44.8	26.0
Evaluation Expensed		2.8	10.5	93.8	26.6	97.6
Total		57.6	61.6	209.2	315.8	392.3
Capital Expenditure						
Exploration Capitalised ^{5,6}		13.5	10.3	(7.0) ⁷	21.2	29.7
Evaluation Capitalised ⁵		39.2	16.5	89.6	145.2	353.4
Oil and Gas Properties ⁵		77.5	81.9	232.6	388.6	1,135.9
Other Property, Plant and Equipment		13.2	8.2	6.0	31.5	9.0
Total		143.4	116.9	321.2	586.5	1,528.0

Notes:

- 1 NWS sales revenue excludes sales of natural pipeline gas to the Woodside-operated Pluto LNG Plant during the Pluto commissioning phase.
- 2 Pluto LNG revenue in Q4 2013 was impacted by a one-off price adjustment for volumes already delivered. This price adjustment caused the majority of the increase in realised pricing between Q3 and Q4 2013.
- 3 Woodside signed a sale and purchase agreement with Santos on 21 December 2012 to sell its 8.2% interest in the Santos-operated Mutineer-Exeter oil project with effect from 1 July 2012. The agreement completed on 26 February 2013.
- 4 Gulf of Mexico revenue is reported net of royalties.
- 5 Project Final Investment Decisions (FID) result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil and Gas Properties. The table above does not reflect the impact of such transfers.
- 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 The negative capitalised exploration amount primarily reflects a well previously capitalised during drilling which has subsequently been expensed.

Production Activities

Field	Woodside share		100%		Remarks
	Q4 2013	Q3 2013	Q4 2013	Q3 2013	
Australia NWS - Average daily production					
Pipeline gas (TJ)	222	267	444	567	Production was driven by customer demand for the quarter and an industrial customer contract expiry.
LNG (t)	6,554	7,014	41,747	44,550	Production was lower due to planned offshore maintenance activities and reliability driven maintenance activities on LNG Trains 1, 3, 4 and 5.
Condensate (bbl)	17,186	21,473	81,769	100,312	Production was lower consistent with the associated decrease in gas production and also due to decreased production from condensate rich reservoirs for the quarter.
Oil (bbl)	8,629	10,839	25,886	32,517	Production was lower due to impact of cyclone activity and an unplanned outage.
LPG (t)	235	352	1,481	2,216	Production was lower consistent with the associated decrease in gas production for the quarter as well as due to unplanned maintenance on Fractionation Trains 1 and 2.
Australia Pluto - Average daily production					
LNG (t)	11,814	8,524	13,127	9,471	Production was higher than previous quarter due to increased reliability and system optimisation, compared to Q3 which was impacted by maintenance activities.
Condensate (bbl)	8,090	6,367	8,989	7,075	Production was higher consistent with higher LNG production for the quarter.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	2,169	2,284	3,450	3,595	Production was lower due to natural reservoir decline.
Enfield Oil (bbl)	5,324	6,045	8,873	10,075	Production was lower due to natural reservoir decline and unplanned maintenance. At the end of the quarter, production was approximately 9,500 bbl/day (Woodside share 5,700 bbl/day).
Stybarrow Oil (bbl)	3,419	3,766	6,839	7,531	Production was lower due to natural reservoir decline. At the end of the quarter, production was approximately 7,000 bbl/day (Woodside share 3,500 bbl/day).
Vincent Oil (bbl)	3,973	0	6,621	0	Facility resumed production on 29 November on return from dry dock. Ramp up is progressing well through the commissioning phase. At the end of the quarter, production was approximately 30,000 bbl/day (Woodside share 18,000 bbl/day).
United States - Woodside share average daily production					
	Q4 2013	Q3 2013			
Gas (MMBtu)	1,553	2,105	Production for the period decreased due to the sale of Power Play and natural field decline at Neptune.		
Oil and Condensate (bbl)	1,622	1,950	Production for the period decreased due to the sale of Power Play and natural field decline at Neptune.		

Development and International Activities

Australia

Browse LNG

Basis of design (BOD) work in relation to the floating LNG (FLNG) development concept is continuing. The BOD phase will involve undertaking all of the necessary studies and work required to place the Browse Joint Venture participants in a position to consider the commencement of front-end engineering and design (FEED) in relation to the FLNG development concept in H2 2014.

During the quarter, Woodside conducted site rehabilitation activities at the previously proposed Browse LNG Precinct near James Price Point.

On 29 November 2013, the proposed Browse FLNG Development was referred to the Commonwealth Department of Environment for consideration under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act). The referral initiates the environmental impact assessment process under the Commonwealth EPBC Act.

Australian Oil

Vincent

The commissioning and ramp up of the Vincent FPSO since its return to station from shipyard maintenance has progressed well. Outcomes from the shipyard maintenance and refurbishment have been positive. Production rates of more than 40,000 bbl/day have been achieved, with production at the end of the quarter of approximately 30,000 bbl/day. Enhanced sailing performance and improved disconnection and reconnection reliability have all been demonstrated enabling improved facility uptime.

North West Shelf

Greater Western Flank Phase 1 Project

The A\$2.5 billion Greater Western Flank Phase 1 project continued fabrication, drilling and completion activities with the project 63% complete. The project remains on budget and on schedule for start-up in early 2016.

Persephone

The Persephone development continued to undertake FEED activities after entering FEED in Q3. Persephone is the next major gas development for the NWS Project and involves a subsea tieback to the North Rankin Complex (North Rankin A and North Rankin B). A final investment decision is planned for H2 2014.

International

Sunrise LNG

During the quarter the Timor-Leste and Australian Governments remained engaged in a dispute relating to the Treaty on Certain Maritime Arrangements in the Timor Sea in accordance with the dispute resolution procedure in the Timor Sea Treaty. Woodside remains committed to developing Greater Sunrise once government alignment is achieved.

Leviathan

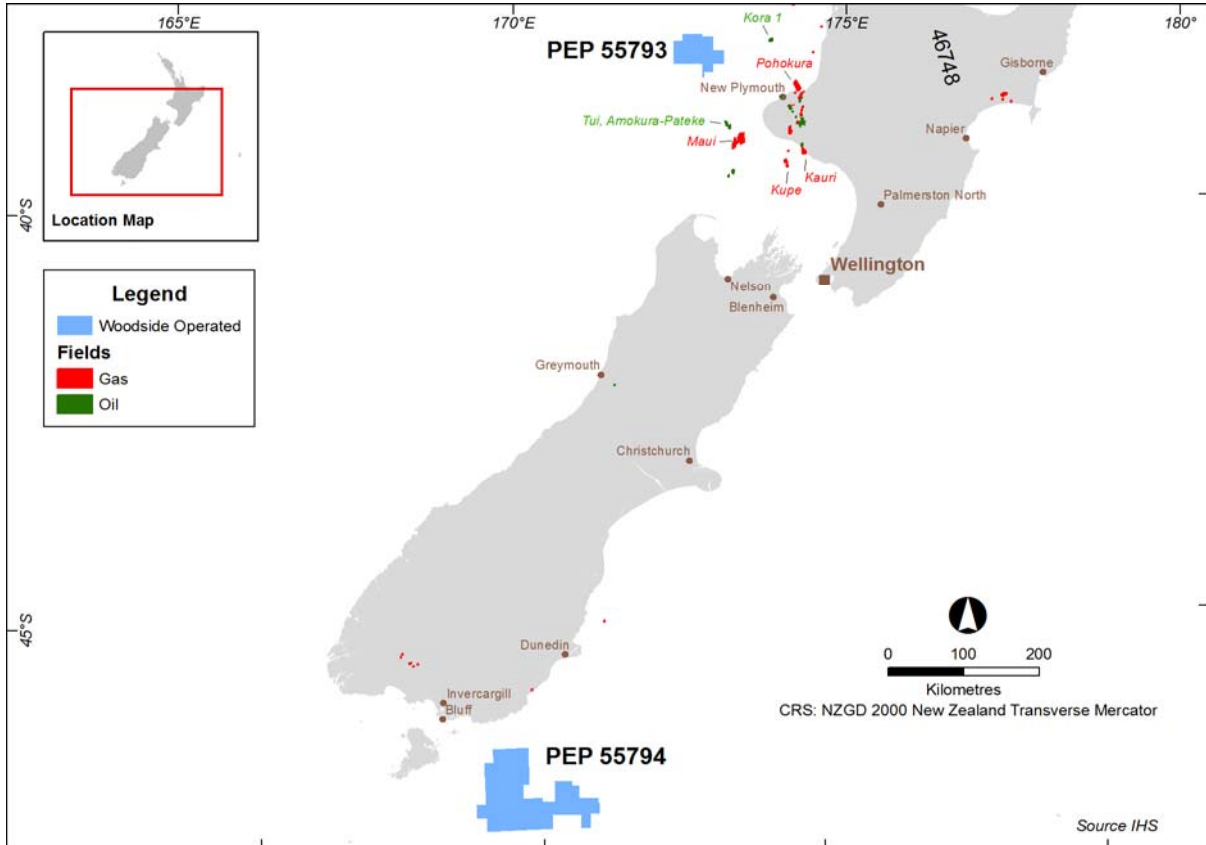
A challenge to the legality of the Israeli Government's natural gas export policy was dismissed by the Israeli Supreme Court in October 2013. The government policy provides sufficient export volumes that could underpin a viable export project for Leviathan. The Israeli government is finalising its tax policy setting for gas export projects, which we expect will become clear in the first half of 2014.

Woodside and the Leviathan Joint Venture participants continue discussions to convert the in-principle agreement relating to the Leviathan field into a fully termed agreement. A final decision with respect to Woodside's farm-in offer is expected during the first half of 2014.

Exploration and Appraisal Activities

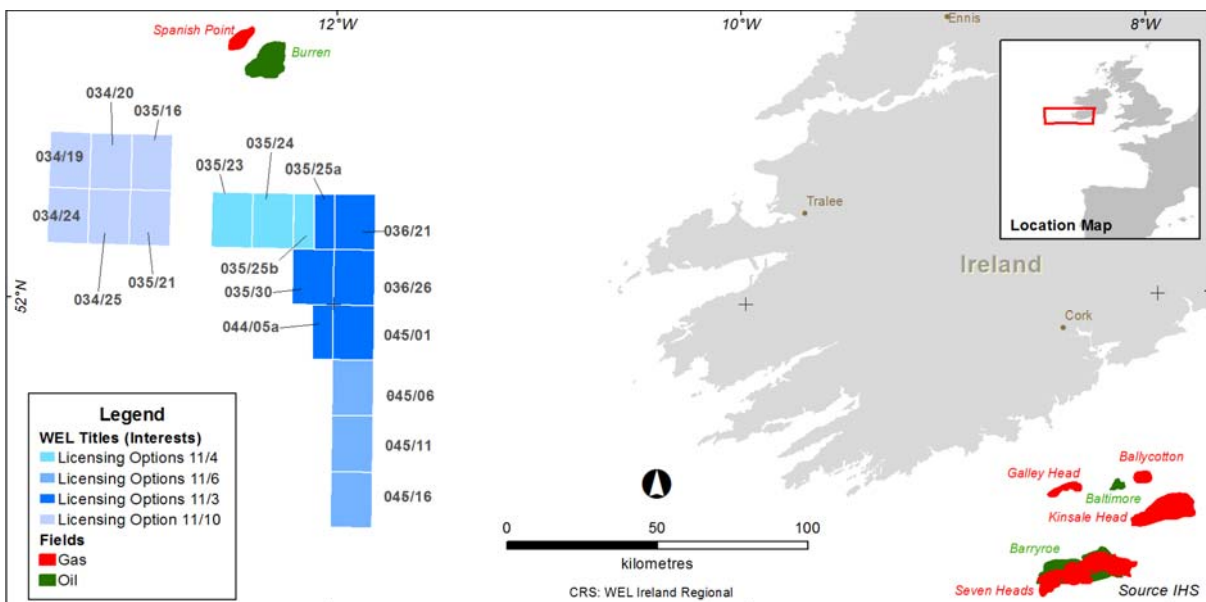
New Zealand

During the quarter, Woodside was awarded permit 55793 in the Taranaki Basin and permit 55794 in the Great South Basin. These permits come into effect on 1 April 2014. Woodside has 70% equity and is operator while New Zealand Oil and Gas (NZOG) holds the remaining 30% equity. Woodside has committed to 3D seismic acquisition in the first year (expected late 2014/early 2015) with options for future drilling.



Ireland

During the quarter Woodside increased its interest in the Porcupine basin in Ireland by acquiring a 60% interest and operatorship in Licensing Option 11/10 from Two Seas Oil & Gas Ltd. This acquisition complements Woodside's existing interests in Licensing Options 11/4 and 11/6 and Frontier Exploration Licence (FEL) 5/13 (previously Licensing Option 11/3). The FEL 5/13 was awarded on 2 January 2014, with the effective date of 13 December 2013. Woodside is currently in the process of finalising the FELs in respect of the remaining Licensing Options (11/4, 11/6 and 11/10) with Ireland's Petroleum Affairs Division.



Australia

The North West Shelf Fortuna 3D marine seismic survey (4,050km²) commenced on 6 January 2014 following vessel mobilisation in December 2013.

Exploration or appraisal wells drilled during Q4 2013

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Stybarrow East-1	Carnarvon Basin, WA-32-L	Oil	50.00	10/12/2013	675	2,533	Exploration, non-commercial discovery.
Stybarrow East-2	Carnarvon Basin, WA-32-L	Oil	50.00	26/12/2013	675	2,670 ³	Appraisal, drilling at end of quarter. Post quarter end non-commercial

Notes:

1 Water depth measured at lowest astronomical tide (LAT).

2 Reported depths referenced to the rig rotary table.

3 Proposed total depth.

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				
Carnarvon Basin	WA-269-P	(50.00)	0.00	Permit surrendered ¹
Carnarvon Basin	WA-451-P	(100.00)	0.00	Permit surrendered
INTERNATIONAL				
Porcupine Basin (Ireland)	FEL 5/13	90.00	90.00	Licence award
Taranaki Basin (New Zealand)	PEP 55793	70.00	70.00	Permit award ²
Great South Basin (New Zealand)	PEP 55794	70.00	70.00	Permit award ²
UNITED STATES				
GOM	GC 625/31740; KC 454/31245; KC 457/31905; KC 498/31250; KC 499/31251; MC 944/28028; WR 325/32673	(100)	0	Sold
GOM	KC 368/31891; KC 410/27714; KC 411/27715; KC 500/26751; KC 501/26752; KC 544/26756	(50)	0	Sold
GOM	WR 291/33365; WR 292/33366; WR 376/33375	(33)	0	Sold
GOM	AT 47/32557; KC 455/31246	(25)	0	Sold
GOM	KC 456/31247	(12.50)	0	Sold
GOM	GB 258/27632; GB 302/24479	(20.00)	0	Sold
GOM	KC 267/31227; KC 141/31215; KC 312/31230; KC 313/31231; KC 400/31238; KC 548/31911	(50)	0	Relinquished

Notes:

1 Subject to regulatory and government approval

2 Permit commences 1 April 2014

No geophysical surveys were conducted during Q4 2013

Exploration or appraisal wells planned to commence in Q1 2014

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres) ¹	Proposed Total Depth (metres) ²	Remarks
AUSTRALIA						
Rydal-1	Carnarvon Basin, WA-255-P	Oil	50.00	755	3,210	Exploration
Toro-1	Carnarvon Basin, WA-430-P	Gas	70.00	1,163	3,788	Exploration
Hannover South-1	Outer Canning Basin, WA-466-P	Gas	55.00	821	5,583	Exploration

Notes:

1 Water depth measured at lowest astronomical tide (LAT).

2 Reported depths referenced to the rig rotary table.

Corporate Activities

United States

Following a strategic review of areas of future growth and focus, Woodside is scaling back its presence in the Gulf of Mexico. The company signed purchase and sale agreements to sell its 20% interest in the Anadarko-operated Power Play field with effect from 1 August 2013. Completion occurred in November 2013. In addition seven exploration prospects were sold during the quarter. Gain on sales is anticipated to be within \$20 million and \$30 million.

Marketing

Subsequent to the end of the quarter Woodside advised that it has signed a sales and purchase agreement (SPA) with Chubu Electric Power Co. Inc. (Chubu Electric) for the supply of up to approximately 1.5 million tonnes of liquefied natural gas (LNG) over a three year period commencing in April 2014. LNG delivered to Chubu Electric under the SPA will primarily be sourced from previously uncommitted volumes from Woodside-operated Pluto LNG.

Production Guidance

Woodside's production target range for 2014 is 86 to 93 MMboe, comprising a product split of approximately 39% from Pluto LNG, 23% from North West Shelf (NWS) LNG, 14% from NWS Domestic gas and 24% from condensate, oil and LPG.

Preliminary 2013 income statement, line item guidance

The following numbers are provided as an indicative guide on a pre-income tax basis and are subject to the external audit processes and the Woodside Board approval of the 2013 Financial Statements.

Impairments of oil and gas properties

Impairments for full-year 2013 are anticipated to be in the range of \$380 million to \$400 million. This includes adjustments to the carrying values of Stybarrow, Enfield, Laminaria Corallina; final amortisation on Pluto train 2 and 3 (\$330 million to \$340 million) and Neptune (\$50 million to \$60 million).

It is intended that all 2013 impairments will be added back for the purposes of the final dividend. The final dividend is subject to Board approval.

Petroleum Resource Rent Tax (PRRT)

PRRT for 2013 is anticipated to be in the range of \$200 million to \$250 million **benefit**. This includes the impact of augmentation on carry forward deductible expenditure.

2013 Full Year Results Webcast

The 2013 annual results, 2013 Annual Report and the associated investor briefing presentation will be available on Woodside's website at www.woodside.com.au on Wednesday 19 February 2014. A media specific briefing will take place 6.30am (AWST) on 19 February 2014 and a separate investor/analyst briefing will take place at 7.30am (AWST) on 19 February 2014. The briefings will be streamed live to Woodside's website.

Annual General Meeting

In accordance with ASX Listing Rule 3.13.1, Woodside Petroleum Ltd advises that its Annual General Meeting will be held in Perth, Western Australia on Wednesday, 30 April 2014.

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

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