ANNUAL REPORT

INCORPORATING
APPENDIX 4E

Woodside

2018

About this report

This Annual Report 2018 is a summary of Woodside's operations and activities for the 12-month period ended 31 December 2018 and financial position as at 31 December 2018. Woodside Petroleum Ltd (ABN 55 004 898 962) is the ultimate holding company of the Woodside group of companies. In this report, unless otherwise stated, references to 'Woodside' and the 'Group', the 'company', 'we', 'us' and 'our' refer to Woodside Petroleum Ltd and its controlled entities, as a whole. The text does not distinguish between the activities of the ultimate holding company and those of its controlled entities. In this report, references to a year are to the calendar and financial year ended 31 December 2018 unless otherwise stated.

All dollar figures are expressed in US currency, Woodside share, unless otherwise stated.

Additional information

We have indicated where additional information is available online and in other sections of this report like this:

ⓘ Refer to the Glossary section on pages 148–149 for key terms, units of measurement and conversion factors.

Refer to Woodside's website for more information (www.woodside.com.au).

Forward-looking statements

This report contains forward-looking statements. Please refer to page 144, which contains a notice in respect of these statements.

greenreports

We are working with Green Reports™ on an initiative ensuring that communications minimise environmental impact and create a more sustainable future for the community.

FSC www.fsc.org MIX Paper from responsible sources FSC® C113956

Sustainable Development Report 2018

A summary of Woodside's sustainability approach, actions and performance for the 12-month period ended 31 December 2018 is included in our Sustainable Development Report 2018. This report will be available on 7 March 2019.

On the cover

Pluto LNG onshore processing facility, loading LNG for export. Expansion of Pluto LNG is a key component of Woodside's plans to develop the Scarborough gas resource.

Appendix 4E

Results for announcement to the market	2018	Restated 2017[1]
Revenue from ordinary activities	increased 31.8% to US$5,240 million	US$3,975 million
Profit from ordinary activities after tax attributable to members	increased 27.6% to US$1,364 million	US$1,069 million
Net profit from the period attributable to members	increased 27.6% to US$1,364 million	US$1,069 million

	Amount per security	Franked amount per security
Dividends		
Final dividend (US cents per share)	Ordinary 91¢	Ordinary 91¢
Interim dividend (US cents per share)	Ordinary 53¢	Ordinary 53¢
None of the dividends are foreign sourced		
Previous corresponding period:		
Final dividend (US cents per share)	Ordinary 49¢	Ordinary 49¢
Interim dividend (US cents per share)	Ordinary 49¢	Ordinary 49¢

Ex-dividend date	22 February 2019
Record date for determining entitlements to the final dividend	25 February 2019
Payment date for the final dividend	20 March 2019

	31 December 2018	Restated 31 December 2017[1]
Net tangible asset per security	$18.68	$17.90

1. 2017 amounts have been restated for the retrospective application of AASB 15 *Revenue from Contracts with Customers* (AASB 15). Refer to Note E.10(b) in the Financial Statements for further details.

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ABOUT WOODSIDE

Woodside is the pioneer of the LNG industry in Australia and the largest Australian natural gas producer. We have a global portfolio and are recognised for our world-class capabilities as an integrated upstream supplier of energy.

We have a clear strategy to deliver superior shareholder returns across three distinct time horizons, characterised by cash generation from 2017, unlocking value from 2022, and repeating our successes from 2027.

We are delivering on our strategy, creating an integrated LNG production centre on the Burrup Peninsula. Building on more than 30 years of operations in Western Australia, we are progressing development of the Scarborough and Browse gas resources through our producing assets, the Woodside-operated Pluto LNG and North West Shelf (NWS) Project.

Our operated assets are renowned for their safety, reliability and efficiency and we have a strong track record in project development. As Australia's premier LNG operator, we produced 6% of global LNG supply. We operate two floating production storage and offloading (FPSO) facilities.

We also have a participating interest in Wheatstone LNG, which started production in 2017.

Across our oil and gas portfolio, we have significant equity interests in high-quality development opportunities in Senegal (SNE), Myanmar, Canada (Kitimat) and Timor-Leste / Australia (Sunrise). We are pursuing new concepts and technology to enable cost-effective commercialisation of these resources.

We have a renewed exploration plan with a more focused and opportunistic approach across established, emerging and future growth hubs in Australia, Myanmar, Senegal, Gabon, Peru and Bulgaria.

We continue to expand our capabilities in marketing, trading and shipping and have enduring relationships that span 30 years with foundation customers throughout the Asia-Pacific region.

Technology and innovation are essential to our long-term sustainability. Today we are pioneering remote support and the application of artificial intelligence, embedding advanced analytics across our operations while recognising digital security issues. We are working to improve our energy efficiency and to support the use of LNG as a low-emissions and economically viable fuel.

Woodside demonstrates strong safety and environmental performance in all its operations. We are committed to upholding our values of integrity, respect, discipline, excellence, working sustainably and working together. Our success is driven by our people, and we aim to attract, develop and retain a diverse, high-performing workforce.

We recognise that enduring, meaningful relationships with communities are fundamental to maintaining our licence to operate. We actively seek to build relationships with stakeholders who are interested in and affected by our activities. We help create stronger communities through programs that improve knowledge, build resilience and create shared opportunities.

Our proven track record and distinctive capabilities are underpinned by almost 65 years of experience, making us a partner of choice.

As Australia’s premier LNG operator, we produced 6% of global LNG supply.

PERFORMANCE HIGHLIGHTS

Net profit after tax
Increased 28%

$1,364
million

Dividend
Increased 47%

144
US cents per share

Free cash flow
Increased 83%

$1,524
million

LNG unit production cost
Pluto LNG and NWS Project

$3.6
per boe

Total recordable injury rate

1.32
per million work hours

2018 DELIVERY

NEAR-TERM GROWTH

- Executed Greater Western Flank Phase 2 $630 million under total budget and 6 months ahead of schedule
- Commenced production from Wheatstone LNG train 2; production exceeding expectations
- Commenced work on the Ngujima-Yin FPSO and subsea infrastructure for Greater Enfield, targeting first oil mid-2019

SCARBOROUGH AND PLUTO LNG TRAIN 2

- Increased Scarborough equity ownership to 75%
- Assumed Scarborough operatorship
- Awarded contracts for Scarborough front-end engineering design activities, subsequent to the period
- Entered front-end engineering design (FEED) for Pluto LNG Train 2
- Commissioned Pluto pipeline gas facility
- Executed a domestic gas agreement with Perdaman

SNE PHASE 1

- Assumed operatorship
- Submitted field development and exploitation plan
- Commenced FEED activities

OUTSTANDING BASE BUSINESS PERFORMANCE

BROWSE TO NORTH WEST SHELF PROJECT

+ Commenced concept definition phase
+ Agreed a preliminary tolling arrangement between the NWS Project and the Browse Joint Venture
+ Referred the project for State and Commonwealth environmental approvals

NEW GROWTH PLATFORMS

+ Completed the Shwe Yee Htun-2 appraisal well in Myanmar, confirming good reservoir quality
+ Developing new markets in LNG: trucking and shipping

OPERATIONAL

+ Record LNG production of 72 MMboe
+ Reduced unit production cost to $5.1/boe

FINANCIAL

+ Generated $5,240 million in operating revenue
+ Generated $1,524 million in free cash flow
+ Reduced gearing to 12%
+ Secured equity funding for growth projects

DELIVERING THE STRATEGY

CAPABILITY TO DELIVER

- ✓ Experienced people with proven project delivery record
- ✓ Low cost operator
- ✓ Prudent capital management strategy, with balance sheet strength

MARKET

- ✓ LNG demand increasing
- ✓ Low point of the development cost cycle
- ✓ Competitive, motivated contractors

RESOURCES

- ✓ Significant conventional resources well matched to existing infrastructure

OUTSTANDING BASE BUSINESS

HORIZON I 2017-2021

2027+

Kitimat

Sunrise

New markets

Tie-back opportunities

Commercialising exploration

2026 and 2027
BROWSE TO NORTH WEST SHELF PROJECT RFSU

2024
PLUTO LNG TRAIN 2 RFSU

2023
SCARBOROUGH RFSU

2022
SNE FIELD DEVELOPMENT PHASE 1 RFSU

2019 PRIORITIES

+ Complete technical and commercial activities for final investment decision (FID)
+ Commence project execution

2019 PRIORITIES

+ Execute FEED activities
+ Prepare for FID in 2020

2019 PRIORITIES

+ Execute binding, fully-termed gas processing agreements
+ Commence FEED activities
+ Prepare for FID in late 2020

2019 PRIORITIES

+ Execute FEED activities and prepare for FID in 2020
+ Finalise Scarborough Development Agreement with the Government of Western Australia
+ Execute agreement for onshore gas processing

Targeted production in 2020 is based on sanctioned projects being delivered in accordance with their current project schedules.
Chart is not to scale nor intended to be a basis for measurement.
RFSU: Ready for start-up

HORIZON II
2022-2026

HORIZON III
2027+

CHAIRMAN'S REPORT

It is a privilege for me to report on what has been a pivotal year for Woodside as we outlined growth plans that shore up the future of your company.

Since announcing those plans in February, we have already made good progress on delivering them, and our vision for the Burrup Hub is starting to take shape.

Our focus is always on value for shareholders and this year we have delivered strong returns, generating free cash flow of $1,524 million and net profit after tax of $1,364 million. We will pay an annual dividend of US 144 cents per share, an increase of 47% on 2017.

At a time when so many of our institutions are confronting a loss of public trust, companies like Woodside demonstrate that big businesses are a vital part of the community. Our big companies make a significant economic and social contribution, underpinning employment and tax revenue.[1]

These companies produce the goods and services that our community relies on, developing the resources that power our economy and our households. The best of our big companies engage in a meaningful way with those who live and work alongside them, forming long-term relationships with groups that sustain and enrich the life of a community.

I have long admired Woodside for its dedication to operational excellence and for the significant contribution it makes to the Australian economy and community. In all its activities, Woodside is guided by a strong company culture that values integrity and is founded on the commitment to doing the right thing by our customers, our partners and our communities. It is an honour to take on the role of Chairman at a time when Woodside is progressing growth plans that will bring considerable benefits to Australia. Our plans to make significant investment in Australian natural gas projects will underpin jobs and economic growth in our country while providing a reliable energy source to local and global customers.

Our shareholders, who provide the equity capital for our investments, will benefit as we prepare to produce extra LNG right at a time when the world needs it.

In early 2018, we outlined our proposals to develop the Scarborough and Browse resources through our existing infrastructure on the Burrup Peninsula, while also progressing

1. Woodside paid A$894 million (approximately US$668 million equivalent) in tax and royalties in Australia in 2018 and A$4.9 billion over the past five years.

Richard Goyder, AO
Chairman

promising developments in Senegal and Myanmar. Those plans received strong backing from shareholders via our US$2 billion equity raising, maintaining our strong balance sheet as we progress through this growth phase. This positions us well as we compete with other resource developers to take advantage of the growing global demand for gas.

The world needs more gas as growing populations, particularly in Asia, demand extra energy and cleaner air. For some years, there was abundant gas and little investment globally in new projects, but now a shortfall looms and there is strong competition to sanction new projects that can meet the growing demand. Woodside's ability to use its existing facilities gives us a head start in this global race. We have the opportunity to grow our safe and reliable operations in an efficient way, rather than duplicating facilities. We are working with our joint venture partners and other stakeholders in finalising agreements on the use of this infrastructure. Our plans are gaining momentum, but we know there are still hurdles to jump, tough decisions to make and cooperation needed from all our partners.

Our shareholders will benefit as we prepare to produce extra LNG right at a time when the world needs it.

Some things that are beyond our control can influence our operations. It is important to have a stable industrial relations environment because we're not going to invest significant capital if there is a risk of cost blow-outs due to changing employment conditions.

As we approach big investment decisions, we carefully weigh a range of factors. It's an uncertain world, and we try to account for those uncertainties – around geopolitics, around climate change and the world's response to it. The role of business is to take calculated risks, with the Board overseeing appropriate governance around investment decisions. We will manage risks across an investment cycle. It is true that we won't always get it right, but we take a very diligent and rigorous approach as we make long-term decisions to invest significant capital on behalf of our shareholders.

I am pleased to chair a diverse Board of highly capable directors, who are focused on the interests of the company and shareholders and offer expertise that is broad and deep. Peter Coleman leads an astute and dedicated management team, with the right skills and vision to take us through this important phase.

This report outlines our new remuneration scheme, which we think is measured, appropriate and aligned to shareholder experience. A significant part of the scheme involves equity, which vests and is earned through long-term performance, linked to major strategic deliverables in the coming years.

On behalf of the Board, I would like to thank Michael Chaney for his leadership of Woodside as Chairman for 12 years. Over that timeframe, which was marked globally by significant volatility and rapid change, Michael has overseen disciplined investment decisions and ensured that Woodside maintained a strong financial position. I would also like to thank Melinda Cilento, who steps down as a director at the AGM, for the valuable contribution she has made during the past decade, including her diligence and commitment as Chair of the Human Resources & Compensation Committee.

Over the past year, your company has outlined bold growth plans and made a good start on delivering them. The next few years will be crucial for Woodside as we build on our history as the pioneer of LNG in Australia.

Richard Goyder, AO
Chairman
14 February 2019

CHIEF EXECUTIVE OFFICER'S REPORT

Woodside has achieved a lot in 2018, delivering strong financial results, solid production and impressive progress on our growth plans.

A successful equity raising early in the year set up our finances to support a growth phase that is timed well to capture the emerging global LNG shortfall.

Financially, we have had a very good year in 2018, achieving a 32% increase in our operating revenue, to $5.2 billion, and a 28% increase in net profit after tax. These strong results were underpinned by increased production due to the start-up of major projects, higher prices and discipline on costs.

Looking to 2019, our expected capital requirements are similar to 2018 as we complete projects while preparing for growth.

Our story began 65 years ago when a new company was formed and named after a small town in Victoria's Gippsland Basin. That junior explorer would go on to develop the North West Shelf, becoming the pioneer of the LNG industry in Australia.

That spirit is alive and well as we pursue proposals to develop some 20 to 25 trillion cubic feet of gross dry gas resources from the Scarborough and Browse fields off Western Australia.

Even as we plan for growth, we remain committed to excellence in our base business, achieving high reliability and globally competitive costs of production, while ensuring a strong safety culture and performance.

Our growth plans will more than double Woodside's equity LNG production by 2027 and deliver significant benefits to shareholders and to the broader community.

The timing is right for these developments and Woodside has the resources, facilities and expertise to deliver them.

We've set ambitious timelines – and have shown in 2018 that we intend to keep them. Our progress has been aided by the fact it is a good time to engage leading contractors, early in the commodity cycle.

We've demonstrated our expertise in project delivery, with the Greater Western Flank Phase 2 Project coming in $630 million under budget and six months ahead of schedule. Our near-term growth plans took another step forward as Wheatstone train 2 started up, with production exceeding expectations.

Peter Coleman
Chief Executive Officer and Managing Director

The acquisition in February of an increased interest in the Scarborough field was the first in a series of significant developments throughout the year in our plans to upgrade and connect our existing facilities and bring new resources through them.

Importantly, we have already struck agreements for the sale of gas from our facilities to Australian customers. We anticipate rising global demand for gas, but we are also committed to providing local supply.

Our growth plans will more than double Woodside's equity LNG production by 2027 and deliver significant benefits to shareholders and to the broader community.

After increasing our equity in Scarborough to 75%, we assumed operatorship and have in early 2019 awarded engineering contracts for the upstream development. We have also selected an expansion concept for the Pluto LNG Plant and begun engineering work on train 2.

At the same time, we have progressed our proposal to process the Browse resources through the North West Shelf Project's Karratha Gas Plant, achieving a preliminary tolling agreement between the two joint ventures that will enable the efficient development of new resources through existing infrastructure.

This avoids costly duplication of facilities and benefits all stakeholders.

We are building on our strengths and finding new and better ways of doing things in both our commercial partnerships and our operations. This includes exploring options on the Burrup Peninsula for integrating gas-fired power with solar power to supply reliable power to local industry.

We think gas has a big role to play as the world strives to reduce emissions while extending access to modern energy. Gas has a lower carbon intensity than other fossil fuels.

The emissions released in producing natural gas are more than offset by those avoided when it displaces higher-emissions fuels. As a fuel for reliable and readily dispatchable power generation, gas is the ideal partner for renewables.

Experienced companies like ours need to be part of the response to climate change. Our contribution includes managing our own emissions and developing new markets for LNG to displace higher-emissions fuels, including for remote power generation in northern Western Australia and as a fuel for marine and road transport.

It was a significant year for Woodside internationally, as we transitioned to operator of SNE, Senegal's first offshore oil development. The joint venture is targeting first oil in 2022 and has commenced FEED activities and secured approval of the Environmental and Social Impact Assessment.

Our exploration program in Myanmar made good progress, with two further gas discoveries enhancing the commercial prospects of the acreage.

Woodside is on the cusp of some great opportunities in both our Australian and international operations, as we deliver our growth plans.

Our staff are working hard to realise those opportunities and I thank them for their efforts in 2018 and in the years to come as we set the company up for a bright future.

Peter Coleman
Chief Executive Officer and Managing Director
14 February 2019

EXECUTIVE MANAGEMENT

Michael Abbott, Sherry Duhe, Reinhardt Matisons, Meg O'Neill, Peter Coleman, Robert Edwardes, Jacky Connolly and Shaun Gregory

Peter Coleman

BEng, MBA, FTSE

Chief Executive Officer and Managing Director

Michael Abbott

BJuris, LLB, BA, MBA

Senior Vice President Corporate and Legal

+ Audit
+ Business Climate and Energy Outlook
+ Corporate Affairs
+ Legal and Secretariat
+ Risk and Compliance
+ Security and Emergency Management
+ Global Property and Workplace

Jacky Connolly

BCom, MOHS

Vice President People and Global Capability

+ People and Global Capability
+ Employee Engagement

Sherry Duhe

BS (Accounting), MBA

Executive Vice President and Chief Financial Officer

+ Finance, Tax, Treasury and Insurance
+ Commercial
+ Business Development and Growth
+ Contracting and Procurement
+ Investor Relations
+ Strategy, Planning and Analysis
+ Performance Excellence

Robert Edwardes

BSc (Engineering), PhD

Executive Vice President Development

+ Engineering
+ Projects
+ Developments
+ International Development Offices

Shaun Gregory

BSc (Hons), MBT

Executive Vice President Exploration and Chief Technology Officer

+ Exploration
+ Development Planning
+ Digital
+ Geoscience
+ Technology
+ New Energy and Carbon Abatement

Reinhardt Matisons

BEng, MBA, MIE Aust, CPEng, CPA

Executive Vice President Marketing, Trading and Shipping

+ Marketing
+ Power and New Markets
+ Shipping
+ Trading
+ International Marketing Offices

Meg O'Neill

BSc (Ocean Engineering), BSc (Chemical Engineering), MSc

Executive Vice President and Chief Operations Officer

+ Producing Business Units
+ Operations and Maintenance
+ Drilling and Completions
+ Logistics
+ Health, Safety, Environment and Quality
+ Subsea and Pipelines
+ Reservoir Management
+ Power

OUR AREAS OF ACTIVITY

GLOBAL

Product type	
●	Gas
●	Oil
●	Gas or oil

Phase
Producing assets
Developments
Appraisal and exploration

*Denotes marketing office

WESTERN AUSTRALIA

Production contribution

1. Production from the Okha FPSO is reported as part of our Australia Oil operations.

OPERATING AND FINANCIAL REVIEW

FINANCIAL SUMMARY

Net profit after tax
increased 28% to

$1,364 million

Operating revenue
increased 32% to

$5,240 million

Free cash flow
increased 83% to

$1,524 million

Earnings per share

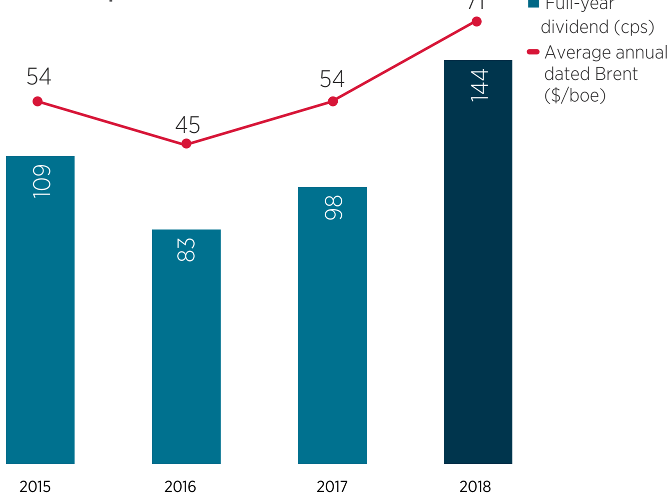
▲20% to 148 cents

Key metrics

$ million	2018	2017[1]
Operating revenue	5,240	3,975
EBITDA[2]	3,814	2,918
EBIT[2]	2,278	1,714
NPAT	1,364	1,069
Underlying NPAT[2,3]	1,416	1,069
Net cash from operating activities	3,296	2,400
Investment expenditure	1,935	1,563
Capital investment expenditure[2,4]	1,646	1,263
Exploration expenditure[2,5]	289	300
Free cash flow[2]	1,524	832
Dividends paid	909	826
Key ratios		
Return on equity %	7.8	7.1
ROACE %	9.3	7.4
Earnings (US cps)	148	123
Gearing %	12	24
Effective income tax rate %	32	34
Sales volumes		
Gas (MMboe)	75.4	68.8
Liquids (MMboe)	13.8	15.3

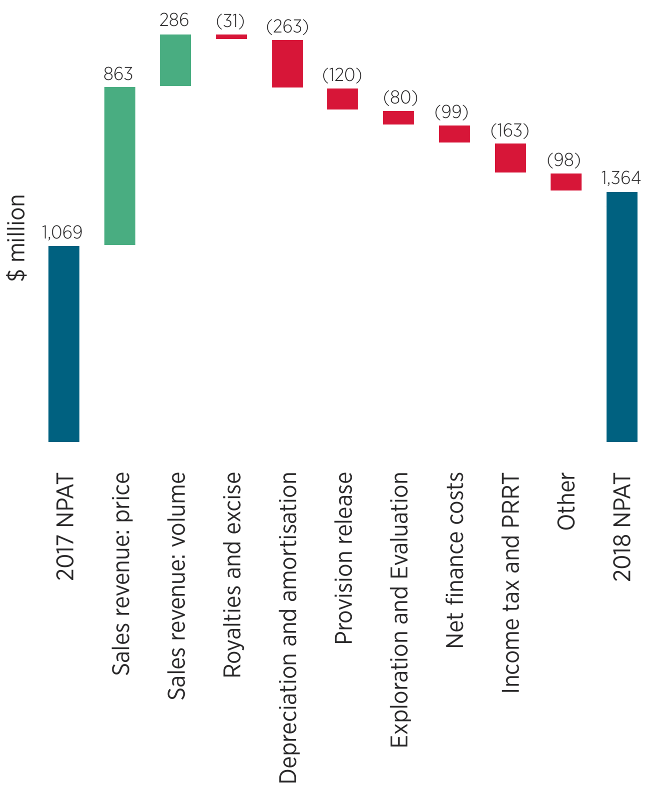
1. *2017 amounts have been restated for the retrospective application of AASB 15. Refer to Note E.10(b) in the Financial Statements for further details.*
2. *These are non-IFRS measures that are unaudited but derived from audited Financial Statements. These measures are presented to provide further insight into Woodside's performance. Refer to footnote 2 on page 152 for calculation methodology on EBITDA.*
3. *NPAT adjusted for the impact of foreign exchange options associated with the equity raising ($5 million), finance costs associated with the early redemption of the bond ($20 million) and the reclassification of two LNG vessels from oil and gas properties to non-current assets held for sale ($27 million). No adjustments were made to the calculation of 2017 underlying NPAT.*
4. *Excludes exploration capitalised, includes restoration and rehabilitation spend.*
5. *Item excludes prior period expenditure written off and permit amortisation, includes evaluation expense.*

Dividend per share



Robust operational performance throughout 2018 and improved market conditions have generated solid cashflows and contributed to increased profit. This has supported our strong financial liquidity throughout 2018 which positions us well for our growth projects.

NPAT reconciliation



Key movements

Sales revenue: price

Sales revenue increased due to higher realised prices. Our average realised price increased by approximately 23% to $54/boe.

Average realised price	2018 $/boe	2017[1] $/boe	Variance %	Impact $m
NWS LNG	48	38	26	225
Pluto LNG	57	47	21	372
Wheatstone LNG	59	45	31	99
Pipeline gas	15	20	(25)	(24)
Condensate	71	55	29	126
Oil	71	56	27	62
LPG	69	60	15	3
Volume weighted average realised prices	**54**	**44**	**23**	**863**
Brent average price	71	54	31	
JCC (lagged 3 months)	68	51	33	

1. 2017 amounts have been restated for the retrospective application of AASB 15. Refer to Note E.10(b) in the Financial Statements for further details.

Sales revenue: volume

Sales volumes increased due to the ramp up of Wheatstone LNG and strong LNG reliability. This more than offset the revenue reduction from the planned Ngujima-Yin FPSO suspension of operations in May 2018 for the Greater Enfield Project, and from the NWS Project due to the timing of equity cargoes and the equity percentage change for domestic pipeline gas.

Royalties and excise

Royalties and excise expense increased primarily due to higher NWS revenue.

Depreciation and amortisation

Depreciation and amortisation for oil and gas properties increased primarily due to Wheatstone LNG train 1 commencing production in the second half of 2017 and LNG train 2 in June 2018, year-end 2017 Pluto reserves revisions and higher production across our facilities.

Provision release

A one off $120 million provision related to the Balnaves FPSO lease was released in 2017.

Exploration and evaluation

Exploration and evaluation expense increased following significant activity in 2018 and accompanying well results. Exploration expenditure in 2019 will reduce.

Net finance costs

Net finance costs increased due to lower capitalised borrowing costs following the start-up of both Wheatstone LNG trains.

Income tax and PRRT

The PRRT credit decreased by $84 million predominately due to higher assessable receipts. Income tax expense increased by $79 million predominantly due to higher profit before income tax.

Other

Other items impacting NPAT included higher production costs due to a full year of Wheatstone LNG production, inventory movement, higher shipping and direct sales costs, and reclassification of two LNG vessels as assets held for sale. This was partially offset by higher processing and services revenue and other income.

Capital allocation

We continue to maintain a prudent financial position by appropriately servicing our debt, investing in future growth and distributing funds to shareholders. During the year we generated $3,296 million of operating cashflow, raised $1,949 million in net proceeds from the Q1 2018 equity raising and ended the period with liquidity of $3,918 million. This, combined with the operating cash flows anticipated in Horizon I and into Horizon II, positions us to deliver our growth plans.

In 2018 we funded investment in line with our Horizon II growth strategy, investing $1,935 million in capital and exploration expenditure. Our 2018 capital expenditure of $1,646 million increased by $383 million. This was predominately due to the acquisition of an increased interest in the Scarborough resources. Capital expenditure was also allocated to the Greater Enfield Project, Greater Western Flank Phase 2 and Wheatstone LNG, all of which underpin our targeted production of approximately 100 MMboe in 2020.

A prudent reduction to future investment expenditure was made to exploration following wells drilled in Myanmar, Gabon, Australia, Morocco and Peru in 2018.

Dividend

A 2018 final dividend of US 91 cents per share (cps) has been declared. The final dividend reflects 2018 underlying NPAT of $1,416 million, and was adjusted to reflect our strong operating cash flow for the year due to higher realised prices, reliable production and low operating costs. Woodside continues to target a payout ratio of 80% of underlying NPAT subject to market conditions and investment requirements. The full-year 2018 dividend is 144 cps, the value of the final dividend payment is $852 million and the dividend will be fully franked for Australian taxation purposes.

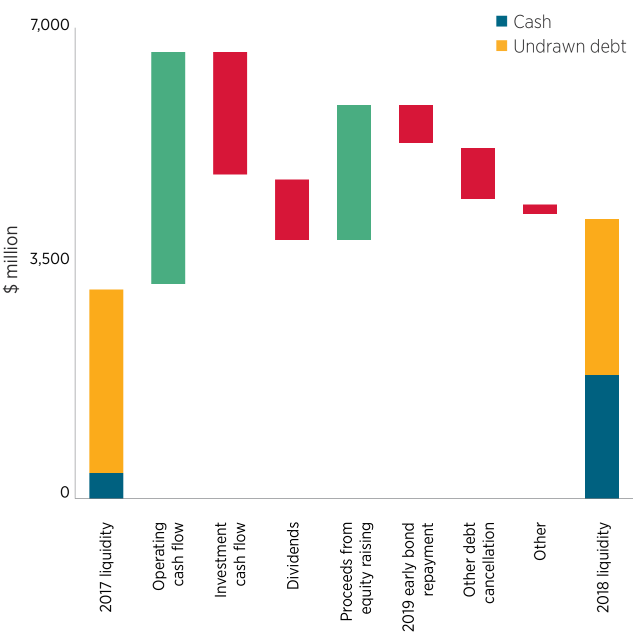
Unit production cost, cash costs and margins

Total unit production costs decreased by 2% to $5.1/boe despite a full year of higher non-operated Wheatstone LNG production costs and the Ngujima-Yin FPSO suspension of operations, underscoring our focus on high reliability and cost management in operations.

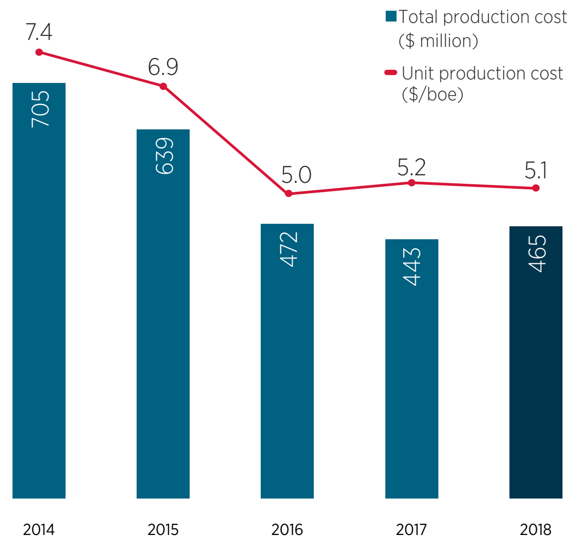
Gas unit production costs of $4.0/boe remained the same compared to 2017. Pluto gas and NWS gas unit production costs both reduced to $3.6/boe from $3.9/boe and $3.8/boe respectively, which were offset by higher non-operated Wheatstone production costs of $6.80/boe. We will continue to work with Operator in 2019 to reduce Wheatstone production costs.

Gross margin increased by 21% from $23.8/boe to $28.8/boe and our break-even cash cost of sales remains competitive at $10.4/boe. Our high margin, low cost operations will generate cash flow to help fund our Horizon II growth projects.

Liquidity



Production costs



Balance sheet, liquidity and debt service

We reinforced our strong balance sheet, reducing our gearing to 12%, within our 2018 target range of 10-30%. We ended 2018 with net debt of $2,397 million and a robust liquidity position of $3,918 million.

As a result of implementing AASB 16 *Leases* (AASB 16) from 1 January 2019, we will increase our target gearing range to 15-35%. The implementation of AASB 16 will not impact Woodside's strong credit ratings of Baa1 and BBB+, both of which were reaffirmed during the period by Moody's and S&P Global respectively with a stable outlook.

We continue to actively control our debt portfolio by minimising near-term maturities and maintaining a low cost of debt. The average term to maturity is 4.7 years and our portfolio cost of debt remains competitive at 3.9%.

We restructured our debt portfolio in 2018, in order to minimise interest expense incurred. The restructure included:

+ Redemption in May 2018 of a ten-year $600 million Rule 144A/ Regulation S senior unsecured bond, prior to the original maturity date of 1 March 2019.
+ Cancelling a number of bilateral facilities totalling $700 million.

2019 outlook

Our investment expenditure guidance for 2019 is $1,600 million to $1,700 million.

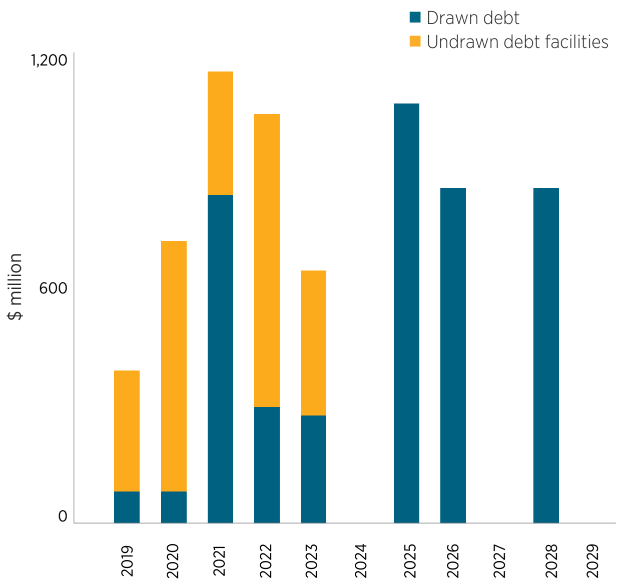
We are increasing expenditure on our growth projects including Scarborough, Pluto LNG Train 2, Browse to North West Shelf Project and SNE Field Development Phase 1. Expenditure for the Greater Enfield Project will reduce ahead of expected first oil in mid-2019, and work will continue on the Wheatstone Julimar Phase 2 development.

Exploration expensed and capitalised in 2019 will reduce to approximately $200 million, from $310 million in 2018.

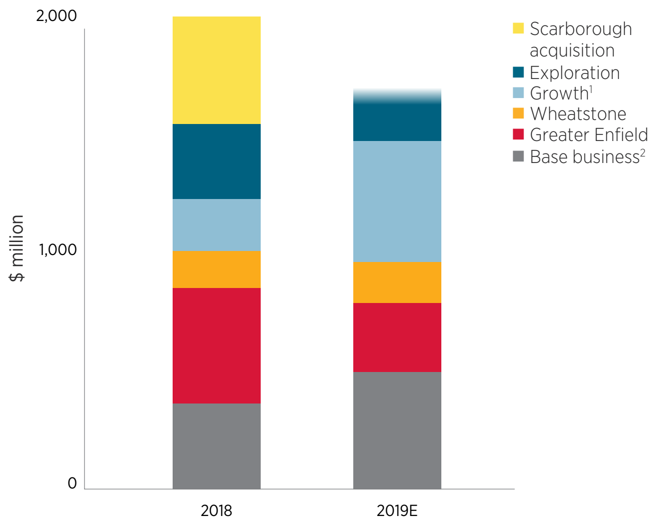
For 2019 the expected impact on NPAT is $30 million for a $1 movement in the Brent oil price, and $6 million for a $0.01 movement in the AUD/USD exchange rate.

We will actively manage our debt portfolio in 2019.

Debt maturity



Investment expenditure



1. Growth includes Scarborough, Pluto LNG Train 2, Browse to NWS Project, SNE Field Development (Senegal), Myanmar, Kitimat and other spend.
2. Base business includes Pluto LNG, Pluto-NWS Interconnector, NWS Project, Australia Oil and Corporate.

STRATEGY AND CAPITAL MANAGEMENT

We have a clear strategy to deliver superior shareholder returns across three distinct time horizons.

These horizons are characterised by cash generation (2017–2021), unlocking value (2022–2026) and repeating our successes (2027+).

As a low cost and high margin producer, Woodside is uniquely positioned as the global LNG market rebalances and grows into the future.

HORIZON I 2017–2021

CASH GENERATION

- Lower capital intensity developments
- New revenue streams
- Preparing for Horizon II growth
- New growth platforms through exploration and acquisitions
- Expanding the LNG market

In Horizon I we are delivering the committed growth that will underpin targeted production of approximately 100 MMboe in 2020, as we invest in our significant LNG projects. We have new revenue streams from Wheatstone LNG and Greater Western Flank Phase 2, and Greater Enfield is expected to commence production in 2019. Progression of our LNG developments is a priority through this period as we seek to deliver successful projects which meet growing Asian LNG demand.

HORIZON II 2022–2026

VALUE UNLOCKED

- Developments leveraging existing infrastructure
- Growth funded by base business and Horizon I growth
- Monetise exploration and acquisition success
- Increase supply to new and traditional markets

We are targeting significant new production early in Horizon II. First oil from Phase I of the SNE oil development offshore Senegal is expected in 2022. We are targeting Scarborough upstream RFSU in 2023, Pluto LNG Train 2 RFSU in 2024; and Browse RFSU for the first FPSO in 2026 and the second in 2027. These developments will significantly increase our developed reserve base and contribute to earnings for years to come. We are also seeking to establish new production from our resources in Myanmar within this horizon.

HORIZON III 2027+

SUCCESS REPEATED

- Capital-efficient developments
- Unlock new major hubs

Within our portfolio, we have resources identified for production in Horizon III. These include the Sunrise resource located 450 km north-west of Darwin, and our significant resource position in the Liard and Horn River basins supporting the Kitimat LNG development in British Columbia, Canada.

OUTSTANDING BASE BUSINESS
SUSTAINABLE ENERGY

Outstanding base business

Our outstanding base business is underpinned by world-class LNG and FPSO reliability, cost discipline and strong safety and environmental performance. We will continue to maximise value by developing and deploying industry-leading technology across our portfolio of assets.

Sustainable energy

Woodside is focused on providing sustainable energy solutions that deliver enduring value to shareholders, partners, communities and governments. We continue to promote LNG as a lower-emissions fuel and have committed to developing LNG as a transport fuel. As global energy demand grows we will be ready to meet it, building our growth across the next decade and beyond.

Capital allocation

Woodside's capital allocation framework provides flexibility to optimise returns and risk in a range of macroeconomic scenarios. Our priorities are:

+ Debt service, to ensure that we continue to have access to premium debt markets at a competitive cost to support our growth activities. We seek to manage average debt maturity on our debt portfolio. Our gearing target is between 15% and 35%, which has been revised from between 10% and 30% to reflect the impact of the leasing accounting standard AASB 16. We continue to target maintaining an investment-grade credit rating.
+ Investment expenditure, to sustain and grow our business. Woodside seeks to build its portfolio through the disciplined allocation of capital to exploration, acquisition and development opportunities that complement existing positions and capabilities. Our developments will seek to prioritise lower capital intensity, faster to market, capital-efficient opportunities that utilise existing infrastructure where possible. Through Horizon I, we are investing in LNG projects that will be required to meet a projected LNG supply shortfall in Horizon II.
+ Shareholder distributions, in accordance with our Dividend Policy which specifies that we will pay a minimum of 50% of underlying net profit after tax in dividends. We target an 80% dividend payout ratio subject to market conditions and investment requirements. Our strong shareholder distributions will be funded from our high margin base business and committed growth.
+ Returning surplus cash to shareholders by increasing the dividend payout ratio, special dividends or stock buy-backs is an option retained and considered by Woodside.

INVESTMENT CRITERIA

+ Our investment criteria target investment decisions which deliver returns on capital exceeding our cost of capital.
+ The economic criteria we use are set independently of project decisions.
+ We apply a suite of target metrics that are aimed at delivering superior shareholder returns from our investment decisions.
+ We test the robustness of our investments against a range of low-outcome and low-carbon scenarios.
+ We set higher target metrics for investments with increased complexity and risk, and seek to preserve any upside potential.
+ A typical metric required for investment is a target ungeared internal rate of return between 12% and 15%.

OUR BUSINESS MODEL AND VALUE CHAIN

Woodside's business model seeks to maximise the value of its portfolio across the value chain. This is achieved by prioritising competitive growth opportunities; by utilising our operational, development and drilling capabilities; and by deepening relationships in LNG markets with strong demand growth. We do this with the objective of generating superior shareholder returns across the three horizons and beyond.

ACQUIRE AND EXPLORE

We grow our portfolio through acquisitions and exploration, based on a disciplined approach to increasing shareholder value and appropriately managing risk. We look for material positions in world-class assets and basins that are aligned with our capabilities and existing portfolio. We assess acquisition opportunities that complement our discovered and undiscovered resource base.

2018 illustrations

Acquired an additional 50% interest in WA-1-R, containing the majority of the Scarborough gas field.

DEVELOP

We are building on over 30 years of development expertise from our assets in Western Australia by investing in opportunities in Australia, Senegal, Myanmar, Canada and Timor-Leste. During the development phase, we maximise value by selecting the most competitive concept for extracting, processing and delivering hydrocarbon products to market. Once the value of the development is confirmed, and approvals are received, a final investment decision is made and project delivery and construction commence.

Assumed operatorship, commenced FEED activities and received approval for the Environmental and Social Impact Assessment for the SNE Field Development Phase 1.

OPERATE

Our operations are characterised by strong safety and environmental performance in remote and challenging locations. As Australia's premier LNG operator, our operated assets include the NWS Project and Pluto LNG. We also operate two FPSO facilities and have a non-operated interest in Wheatstone LNG. By adopting technology, a continuous improvement mindset and an efficient, well planned, cost competitive operating model, we have been able to reduce operating costs, increase production rates and improve safety performance to optimise the value of our assets.

Record LNG production of 72 MMboe.

MARKET

Our marketing and trading strategy is to build a diverse customer portfolio and pursue additional sales agreements, underpinned by reliable domestic gas and LNG production, supplemented by globally sourced volumes. Our relationships with customers in Australian and international energy markets have been maintained through a track record of reliable delivery and expertise across contracting, marketing and trading. In addition to long-term sales, we pursue near-term value accretive arrangements through spot and mid-term sales and LNG shipping transactions.

Several new domestic gas and LNG agreements executed for mid- and long-term supply.

DECOMMISSION AND DIVEST

Individual assets within our portfolio have a finite life. Decommissioning is integrated into project planning, from the earliest stages of development through to the end of field life. At appropriate intervals, we consider opportunities to divest ourselves of assets to maximise the value of our portfolio. Our decommissioning planning is implemented at the appropriate time. Through working together with our partners and technical experts, we are able to identify the most sustainable and beneficial post-closure options that minimise financial, social and environmental impacts.

Decommissioning of the Nganhurra FPSO following cessation of production in November 2018.

ENERGY MARKETS

Rebalancing of the global LNG market is expected in the early 2020s, with global LNG demand forecast to exceed supply. Woodside's strategy is focused on delivering new LNG supply to energy markets in the required time frame.

The LNG market is growing rapidly, underpinned by the role of natural gas as a clean, reliable and affordable energy source. The expectations of some market commentators of a large oversupply have not materialised. LNG demand has increased by over 21% in the past two years. Continued LNG demand strength, supported by higher energy demand and an increased focus on air quality, is signalling the start of a new cycle of LNG project sanctions.

A significant driver of recent LNG demand growth has been Asian countries' increased focus on air quality. Gas is the cleanest burning hydrocarbon and has received strong policy support from countries seeking to replace coal-fired power generation. China has led with large-scale replacement of coal with natural gas.

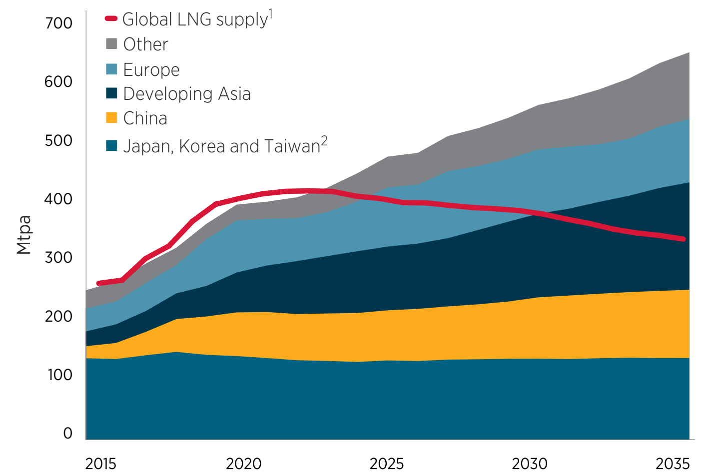
South Korea has also developed energy policies signalling a shift away from coal-fired and nuclear power generation towards cleaner-burning gas. India's energy demand growth has been fuelled in large part by coal and accompanied by a deterioration in air quality. To address this, India has released new energy targets including increasing the share of gas in the energy mix from 6% in 2018 to 15% by 2022 and prioritising infrastructure development such as LNG receiving terminals and gas network pipelines.

Beyond use in power generation, gas is forming part of a policy push for cleaner sources of fuel in transport and industry. In China, industrial use already represents over 30% of total gas demand and is expected to grow at over 4% p.a. to 2030 as gas replaces other fuels. China has introduced incentives for compressed natural gas (CNG) in light-duty vehicles and LNG in trucks. Today there are around 300,000 natural gas fuelled trucks on Chinese roads.

New supply regions such as the USA and Russia are contributing to the growth of the global LNG market. In 2019 Australia is set to become the world's largest supplier of LNG. The growth of the LNG market has involved more diverse buyers and sellers and with them, evolving commercial and contracting structures. The traditional long-term contract remains prevalent, but more innovative contracting structures with variety in pricing mechanisms, contract length and flexibility are becoming increasingly common. Both buyers and sellers are seeking a combination of long-term, mid-term and short-term contracts within their portfolios.

New LNG investment decisions are required in the coming 18 months to ensure the market remains adequately supplied with LNG from the early 2020s. Projects supported by equity partners with strong balance sheets will be best positioned to participate. With their close proximity to Asian LNG demand centres, our growth projects are ideally positioned to meet growing LNG demand.

LNG Demand Outlook



Source: Wood Mackenzie 'Global Gas Markets Long-term outlook 2018: LNG Supply' and Wood Mackenzie Q4 2018.

2035 forecast Asian LNG demand

▲76%

above 2018 levels

1. Supply forecast based on existing capacity and under construction developments.
2. LNG demand growth to 2035 is widespread across Asia. Japan is the only regional market to contract. Source: Wood Mackenzie.

BASE BUSINESS

PLUTO LNG

Production
43.3 MMboe

LNG unit production cost
$3.6 per boe

Sales revenue
$2,510 million

LNG reliability
97.4%

2018 HIGHLIGHTS

- Record LNG production rates, including 100% reliability in Q2
- Entered execute phase on PLA07 infill well
- Commissioned Pluto pipeline gas facility

2019 ACTIVITIES

- Start-up of LNG truck loading facility
- Achieve RFSU on PLA07 infill well
- Undertake major turnaround in Q2

A continued focus on safety and operational excellence has driven outstanding production from Pluto LNG, providing a firm basis for our Burrup Hub growth projects.

Production

Annual production of 43.3 MMboe was achieved in 2018 at a globally competitive LNG unit production cost of $3.6/boe. Pluto LNG continues to demonstrate strong reliability performance, achieving 100% reliability in Q2 2018 and 99.7% in Q4 2018. Average reliability over the year was 97.4%.

The capacity of Pluto LNG was increased to 4.9 Mtpa from the original nameplate capacity of 4.3 Mtpa. This was achieved by application of new technology and the ongoing delivery of debottlenecking and optimisation projects across the facility.

Pluto LNG delivered 70 LNG cargoes (100% project), of which 48 were sold under foundation contracts, 13 under mid-term contracts and 9 on the spot market.

	$/boe	%
Gross margin	35.7	56
Depreciation and amortisation	20.1	31
Other	4.8	7
Production cost	3.6	6

Enabling growth

Investment continues in Pluto LNG to maintain high rates of production into the future. Preparations are well advanced for the facility's first major turnaround, scheduled for Q2 2019. The turnaround duration will be approximately 30 days and include work required to maintain the facility's high reliability and performance, as well as support future project developments.

The PLA07 infill well achieved FID in 2018, targeting RFSU in 2019. FID was also taken on the Pluto water handling project to mitigate the impact of potential future reservoir water breakthrough. Key tie-ins will be implemented on the Pluto platform during the 2019 turnaround, followed by the water handling module lift in 2020 and RFSU of the module in 2021.

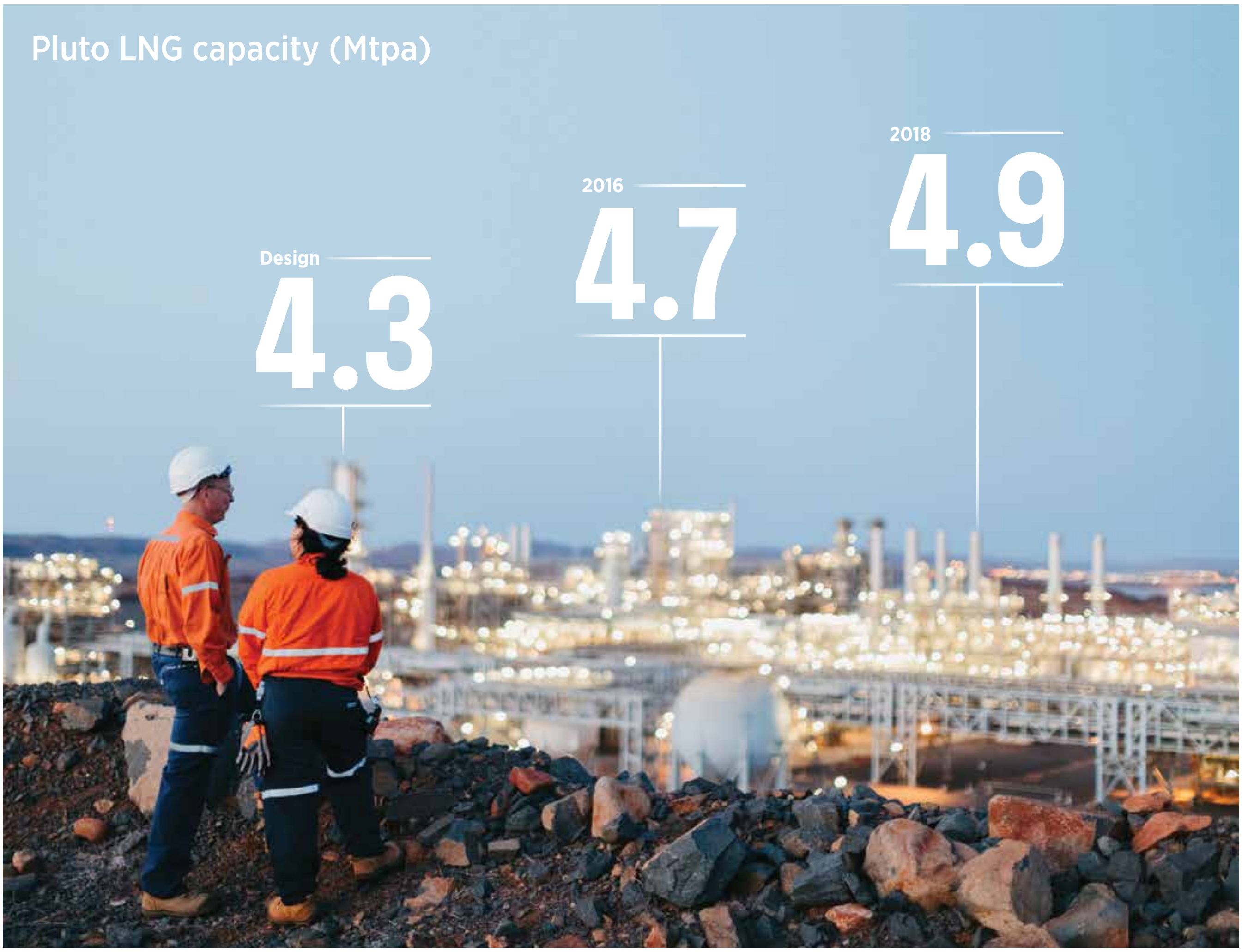
The development of the Pyxis and Pluto North infill wells, which will be developed by a 25 km tieback to the Pluto platform, entered FEED in January 2019. RFSU is targeted for 2021, aligned with RFSU of the Pluto-NWS Interconnector (see further information on page 41). The additional gas from Pyxis and Pluto North will provide flexibility to optimise gas production across the Burrup Hub facilities.

We successfully commissioned the Pluto pipeline gas facility in December 2018, adding to Woodside's domestic gas supply portfolio.

The planned start-up of the Pluto LNG trucking facility in Q1 2019 further demonstrates Woodside's commitment to supplying gas to the domestic market from the Pluto facility.

The Pluto LNG processing facilities are well matched to Scarborough gas composition, which is lean, dry and contains nitrogen. Building a second LNG train at Pluto LNG will maximise the value of existing infrastructure and form a key component of the Burrup Hub.

Woodside interest: 90%



Pluto LNG onshore processing facility

NWS PROJECT

Production
34.0
MMboe

LNG unit production cost
$3.6
per boe

Sales revenue
$1,497
million

Delivered
262
LNG cargoes
(100% project)

2018 HIGHLIGHTS

+ Exceeded 2018 production targets
+ Delivered 5,000th LNG cargo
+ Averaged 97.1% reliability

2019 ACTIVITIES

+ Progress commercial agreements and technical work to process third-party gas at KGP
+ Undertake exploration of the Achernar gas prospect
+ Take FID on Lambert Deep and South Goodwyn tie-backs

Central to our vision for the Burrup Hub is extending the life of the NWS Project facilities to safely deliver reliable energy supply for decades to come, while maintaining strong base business performance.

Production

In 2018, we continued to set the foundations for NWS Project Extension while maintaining excellent performance from the project's base business. Annual production of 34.0 MMboe was achieved at a globally competitive LNG unit production cost of $3.6/boe. Average LNG reliability during the year was 97.1%.

The NWS Project delivered 262 LNG cargoes (100% project), including delivery of the 5,000th cargo from KGP in September 2018.

We continued to invest to improve plant reliability and performance during the year, executing major onshore and offshore turnarounds involving LNG train 1, LNG train 2 and the Goodwyn A platform.

55% GROSS MARGIN

	$/boe	%
Gross margin	24.3	55
Depreciation and amortisation	8.0	18
Other	8.1	19
Production cost	3.6	8

Enabling growth

Major turnarounds are planned in July 2019 for the Goodwyn A platform (approximately 21 days) and LNG train 1 (approximately 19 days). An integrated turnaround campaign is planned for September 2019, which will include LNG train 5 (approximately 19 days), fractionation (approximately 14 days), North Rankin Complex (approximately 19 days) and North Rankin train 2 (approximately 20 days).

A comprehensive maintenance program, with an aim of extending the production capacity of KGP to support current NWS reserves, began in 2013 and is now approximately 40% complete. Future investment in the plant, including the ongoing adoption of innovative technology, will be undertaken as required to process gas from third-party resource owners.

Significant progress was made in the development of subsea tie-back opportunities. The Greater Western Flank Phase 2 Project (GWF-2) commenced production in October 2018, more than six months ahead of schedule. GWF-2 is designed to produce at up to 800 MMscf/d (100% project).

Evaluation of incremental opportunities continues, and the NWS Project has entered FEED on the $700 million tie-backs of Lambert Deep and South Goodwyn to existing offshore infrastructure. FID is expected in late 2019, with the two developments expected to add an estimated 400 Bcf of production to the NWS Project from the early 2020s. Exploration of the Achernar gas prospect is planned for Q2 2019.

In November 2018, the NWS Project referred a proposal to the Western Australian Environmental Protection Authority and the Commonwealth Department of Environment and Energy, seeking approval for use of existing State onshore and offshore infrastructure to enable long-term processing of third-party gas at KGP in support of our Burrup Hub growth plans.

Woodside interest: 16.67%

The Northwest Swan, which delivered the 5,000th LNG cargo from the NWS Project

AUSTRALIA OIL

2018 HIGHLIGHTS

- Commenced FPSO, subsea and drilling activities for Greater Enfield
- Achieved 938 days without a recordable injury on Nganhurra FPSO

Woodside's share of annual production in 2018 from Ngujima-Yin FPSO (Vincent field) was 1.3 MMbbl, down from 4.0 MMbbl in 2017 due to suspension of production on 1 May 2018 to support the Greater Enfield Project. The FPSO transited to the Keppel shipyard in Singapore to undertake maintenance and modifications as part of the Greater Enfield Project (see further information on page 39). Production is planned to resume from mid-2019.

Woodside interest: 60%

Woodside's share of annual production in 2018 from Okha FPSO (Cossack, Wanaea, Lambert and Hermes fields) was 1.8 MMboe, down from 1.9 MMbbl in 2017 primarily due to natural reservoir decline. Subsea life extension work will continue in 2019. There is no major maintenance planned in 2019.

Woodside interest: 33.33%

Woodside's share of annual production in 2018 from Nganhurra FPSO (Enfield field) was 0.7 MMbbl, down from 0.9 MMbbl in 2017 due to natural reservoir decline. Permanent cessation of production occurred in November 2018. In December 2018, the FPSO departed the field for cold lay-up in Labuan, Malaysia, ahead of planned future divestment. Plugging and abandonment of wells and the decommissioning of remaining subsea equipment will be subject to future stakeholder engagement and regulatory submissions.

Woodside interest: 60%

WHEATSTONE LNG

2018 HIGHLIGHTS

- Commenced production from train 2
- Exceeded 2018 production targets
- Domestic gas plant export-gas capable

Production at Wheatstone LNG (non-operated) has exceeded expectations in 2018, highlighted by strong reliability at LNG train 1 and quicker than expected ramp up at LNG train 2. Woodside's share of annual production in 2018 was 9.1 MMboe.

Production from LNG train 1 has been steady since start-up in October 2017 and continues to demonstrate production rates above plan. Production from LNG train 2 safely commenced in June 2018 and reached full capacity within weeks. A planned shutdown to remove commissioning strainers was carried out in August 2018.

In 2018, Woodside offtake from Wheatstone LNG comprised 12 LNG and four condensate cargoes.

There are no planned major LNG maintenance turnarounds scheduled in 2019.

Wheatstone LNG expected to contribute

>13 MMboe

annually, once fully operational

Woodside interest: 13%

CANADA

Woodside's share of annual production from the Liard Basin in north-eastern British Columbia was 1.2 MMboe, down from 1.3 MMboe in 2017 primarily due to natural reservoir decline. Production is a result of the appraisal program being undertaken to support the proposed Kitimat LNG development. Liard Basin production is expected to cease in mid-2019.

EXPLORATION

2018 HIGHLIGHTS

- Completed our third consecutive drilling campaign in Myanmar in line with schedule and budget, with two further gas discoveries
- Discovered gas volumes at the high-end of pre-drill estimates in the Shwe Yee Htun-2 appraisal well in Myanmar

Exploration activities in 2018 were focused on drilling prospects across our captured interests to test prospectivity in emerging basins and support Horizon III value and resource growth.

Australia

The Ferrand-1 exploration well in Block WA-404-P was drilled between April and June 2018. Wireline logging and additional tests confirmed intersection of a 69 m gross gas column.

In 2019, we plan to drill the Achernar exploration well in Block WA-28-P, targeting gas in an early Jurassic North Rankin bed reservoir, in proximity to existing gas discoveries at North Rankin and Lambert Deep.

Myanmar

In 2018, we undertook our third successive drilling campaign in Myanmar, which was completed within schedule and budget. The campaign discovered gas in two exploration wells and successfully appraised the 2016 Shwe Yee Htun-1 discovery.

The Shwe Yee Htun-2 appraisal well in Block A-6 was drilled approximately 10 km west of the Shwe Yee Htun-1 discovery well. Wireline logging and pressure measurements indicate that the reservoir is highly likely to be in pressure communication with the Shwe Yee Htun-1 discovery. The well results, combined with the successful 2017 exploration/appraisal well at Pyi Thit-1, increased discovered volumes within Block A-6 to a level that supports consideration of concept selection in the near term, subject to other factors including joint venture approval.

Woodside made the Aung Siddhi-1 gas discovery in Block AD-1, intersecting gas in two primary targets. The discovery is close to existing infrastructure and has enhanced the prospectivity of surrounding Woodside acreage.

The Dhana Hlaing-1 exploration well in Block A-7 also intersected gas in the primary target. The volume discovered is considered non-commercial but provides indications of potential volumes for Block A-7.

The results of the exploration wells prove the extension of existing proven plays into new areas of the basin, and work is ongoing to incorporate these learnings into future exploration and appraisal drilling. Our 2019 activities are focused on moving the discovered volumes in Blocks A-6 and AD-1 to development.

Gabon

Woodside drilled two exploration wells offshore Gabon. The Boudji-1 well in the Likuale (F14) Block intersected a 90 m gross oil and gas column, and the Ivela-1 well in the Luna Muetse (E13) Block intersected a 78 m gross oil column. While both wells were determined to be non-commercial by Woodside due to development costs associated with the water depths being over 2,600 m, their results proved a working hydrocarbon system with both oil and gas potential.

Morocco

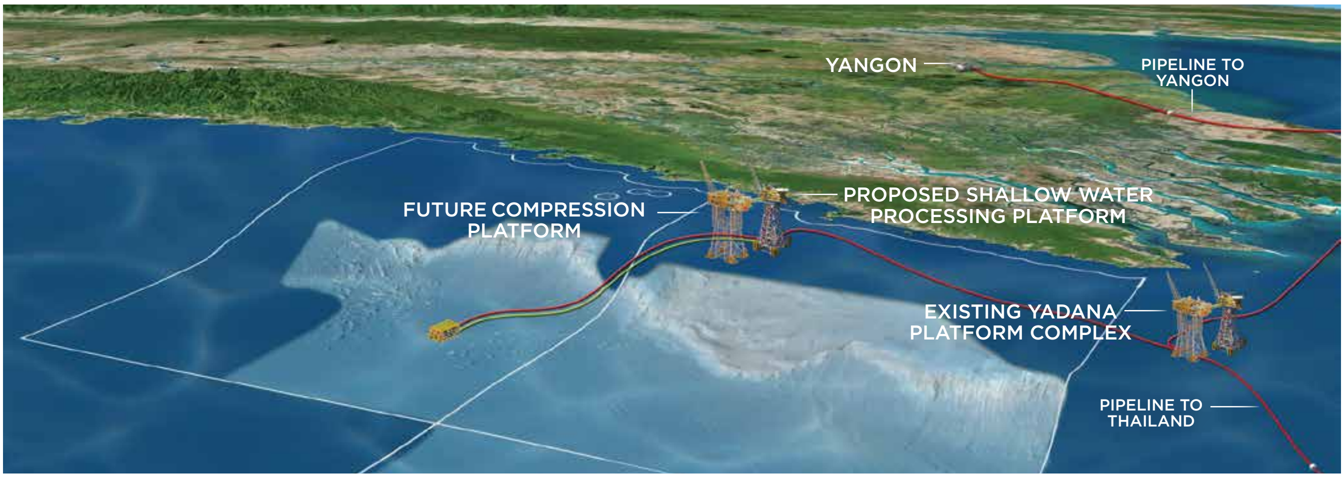
The Rabat Deep-1 exploration well offshore Morocco was completed in May 2018. Woodside considered the well to be dry, but with minor oil indications. Consequently, the joint venture agreed not to extend the Rabat Deep licence and it was relinquished on 21 December 2018.

Peru

The Boca Satipo Este-1 exploration well was spudded in October 2018, targeting a large prospect with oil potential in Cretaceous reservoirs. The well reached target depth in early February 2019. Further analysis will determine the results and implications on the prospectivity of the block.

Bulgaria

An exploration well, targeting a large oil prospect, is planned for Q2 2019 in Block 1-14 Khan Kubrat, offshore Bulgaria.



Myanmar Block A-6 potential development concept: tie-back to existing Yadana platform complex (not to scale)

MARKETING AND SHIPPING

2018 HIGHLIGHTS

+ Delivered 296 LNG, condensate, crude, and LPG cargoes[1]
+ Executed several mid-term portfolio LNG sale and purchase agreements (SPAs) to increase revenue certainty and customer diversity
+ Entered long-term domestic gas agreements with Perdaman Chemicals and Fertilisers Pty Ltd and Alcoa of Australia Limited

2019 ACTIVITIES

+ Progress negotiations regarding long-term LNG SPAs to position for FID on our Burrup Hub growth projects
+ Secure customers and commence first deliveries from the Pluto LNG truck loading facility
+ Advance marketing discussions for gas resources in Myanmar
+ Market entry for heavy sweet crude production from Greater Enfield

Portfolio LNG marketing approach

Our LNG equity portfolio reached 8.1 Mtpa in 2018, following the successful ramp up of Wheatstone LNG.

We manage our LNG portfolio through a mix of short-, mid- and long-term contracts, supplied by Woodside equity cargoes and supplemented by third-party purchases. Our portfolio marketing approach provides us with flexibility and positions us to meet changing buyer requirements.

We increased our mid-term contracted volumes in 2018 by executing portfolio LNG SPAs for delivery of up to 4.3 million tonnes (59 cargoes) over the period 2018 to 2023.

These included a heads of agreement with Uniper Global Commodities for the supply of up to 0.6 Mtpa over a period of four years commencing in 2019, to be supplied to markets in Europe and Asia.

An agreement with RWE Supply & Trading GmbH (RWE) was also finalised, which will commence in the fourth quarter of 2020 and be primarily supplied by cargoes Woodside has purchased from Corpus Christi LNG in Texas, USA.

At the end of 2018, more than 90% of Woodside's expected 2019 LNG production has been committed to sales contracts.

Focus on marketing Burrup Hub growth projects

Our focus in 2019 will be on advancing marketing discussions with several buyers to support FID for Scarborough and Browse to NWS Project.

In late 2018, we finalised a long-term gas sale and purchase agreement (GSPA) with Perdaman Chemicals and Fertilisers Pty Ltd (Perdaman) for the supply of 125 TJ of gas per day for a term of 20 years. The agreement, which is subject to a number of conditions precedent, will commence between 2023 and 2025 and is underpinned by the Scarborough development.

We are also preparing for crude oil marketing from Greater Enfield in 2019.

Expanding reliable pipeline gas supply for WA

Our portfolio supplier approach in Western Australia enables us to meet customer requirements through a mix of short-, mid- and long-term contracts from our supply sources which now include the Pluto pipeline gas facility commissioned in December 2018.

1. Includes all cargoes with Woodside equity interest.

In addition to the Perdaman GSPA, Woodside entered into three binding GSPAs for a total quantity of approximately 80 PJ, with duration of between four and ten years, commencing between Q4 2018 and mid-2020.

Wheatstone domestic gas production in early 2019 will increase our equity pipeline gas capacity by 26 TJ/d to approximately 150 TJ/d.

LNG trading and optimisation

We perform LNG trading and portfolio optimisation activities across our integrated shipping, operations, marketing, and trading teams. Our trading office was established in 2013 in Singapore, a major hub for LNG sales and trading. Our optimisation activities ensure the reliable delivery of LNG cargoes and enable us to maximise the value of our LNG portfolio.

We maintain an LNG shipping fleet of five LNG vessels under long-term contracts. Access to our own shipping allows us to create value, protects us against fluctuations in the shipping market, and allows us to deliver third-party cargoes through sub-chartering activities.

The net benefit realised from our trading and optimisation activities in 2018 was approximately $21 million.

Promoting LNG as a low-emissions and cost-effective fuel

The Pluto LNG truck loading facility in Western Australia, which commenced construction in 2018, will be operational in early 2019 to provide LNG for distribution by truck to the Pilbara, Kimberley and Gascoyne regions of Western Australia. In addition to providing LNG for remote power generation, we are working with mining companies and equipment manufacturers on the use of LNG as a heavy transport fuel for mining operations.

We are a strong advocate for use of LNG as a marine fuel. In 2018, LNG represented more than 90% of the fuel used in our shipping fleet.

In 2018, Woodside participated in joint industry projects to assess the feasibility for LNG to be used as a fuel for bulk carriers transporting iron ore from the Pilbara. In 2019, we will undertake activities to support FID on an LNG bunkering vessel to supply this market.

We are also evaluating opportunities to be involved further along the value chain to facilitate additional demand for our gas in the international market. This may include LNG regasification and power generation.

Loading facilities at Pluto LNG

DEVELOPMENTS

NEAR-TERM GROWTH

With our focus on project excellence and innovation, we are well positioned to deliver our near-term growth target of approximately 100 MMboe of production in 2020.

Wheatstone LNG

Wheatstone LNG produced above expectations in 2018, demonstrating it is a world-class asset that will make a significant contribution to Woodside's ongoing production.

Wheatstone LNG processes gas from the offshore Wheatstone, Iago, Julimar and Brunello gas fields, located 220 km from Onslow, Western Australia. The Wheatstone onshore facilities comprise two LNG trains with a combined capacity of 8.9 Mtpa and a domestic gas plant with a capacity of 200 TJ/day. Woodside acquired a 13% interest in Wheatstone LNG in 2015.

Wheatstone LNG diversifies Woodside's production portfolio and delivers material cash flow.

Building on reliable production performance from Wheatstone LNG train 1 throughout the year, LNG train 2 achieved start-up in June 2018 and produced at rates above plan due to a quicker than expected ramp up. Woodside's share of annual production from Wheatstone was 9.1 MMboe in 2018.

Woodside's share of Wheatstone production will grow in 2019 with first domestic gas deliveries expected in Q1 2019. At the end of 2018, construction of the domestic gas plant was complete.

Further development of Wheatstone reserves will be achieved through phase 2 of the Woodside-operated Julimar-Brunello Project. Woodside holds a 65% equity interest in the Julimar and Brunello fields, which contribute 20% of Wheatstone LNG's foundation production. Phase 1 of the Julimar-Brunello Project involved the tie-in of the Brunello field in 2016 as part of the foundation project.

Phase 2, which will tie back the Julimar field to the existing Brunello subsea infrastructure connected to the Wheatstone offshore platform, entered FEED phase in 2018. The project is targeting FID in Q2 2019 and RFSU in 2022.

Once fully operational for both LNG and pipeline gas, Wheatstone will contribute more than 13 MMboe to Woodside's annual equity production.

Wheatstone LNG Woodside interest: 13%

Julimar-Brunello Project Woodside interest: 65%

CASE STUDY

Woodside developed and implemented its non-operating joint venture (NOJV) strategy for Wheatstone LNG in 2016. The key focus was to support Operator to achieve a safe and flawless start-up of LNG trains 1 and 2.

We provided 25 Woodside employees to support both the offshore and onshore components of the development. We shared recent knowledge and experience in the areas of completions, commissioning and start-up at both Pluto LNG and KGP, utilising our 30 years' experience of LNG operations.

A key to success was the excellent collaborative relationship with Operator, which was the foundation for Woodside to provide value-adding support to the project. From the outset, we were determined to focus on areas where we could add value through constructive engagement with the Operator and other participants.

Opportunities were identified to simplify work processes, and a structured execution model was implemented for the completion of construction, commissioning, start-up and final handover to operations.

We were supportive of Operator's drive to deliver the project efficiently. We shared site productivity lessons that we learned on a KGP maintenance program. Operator's personnel visited KGP and Woodside employees visited the Wheatstone LNG site at Onslow to identify opportunities for improvement.

The first LNG cargo was successfully delivered from train 1 in October 2017 and from train 2 in June 2018. Both trains have exceeded performance and reliability expectations, with train 1 start-up lessons implemented on train 2, reducing the start-up duration by approximately 75%.

Lessons from the start-up of Wheatstone LNG continue to be shared between both parties, and have created a solid platform for future opportunities to reduce operating costs and identify potential synergies.

As Woodside prepares to realise the Burrup Hub vision, collaboration between operators and partners is paramount to successful project execution. The collaborative approach achieved on the Wheatstone Project will set the benchmark for future LNG growth projects.

Greater Western Flank Phase 2

The Greater Western Flank Phase 2 Project (GWF-2) represents the next phase in gas supply to KGP.

GWF-2 commenced production in October 2018, $630 million under budget (100% project) and six months ahead of schedule.

The project involved the tie-back of eight subsea production wells by a 35 km subsea pipeline from six offshore fields (Keast, Dockrell, Sculptor, Rankin, Lady Nora and Pemberton) to the existing Goodwyn A platform.

GWF-2 was driven throughout by a commitment to innovation and cost discipline. Excellent overall performance and close collaboration with contractors enabled the project to consolidate a two-phase well completion campaign into a single scope, accelerating the key work packages while reducing project risks.

Gas from the GWF-2 fields adds approximately 1.6 Tcf to existing North West Shelf reserves (100% basis).

Woodside interest: 16.67%

Greater Enfield

The Greater Enfield Project is on track for first oil in mid-2019, starting a new chapter in Woodside's established oil operations off North West Cape, Western Australia.

The project involves development of the Laverda Canyon, Norton over Laverda and Cimatti oil accumulations by a 31 km subsea tie-back to the Ngujima-Yin FPSO, located over the Vincent oil field.

Woodside's share of the 2P reserves targeted for development is 41 MMboe (69 MMboe 100% project) from the oil accumulations, and is initially estimated to increase production by more than 24,000 bbl/d (40,000 bbl/d 100% project).

At the end of 2018 the project was 83% complete, and remains on budget and on schedule for first oil in mid-2019.

The Ngujima-Yin FPSO suspended operations as planned on 1 May 2018 and transited to the Keppel shipyard in Singapore to commence maintenance and modification activities. The FPSO dry-dock work program was completed in Q4 2018. Final modifications and maintenance activities will be carried out quayside, before the FPSO returns to location in mid-2019.

Subsea pipelay and drilling campaigns were conducted throughout 2018, with installation of the 31 km flowline system and subsea infrastructure substantially complete in December 2018. Development well drilling continued throughout Q4 2018, and at the year end, eight of the project's 12 development wells had been drilled and completed.

Woodside interest: 60%

Ngujima-Yin FPSO at Keppel shipyard in Singapore

BURRUP HUB

We are developing an integrated, regional LNG production centre on the Burrup Peninsula utilising our proven LNG facilities. The Burrup Hub will provide a long-term solution for processing gas resources to supply domestic and export markets for decades to come.

To realise the Burrup Hub vision we are advancing several projects that unlock new gas resources and prepare the onshore facilities for processing these resources. The projects include Scarborough, Browse to NWS Project, Pluto LNG Train 2, NWS Project Extension and the Pluto-NWS Interconnector. Together, these projects will maximise the efficient use of existing assets.

Scarborough

+ Development of 7.3 Tcf (100%, 2C) from the Scarborough resource
+ Semi-submersible floating production unit and trunkline to Pluto LNG with an offshore capacity of 7.5 Mtpa (LNG and domestic gas)

See page 42 for more information

Browse to NWS Project

+ Development of 13.9 Tcf of dry gas and 390 MMbbl of condensate (100%, 2C) from the Browse resources
+ Two FPSO facilities processing gas and condensate, and a trunkline to the NWS Project with an offshore capacity of 11.4 Mtpa (LNG/LPG and domestic gas)

See page 44 for more information

Pluto LNG

Pluto LNG Train 2

+ Construction of Pluto LNG Train 2, with capacity of approximately 5 Mtpa

LNG trucking

Pluto domestic gas

See page 42 for more information

Pluto-NWS Interconnector

+ Construction of a pipeline connecting Pluto LNG and KGP

NWS Project

NWS Project Extension

+ Refurbishment to extend the life of the NWS Project facilities for processing third-party gas resources
+ Targeting extension of the facility life by 30+ years

BURRUP HUB

Future development of the Jupiter and Thebe fields and other gas resources

Development of the Burrup Hub will extend the life of Woodside infrastructure, enabling growth and delivering sustainable value for our shareholders, governments, partners and the communities in which we operate. It will unlock third-party resources, providing owners with the ability to process their gas for sale to domestic and export markets. Initially the Burrup Hub will involve the development of some 20 to 25 Tcf of gross (100%) dry gas resources. This will position Australia to take advantage of the expected global LNG supply gap from the early 2020s, providing long-term energy security. Significant employment and contracting opportunities will be generated as these projects are progressed.

Pluto-NWS Interconnector

The Pluto-NWS Interconnector is a pipeline connecting Pluto LNG with KGP, including metering equipment, to allow the transfer of gas between the two facilities.

A referral for primary environmental approval associated with the Interconnector was submitted to the WA Environmental Protection Authority and the Commonwealth Department of Energy and Environment in Q4 2018.

A supporting application associated with Woodside's Pluto LNG facility was lodged with the Western Australian Environmental Protection Authority in December 2018. Woodside intends to lodge a similar application in Q1 2019 for the Interconnector tie-in to KGP.

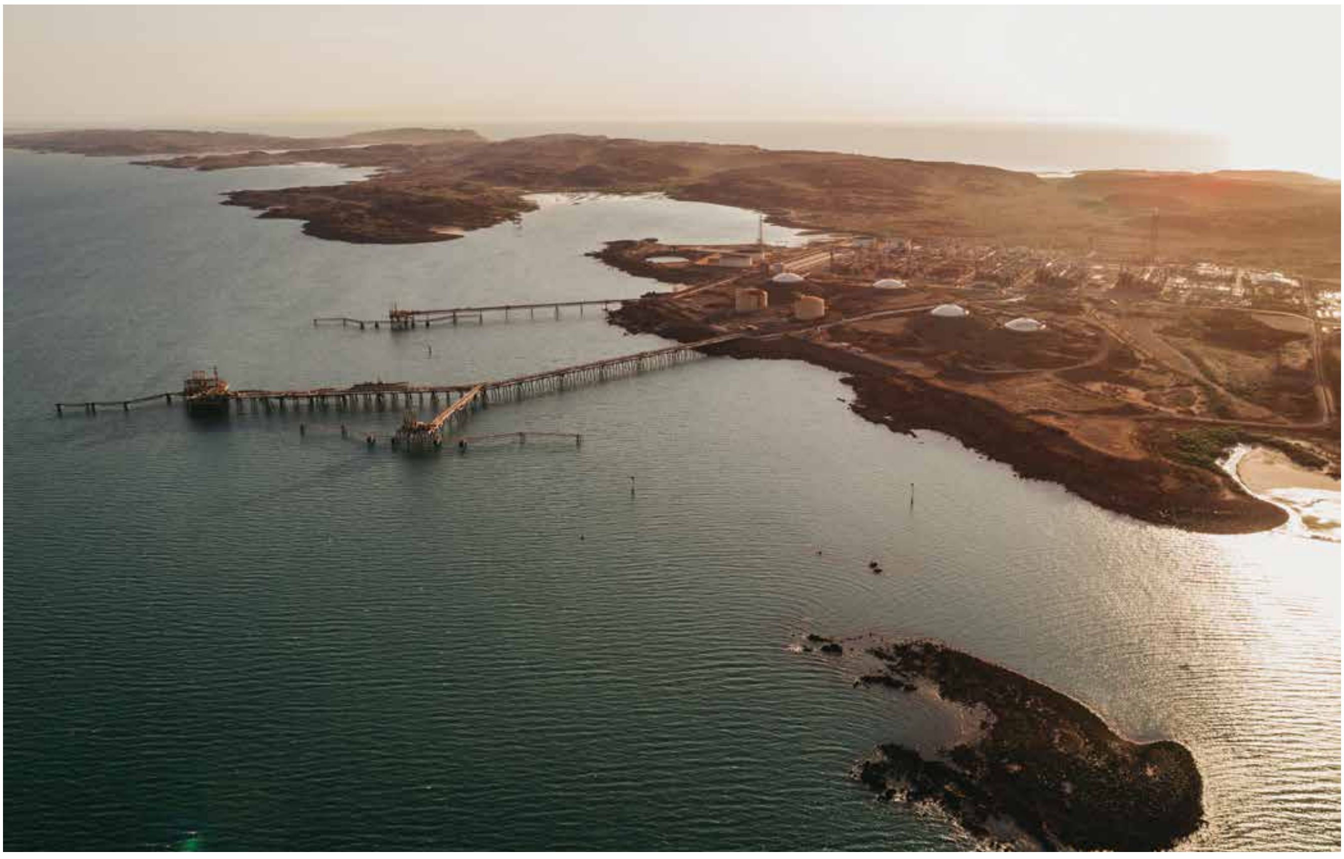
Subject to joint venture, regulatory and other approvals, the Interconnector provides a pathway for development of unallocated resources in the Carnarvon and Greater Exmouth basins. Woodside is targeting FID in 2019 and RFSU in 2021.

NWS Project Extension

Central to the Burrup Hub vision is the transition of KGP into a third-party tolling facility as the NWS Project resources reach end of field life.

In November 2018, the NWS Project participants signed non-binding preliminary agreements with the Browse Joint Venture and Chevron, the leaseholder of the Clio-Acme fields, for the processing of their respective offshore gas resources through the NWS facilities. Long-term processing of third-party gas, such as the Browse resources, at KGP will extend the life of the facility for decades.

A proposal to use existing State onshore and offshore infrastructure to enable the long-term processing of third-party gas at KGP was referred by the NWS Project to the Western Australian Environmental Protection Authority and the Commonwealth Department of Environment and Energy in November 2018.



The NWS Project on the Burrup Peninsula

SCARBOROUGH AND PLUTO LNG TRAIN 2

2018 HIGHLIGHTS

+ Completed acquisition of an additional 50% interest in WA-1-R
+ Completed concept definition for Scarborough and Pluto LNG Train 2
+ Progressed technical and commercial engagement
+ Entered FEED on Pluto LNG Train 2
+ Referred proposals to environmental regulators
+ Subsequent to the period, awarded contracts for Scarborough front-end engineering design activities

2019 ACTIVITIES

+ Execute FEED activities for Scarborough and Pluto LNG Train 2
+ Finalise commercial arrangements for processing of Scarborough gas
+ Finalise the Scarborough Development Agreement with the Government of Western Australia

Woodside's safe and reliable Pluto LNG facility is positioned to unlock value from Scarborough.

Scarborough

Woodside assumed operatorship of Scarborough in April 2018, following the acquisition of an additional 50% participating interest in WA-1-R.

Woodside is well placed to deliver its preferred development concept, processing Scarborough gas through a brownfield expansion of Pluto LNG.

The Scarborough gas resource is located in the offshore Carnarvon Basin, approximately 375 km west-north-west of the Burrup Peninsula in Western Australia. This resource is estimated to contain 7.3 Tcf (100%, 2C) of gas.

The 0.7 Tcf (1.4 Tcf, 100%, 2C) Thebe and 0.2 Tcf (0.5 Tcf, 100%, 2C) Jupiter gas fields provide opportunities for future tie-backs to Scarborough infrastructure.

The upstream development concept is to initially develop the Scarborough gas field with up to seven subsea, high-rate gas wells, tied back to a semi-submersible floating production unit. The upstream design capacity will be 7.5 Mtpa (100% project, including 1 Mtpa of domestic gas).

The proposed export pipeline route traverses the Carnarvon Basin, in close proximity to undeveloped fields. Provision for future tie-ins is planned and engagement is progressing with third-party resource owners.

A geophysical and environmental deep-water survey of the pipeline route was completed in July 2018, to define the environment between the Scarborough and Pluto field areas.

Geophysical, geotechnical and metocean survey campaigns were initiated in Q4 2018 and Q1 2019, to acquire data to support the engineering design of the pipeline.

In December 2018, the Scarborough Joint Venture referred a proposal for activities in State waters to the Western Australian Environmental Protection Authority and the Commonwealth Department of Environment and Energy.

Woodside awarded contracts in January 2019, in its corporate capacity and funded on a 100% basis, for front-end engineering design activities for the floating production unit, the export trunkline and the subsea umbilical risers and flowlines.

Woodside is targeting FID in 2020 and upstream RFSU in 2023.

Scarborough Woodside interest: 75%

Pluto LNG Train 2

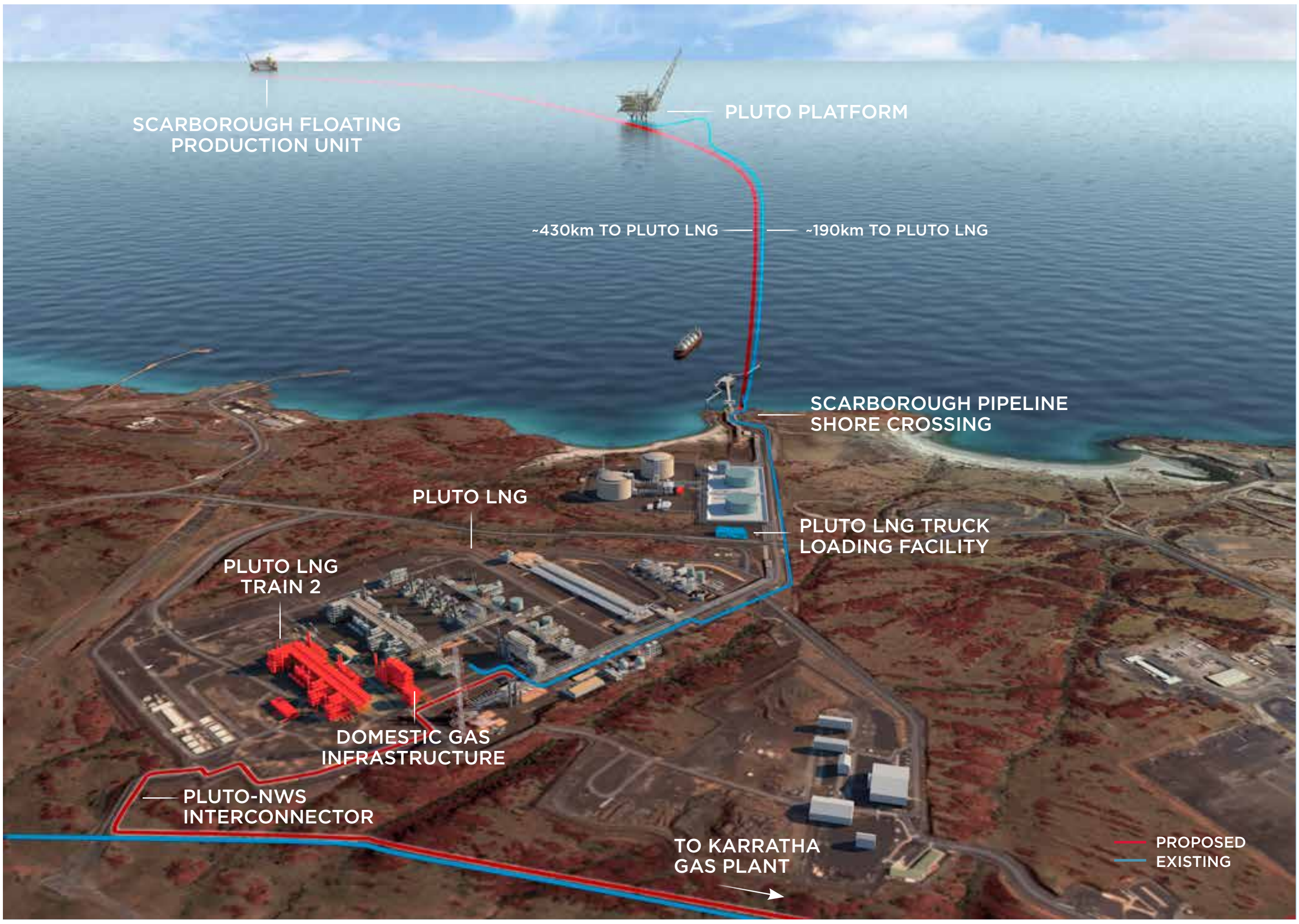
Woodside's preferred development option is to process Scarborough gas through a brownfield expansion of Pluto LNG. The expansion will include construction of a second LNG train with a capacity of approximately 5 Mtpa and installation of domestic gas infrastructure to increase capacity to approximately 225 TJ/d.

The Scarborough reservoir characteristics are well matched to the Pluto LNG basis of design. Pluto LNG was originally designed to allow efficient brownfield development and third-party gas processing. Existing primary environmental approvals for Pluto LNG allow for two LNG trains and supporting infrastructure. An area for a second train was pre-prepared with the foundation project in 2007-2008. Minimal further earthworks are required for Pluto LNG Train 2.

In December 2018, Woodside awarded Bechtel the contract to complete FEED for Pluto LNG Train 2, with the option for the full execute phase contract subject to a positive FID.

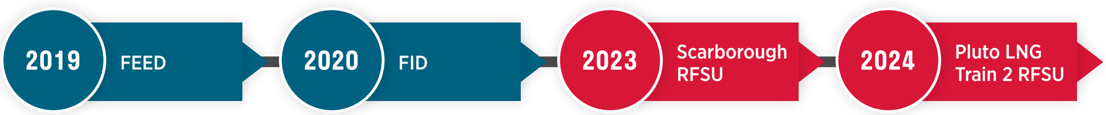
Woodside is targeting FID in 2020 and downstream RFSU in 2024.

Pluto LNG Train 2 Woodside interest: 100%



Scarborough and Pluto LNG Train 2 development concept (not to scale)

Woodside target schedule



BROWSE TO NORTH WEST SHELF PROJECT

2018 HIGHLIGHTS

+ Commenced concept definition phase for the Browse to NWS Project
+ Signed a non-binding, preliminary tolling agreement between the Browse Joint Venture and NWS Project for the processing of Browse gas resources through KGP
+ Referred the Browse to NWS Project and the NWS Project Extension to the Western Australian Environmental Protection Authority and the Commonwealth Department of the Environment and Energy

2019 ACTIVITIES

+ Conclude binding, fully-termed gas processing agreements
+ Progress primary environmental approvals
+ Finalise the Browse Development Agreement with the Government of Western Australia
+ Commence FEED

The Browse resources are progressing towards commercialisation.

Located offshore, approximately 425 km north of Broome in north-west Australia, the Browse resources, containing the Brecknock, Calliance and Torosa fields, are estimated to contain 13.9 Tcf of dry gas and 390 MMbbl of condensate (100%, 2C).[1]

The Browse Joint Venture (BJV) selected the Browse to NWS Project development concept, including two FPSO facilities, and commenced the concept definition phase in September 2018. The project will deliver gas through an approximately 900 km pipeline to existing NWS infrastructure, producing around 10 Mtpa of LNG/LPG and 1.4 Mtpa of domestic gas (100% project).

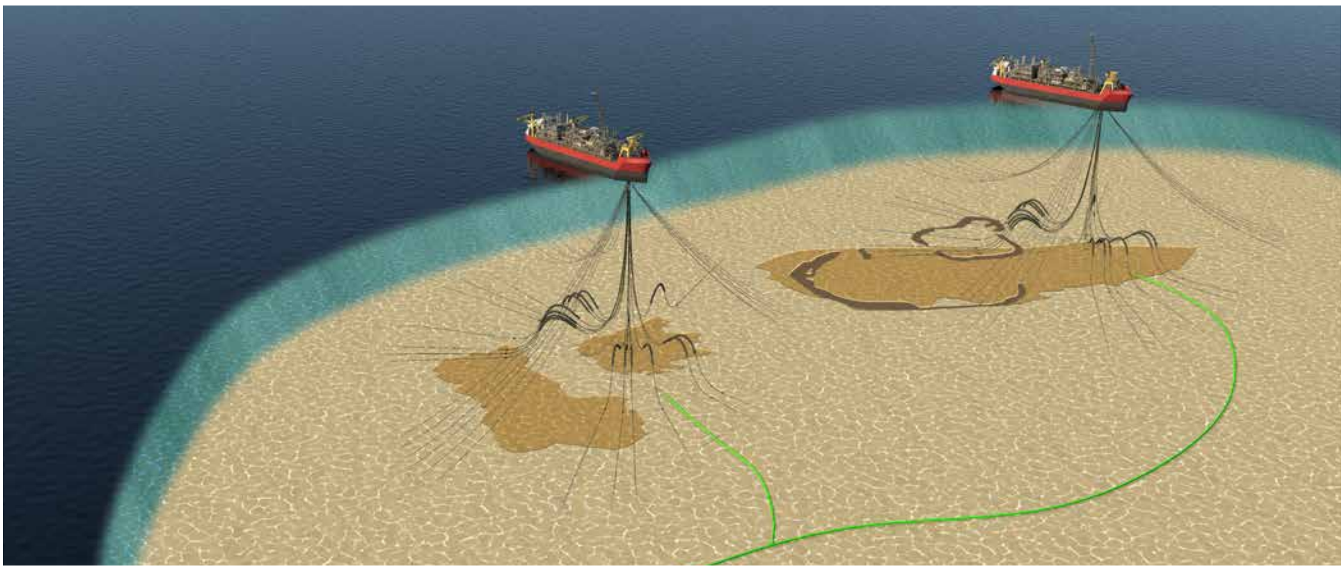
In November 2018, the BJV and NWS Project participants signed a non-binding, preliminary tolling agreement for the processing of Browse gas resources through KGP. Four of the five BJV participants hold interests in both the BJV and NWS Project.

The BJV is proposed to be the foundation tenant for the NWS Project Extension.

The preliminary tolling agreement is being converted to a binding, fully-termed gas processing agreement.

Several contracts were awarded to support the concept definition phase, including the engineering design of the FPSO facilities and the pipeline route survey.

1. Gross (100%) 2C resource estimate (net 4.3 Tcf and 119 MMbbl).



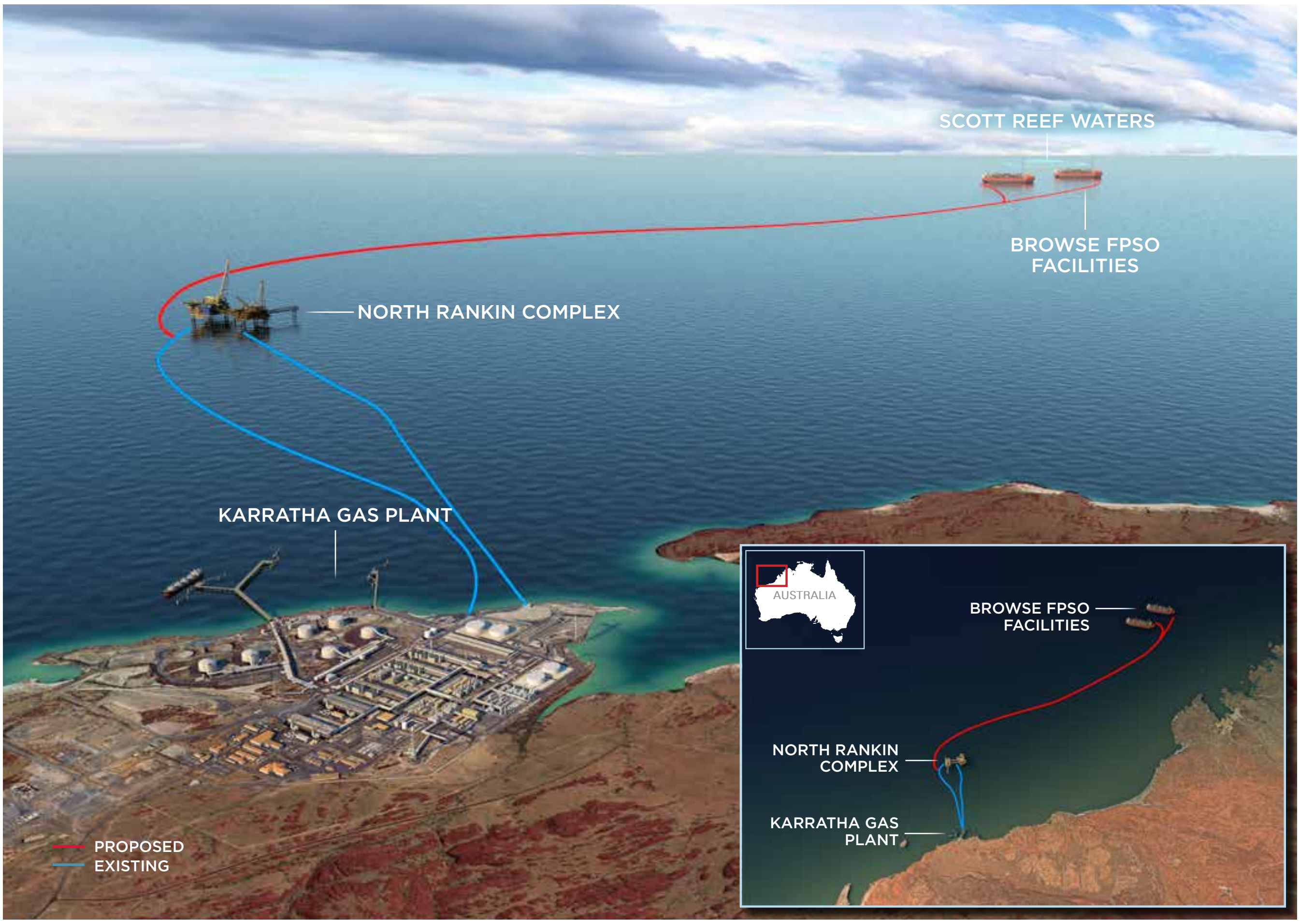
Browse FPSO development concept over the Brecknock, Calliance and Torosa fields (not to scale)

In October 2018, the BJV referred the Browse to NWS Project to the Western Australian Environmental Protection Authority and the Commonwealth Department of the Environment and Energy. The referrals are the initial step in the environmental approvals process for the development.

To support the design of the subsea pipelines, a metocean survey campaign commenced in Q1 2019 to capture current, temperature and turbidity data along the proposed pipeline route.

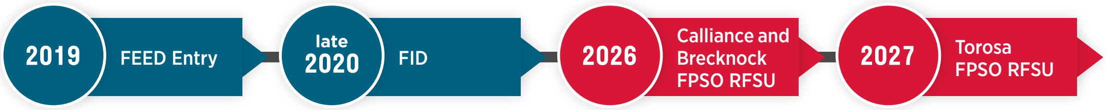
Developing Browse through existing Woodside-operated infrastructure will deliver a globally competitive project for the benefit of governments, the local community, titleholders and infrastructure owners.

Woodside interest: 30.6% (Browse)



Browse to NWS Project development concept (not to scale)

Woodside target schedule



SENEGAL

2018 HIGHLIGHTS

- Assumed the role of operator of the SNE development in Senegal
- Commenced FEED activities
- Submitted the SNE Development and Exploitation Plan to the Government of Senegal
- Environmental and Social Impact Assessment was approved

2019 ACTIVITIES

- Complete technical and commercial activities to support FID
- Commence execute phase works
- Progress domestic gas opportunity

SNE Field Development Phase 1

Woodside acquired a material position in the highly prospective offshore region of Senegal in 2016 as a joint venture participant in the Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore (RSSD) permit areas, 100 km offshore and south of Dakar. The RSSD blocks include the SNE discovery which offers near-term oil production from the SNE Field Development Phase 1 and is positioned to be Senegal's first offshore oil development.

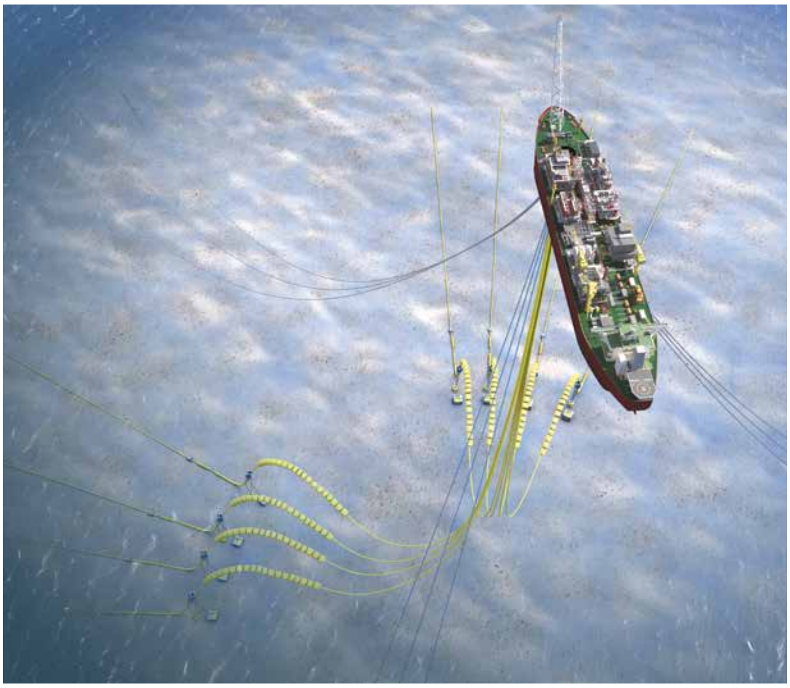
The SNE Field Development Phase 1 has made substantial progress in 2018, delivering on the planned program of work.

Since the discovery of the world-class SNE and neighbouring FAN fields in 2014, a significant drilling program has been undertaken to appraise the SNE field.

The first phase for the development will target an estimated 230 MMbbl of oil resources (P50 gross) from the lower, less complex reservoirs, and an initial pilot phase in the upper reservoirs.

The development concept is a stand-alone FPSO facility with 23 subsea wells and supporting subsea infrastructure. The FPSO is expected to have a capacity of around 100,000 bbl/day and will be designed to allow subsequent SNE development phases, including options for gas export to shore and for future subsea tie-backs from other reservoirs and fields.

The RSSD joint venture submitted the SNE Development and Exploitation Plan to the Ministry of Petroleum and Energies in October 2018. In January 2019, the RSSD joint venture was granted an extension of the production sharing contract (PSC) for the SNE area.



SNE Field Development Phase 1 concept (not to scale)

ESIA validation meeting with State and regional Government representatives

Woodside assumed the role of operator of the RSSD joint venture in December 2018, following approval from the Minister of Petroleum and Energies. On 17 December 2018, Woodside announced the commencement of FEED activities following the award of the subsea FEED contract.

The development's Environmental and Social Impact Assessment (ESIA) Report was approved by the Ministry of the Environment and Sustainable Development on 2 January 2019. The ESIA is a comprehensive study of potential environmental and social impacts and benefits which may arise from the development. In preparing the ESIA, significant stakeholder engagement was undertaken in the Dakar, Thies and Fatick coastal regions of Senegal to understand local concerns, issues and expectations.

The RSSD joint venture is proposing to undertake a 3D marine seismic survey in Q2 2019, subject to government and regulatory approvals. It is expected that the 3D marine seismic survey will improve reservoir definition supporting well positioning and optimisation.

The RSSD joint venture submitted a request to the Ministry in January 2019 for an extension of the FAN and SNE-North-Spica exploration area to undertake further evaluation works.

In 2019, we will work with the Ministry of Petroleum and Energies, Petrosen and SENELEC, the national electricity company of Senegal, to collectively pursue an opportunity to export pipeline gas to shore.

The RSSD joint venture maintained its social investment program in 2018, which included English language training for key stakeholders and a mobilisation project with seven fishing communities in Yenne. The fishing community mobilisation project, led by The Hunger Project, is addressing health and safety education, environmental management and sustainable fishing practices. These programs are in addition to Woodside's corporate investment in early childhood education in Dakar with Save the Children through the Woodside Development Fund.

Woodside also worked with government environment officials in Senegal to develop a broader understanding of the oil and gas industry by hosting a week-long workshop in June 2018.

SD Refer to the Sustainable Development Report 2018 for more information on our social investment outcomes.

FID is targeted for mid-2019. The development is a key component of Woodside's growth strategy to be delivered in Horizon II.

Woodside interest: 35%

HORIZON III GROWTH

Sunrise

Australia and Timor-Leste signed a new treaty on 6 March 2018 to establish their permanent maritime boundaries in the Timor Sea.

The new treaty provides a pathway to the development of Greater Sunrise, provided the underlying arrangements, including the new Greater Sunrise PSC and agreed fiscal regime, are on terms and conditions equivalent to the existing regime and give the Sunrise Joint Venture the fiscal and regulatory certainty necessary for a commercial development to proceed.

Negotiations between the two Governments and the Sunrise Joint Venture on the new Greater Sunrise PSC commenced in November 2018.

While the new PSC arrangements are being negotiated, the Sunrise Joint Venture will meet its obligations under existing PSCs (JPDA 03-19 and JPDA 03-20) and Retention Leases (NT/RL2 and NT/RL4), continue ongoing social investment activities in Timor-Leste and maintain an office in Dili.

Woodside interest: 33.44%

Kitimat LNG

In 2018, we focused on developing a globally competitive project which will be aligned with LNG market demand growth.

The Kitimat LNG Development is a 50/50 joint venture between Woodside Energy International (Canada) Limited and Chevron Canada Limited (Operator).

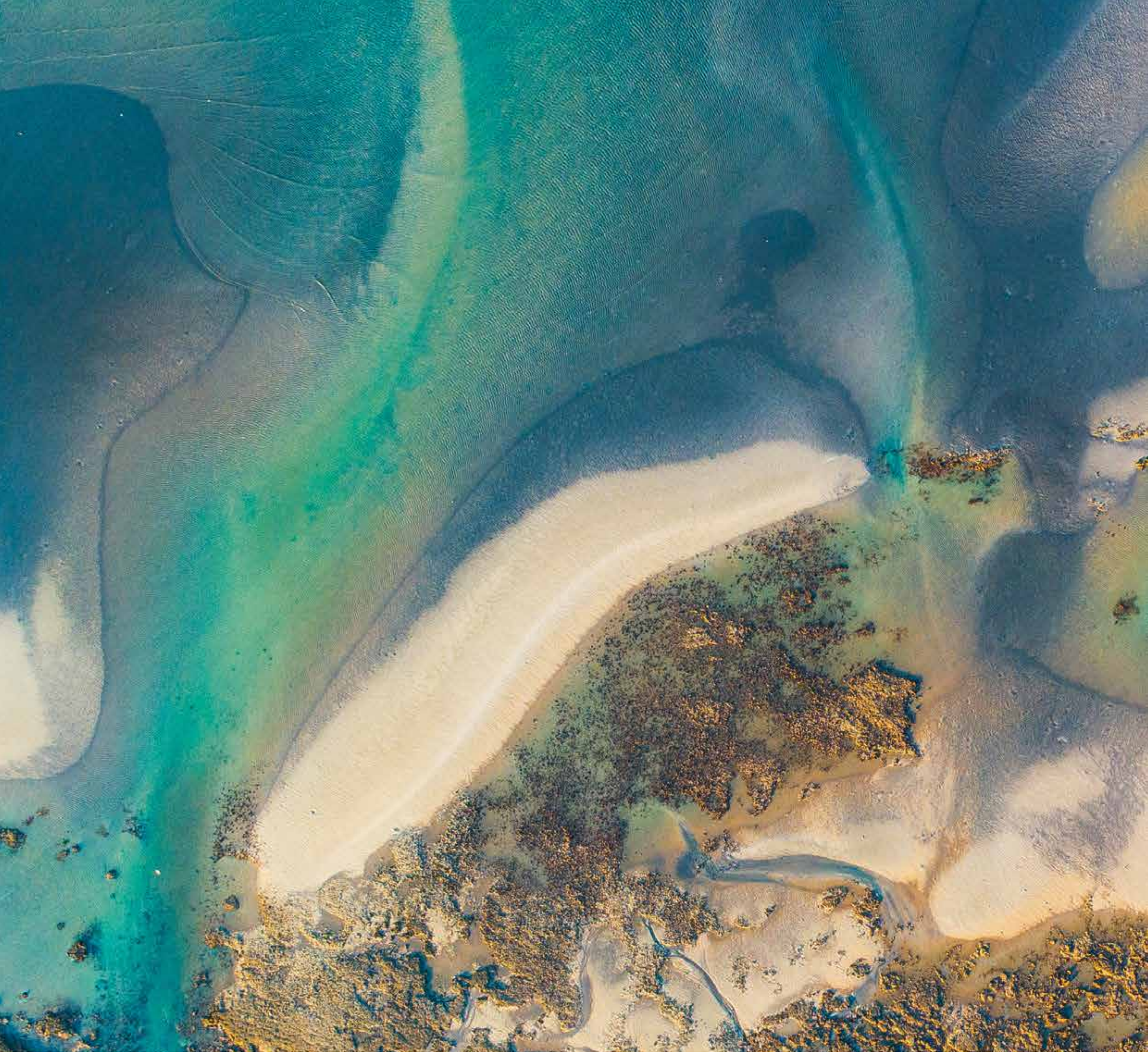
The project is targeting a globally competitive cost of supply, with significant reductions in Kitimat LNG unit cost already achieved since Woodside's investment in the project in 2015.

Key activities in 2018 have included progressing value enhancement opportunities in the Kitimat LNG design to ensure necessary project cost competitiveness is achieved; advocating for a clear, stable and competitive fiscal framework with governments; continuing the appraisal of the Liard upstream natural gas resource and maintaining engagement and support for the project with First Nations and local communities.

In 2019, the joint venture is focusing efforts on activities to drive down costs across the full value chain, advocating with governments and maintaining engagement with key stakeholders.

Woodside interest: 50%

Community garden in Timor-Leste, supported by the Sunrise Joint Venture in partnership with HIAM Health



SUSTAINABILITY

SUSTAINABILITY

Taxes and royalties paid in Australia

A$894 million[1]

Social contribution

A$17.7 million[2]

Energy efficiency improvement[3]

3.4%

Total recordable injury rate

1.32 per million work hours

Female workforce representation

30.4%

Working sustainably is one of our core values and ensures we are here for the long term. We look after each other, our communities and the environment. This value is embedded at every level within our organisation and is fundamental to realising our vision to be a global leader in upstream oil and gas.

These themes are underpinned by our sustainability principles which provide the foundation for ensuring we operate in a sustainable manner:

+ **Creating shared value:** We believe there is shared value for our business and the communities in which we operate in the co-creation of opportunities in education, employment and enterprise.
+ **Operating with transparency and integrity:** We are open, honest and fair and we have the courage to do what's right, balancing short- and long-term interests.
+ **Building a resilient business:** We are committed to supporting a sustainable energy future.
+ **Operating safely and responsibly:** Effective risk management is essential to ensuring that we are best positioned to prevent and respond to any incidents that have the ability to impact our people, our communities and the environment.
+ **Fostering the organisation and culture:** We focus on having a values-led, high-performance culture.

Sustainable Development Report

The Sustainable Development Report 2018 provides a complete overview of our sustainability performance and outlines our approach to addressing our material sustainability topics.

Woodside considers sustainability topics to be material if they have a significant economic, environmental and social impact, or if they substantively influence the assessments and decisions of our stakeholders. In 2018, our material topics include climate change and greenhouse gas emissions; social and cultural impacts on communities; health and safety; and fraud, anti-bribery and corruption.

Woodside's sustainability performance is linked to remuneration for employees and executives, and is measured through metrics within our corporate scorecard. We also measure our performance against our material topics with annual targets.

More information on how we engage with our stakeholders, as well as our approach to material topics and our overall sustainability performance, can be found in our Sustainable Development Report 2018, released in March 2019.

1. Approximately US$668 million equivalent.
2. Approximately US$12.7 million equivalent.
3. Against baseline performance, which is measured relative to product energy efficiency prior to 2016.

COMMUNITIES

Woodside has an active role to play in contributing to the well-being of our communities and creating a more sustainable future.

Stakeholder engagement and managing impacts

We are committed to understanding and managing actual and potential impacts from our activities.

In 2018, we continued regular engagement with our host communities through community group meetings in Karratha and Exmouth.

We conducted social impact assessments in 2018 for our proposed activities in Myanmar and Senegal. Both included significant consultations with local communities.

Late in 2018, we commenced social impact assessments for our Burrup Hub projects. We also reinforced our commitment to the Karratha community by announcing that we will transition our operations workforce to a predominantly residential model over the long term.

Social contribution

We build and maintain partnerships that allow us to engage in real conversations with the local community. We have aligned our social contribution approach across four focus areas: education and early-childhood development; environment; technology and innovation; and arts, culture and community.

MIA YELLAGONGA

From September 2018 we transitioned to our new headquarters in Perth at Mia Yellagonga. This project has been guided by a desire to foster innovation, collaboration and acceleration in line with Woodside Compass values.

In designing the campus, we targeted sustainable construction and design that would minimise waste and pollutants and prioritise long-term energy efficiency. The facility has received a rating of 6 Green Stars, the highest rating awarded by the Green Building Council Australia. Energy use in the building is monitored to ensure it continues to meet stringent efficiency targets.

The advanced wellbeing features and a variety of workspace choices, enabled by cutting edge technology, ensure the new precinct sets the scene for optimal performance.

From the use of biometrics, backed by global best practice processes, to creating a culturally sensitive environment, each feature has been carefully considered to help enable a new way of working.

Utilisation of new collaboration tools is enabling effective communication and efficient decision making, which is important as we execute our growth strategy.

PEOPLE

We continue to grow outstanding leaders, build diverse capability, drive an inclusive high-performance culture and optimise workforce performance.

2018 HIGHLIGHTS

+ Positive progress against Woodside's Reconciliation Action Plan
+ Increased female workforce representation
+ Increased Indigenous workforce representation
+ Increased membership of Woodside inclusion and diversity community groups
+ Delivered 145 new leadership development programs across the business

Productivity performance

In 2018, we maintained a flat and efficient organisation to achieve business priorities. Global headcount remained stable at 3,662 and global voluntary turnover was 3.5% (3.2% 2017).

Building culture and capability

Woodside continues to build an inclusive, values-led, high-performing culture. Outstanding leadership and capability development of our workforce are key enablers in driving Woodside's future success. In response to employee survey feedback and to provide greater clarity on the leadership skills and behaviours required to deliver our growth portfolio, we launched our revised leadership expectations in May 2018. Building on foundations from 2013, a number of enhancements were implemented to enable more targeted and effective development of leadership capability and support our drive to shift employee mindsets to 'innovate, collaborate, accelerate'.

Our ability to grow outstanding leaders remains evident with 76% of senior leader appointments in 2018 coming from internal promotions, an improvement on 68% in 2017.

Inclusion and diversity

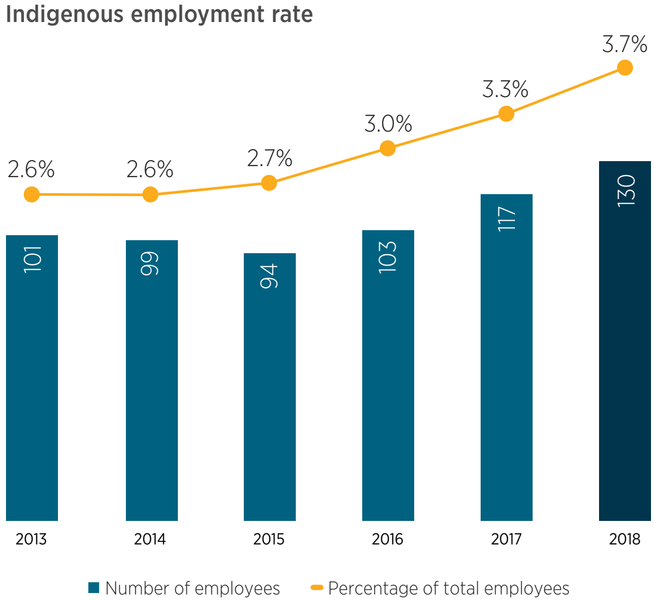
In 2018, we progressed our 2016-2020 Reconciliation Action Plan (RAP) and commenced implementing an updated three-year inclusion and gender diversity strategy.

Key statistics from the year show improvement across a range of key indicators:

+ Increased the directly employed Indigenous workforce from 117 employees in 2017 (3.3% of total workforce) to 130 employees (3.7% of the total workforce and above target of 3.5%).
+ Increased the number of Indigenous tertiary scholarships from 22 in 2017 to 34 in 2018.
+ Increased female representation from 29% in 2017 to 30.4%.
+ Increased senior and executive female representation from 17.6% and 23.9% respectively in 2017, to 19.3% and 24.4%.
+ Decreased the voluntary turnover of female employees from 4.5% in 2017 to 3.6%.
+ Increased membership of diversity and inclusion community groups; Gender Equality Matters (increased 18%), Woodside Reconciliation Community (increased 60%) and Spectrum (employee network supporting a more inclusive working environment for LGBTI+ staff, increased 21%).

Refer to Woodside's website for more information.

Indigenous employment rate



HEALTH AND SAFETY

In 2018, Woodside recorded its second best ever safety performance through strong leadership and enhanced collaboration with our contractor workforce. We continue to strive for every day to be a 'Perfect HSE Day', with no injuries and no incidents.

Safety culture survey

A mature and positive safety culture strongly correlates with improved, sustainable safety performance. Measuring safety culture is considered best practice by leading industries.

In 2018, we conducted a company-wide safety culture survey to understand the health and safety perspectives of our workforce and compare our safety culture maturity to other industries. We received a strong response to the survey, allowing us to identify our strengths and areas for improvement. External benchmarking of this data highlighted that the safety culture performance of our Operations and Developments divisions exceeded the industry average.

Safer Together WA/NT launch

Woodside led the formation of a new industry body, Safer Together Western Australia/Northern Territory, modelled on the success of Safer Together Queensland. We hosted the first conference in September 2018. Over 60 contractor and operator members shared leadership lessons to improve industry health and safety performance.

Contractor safety forum

Woodside facilitated a safety performance workshop in collaboration with key contractors to generate strategies for stopping injuries. Over 70 ideas and five prototype solutions were developed. These were shared with joint industry working groups, including the Safer Together WA/NT Forum. We look forward to a continuing partnership in delivering safe outcomes for our industry.

Process safety

Integrity of our assets and excellence in project design are critical in preventing loss of containment events. We strengthened our process safety competency and culture through delivering a structured training program across the organisation for over 1,800 employees and contractors.

We had one Tier 1 loss of primary containment process safety event (LOPC PSE) and one Tier 2 LOPC PSE in 2018. The Tier 1 event involved the release of crude oil product in a pump room, with no injuries sustained and no release to the environment.

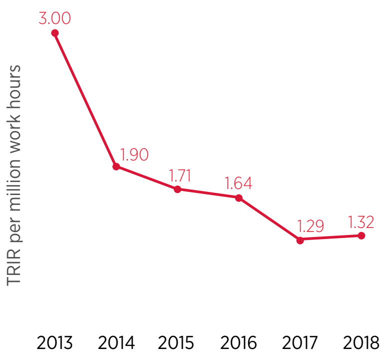
Best in class innovation

Woodside won the global IChemE Safety Centre Process Safety Award in November 2018 for the 'Watson for HSEQ' project in recognition of this innovative approach to process safety, improved risk assessment and hazard identification. Watson for HSEQ allows users to examine more than 700,000 historical data records within minutes, enabling data-driven decision making.

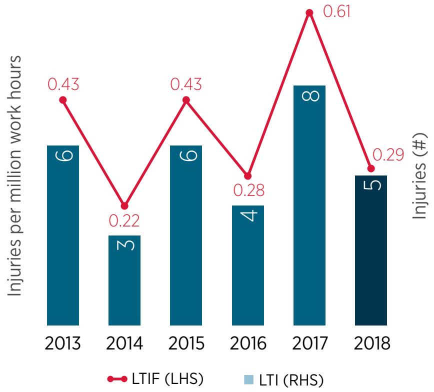
APPEA Safety Excellence Award

In May 2018, Woodside was awarded the 2017 Australian Petroleum Production & Exploration Association Safety Excellence Award, which acknowledged our smart safety systems, strong focus on process and assurance management, and the use of data analytics to enhance decisions and minimise risk.

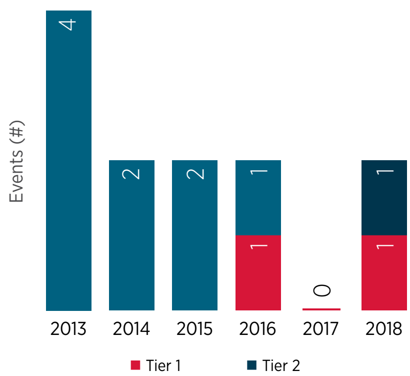
Total recordable injury rate (TRIR) performance



Lost time injuries (LTI) and Lost time injury frequency (LTIF)



Tier 1 and 2 process safety events (PSEs)



ENVIRONMENT

Woodside is taking action on climate change and we are motivated to play a key role in a clean energy future.

Climate change

In multiple scenarios, the demand for natural gas is expected to increase as a vital component of a clean energy future due to its benefits over other energy sources:

+ Gas is the cleanest burning hydrocarbon.
+ Switching from coal to gas-fired power can significantly reduce greenhouse gas emissions.
+ Gas improves air quality, by displacing higher emissions energy sources.[1]
+ Gas is easy to transport.
+ Gas is an ideal, reliable partner for renewable energies.

We have a goal to improve our energy efficiency and we are also developing new opportunities for LNG to displace higher-emission fuels, including in trucks, trains and ships.

In 2018, we released our Carbon Disclosure Project (CDP) submission.

Woodside is resilient as a business in a lower carbon future. This is supported through three themes:

+ **Create value:** We create value through prudent application of our investment framework, innovating to develop new opportunities and building new markets.
+ **Protect value:** We protect our existing investments by focusing on a competitive cost of supply, designing and reviewing our assets to withstand extreme environmental conditions and testing the resilience of our portfolio against a range of scenarios, including '2 degrees Celsius' climate-related scenarios.
+ **Our contribution:** We are improving our energy efficiency, supplying affordable and clean energy, and supporting policies that deliver carbon abatement at lowest cost and enhanced competitiveness.

For more information refer to the sustainability section of Woodside's website.

Environmental performance

We recognise that strong environmental performance is essential to our success and continued growth. Our approach is based on robust risk management underpinned by sound science, strong partnerships with local researchers and transparency of our environmental knowledge

Energy efficiency improvement

We intensified efforts to improve our energy efficiency in 2018, achieving a 3.4% improvement in operated asset energy efficiency against baseline.[2]

Three years into our five-year efficiency improvement plan, we are on track to meet our target of 5% energy efficiency improvement against baseline by 2020.

Our improved performance in 2018 was achieved through delivery of targeted improvement projects at KGP and Pluto LNG, combined with high reliability and reduced flaring across our operated assets.

Scientific partnerships

In 2018, we recognised our 25-year partnership with the Australian Institute of Marine Science (AIMS) and 20-year partnership with the Western Australian Museum.

These partnerships have significantly contributed to understanding Western Australia's rich marine biodiversity and iconic ecosystems.

1. http://www.ipcc.ch/report/ar5/syr/
2. Baseline performance is measured relative to product energy efficiency prior to 2016.

OUR FUTURE

Technology, combined with our pioneering, innovative spirit, is a key supporter of our corporate strategy.

We invest in technology to reduce costs for our existing operations, to enable future developments, and to extend sources of revenue. The application of technology in our business also enables our people to work more efficiently and assists in reducing their exposure to health and safety hazards.

In 2018, we refreshed our technology strategy to increase the priority of carbon management and the development of new energy markets and sources. We continue to focus on conventional oil and gas technologies and data-driven breakthroughs. Our strategy ensures we apply innovation and technology to support growth.

We don't do this alone. We utilise external expertise by growing our FutureLab network, combining innovative ideas from our own people with fresh perspectives from outside our industry. In November 2018, we launched the Centre for Long Subsea Tiebacks in partnership with the University of Western Australia, driving research into new subsea engineering technologies for offshore oil and gas production.

Conventional oil and gas technology

Woodside has long been a leader in oil and gas technologies. Supported by our capabilities in data science, analytics and machine learning, we continue to search for breakthroughs that will deliver value.

In the second half of 2018, we completed a pilot initiative to optimise the composition of mixed refrigerants across KGP LNG trains 1 and 2. By making small changes in response to ambient temperature, we delivered a 1.5% improvement in energy efficiency. We plan to extend the initiative to other LNG trains in 2019, reducing costs and carbon dioxide equivalent (CO_2-e) emissions.

Intelligent assets

We are installing a data-driven digital nerve system at our existing facilities that will provide real-time insights, enabling better decision making, cost reductions and higher reliability. To achieve this we are employing technologies such as smart sensors and robots.

The Woodside robotics team continued proof of concept trials at Pluto LNG and KGP throughout 2018, proving navigation capabilities via local teleoperation and autonomous control.

We performed an Australian-first trial on an offshore platform at the North Rankin Complex (NRC) in October 2018. We successfully teleoperated our 'Aggie' surveillance robot on NRC from Perth. This is an early step towards proving our extended capabilities in remote operations.

Carbon management

We aim to reduce our carbon emissions from existing and future operations.

We worked with ABB Australia Pty Ltd to install a 1 MWh PowerStore battery on the Goodwyn A platform, with commissioning due to start in 2019. This world-first application of microgrid technology on an offshore platform is expected to improve energy efficiency by approximately 5%, reducing fuel gas consumption by more than 2,000 tonnes per year and CO_2-e emissions by 10,000 tonnes per year.

In late 2018, we established a team to build a portfolio of CO_2 abatement mechanisms considering reduction, sequestration and other uses of carbon. We also progressed plans to integrate industrial-scale solar power generation with gas-fired generation and battery storage for our future Burrup Hub LNG operations. Reducing fuel gas consumption on the Burrup Peninsula will increase the amount of gas available for LNG production, yielding both environmental and commercial benefits.

New energy

We are supporting the transition to low carbon energy in a way that adds value for our shareholders across our growth horizons. We are developing and promoting new markets for LNG fuels. In the longer term, we are exploring opportunities to produce and export hydrogen on a commercial scale.

CORPORATE

RISK

Woodside maintains a robust and disciplined focus on operational excellence and effective risk management. We do this so that we better understand uncertainty and manage risks, to help achieve our objectives.

Our risk management process is designed to recognise and manage risks that have the potential to materially impact on Woodside's short- and long-term business objectives. This process is aligned to the international standard 1SO31000 for risk management and assesses potential risks in areas such as health and safety, environment, finance and economic, reputation and brand, legal and compliance and social and cultural consequences.

Refer to the Sustainable Development Report 2018 for more information on sustainability issues of importance to our stakeholders and our business.

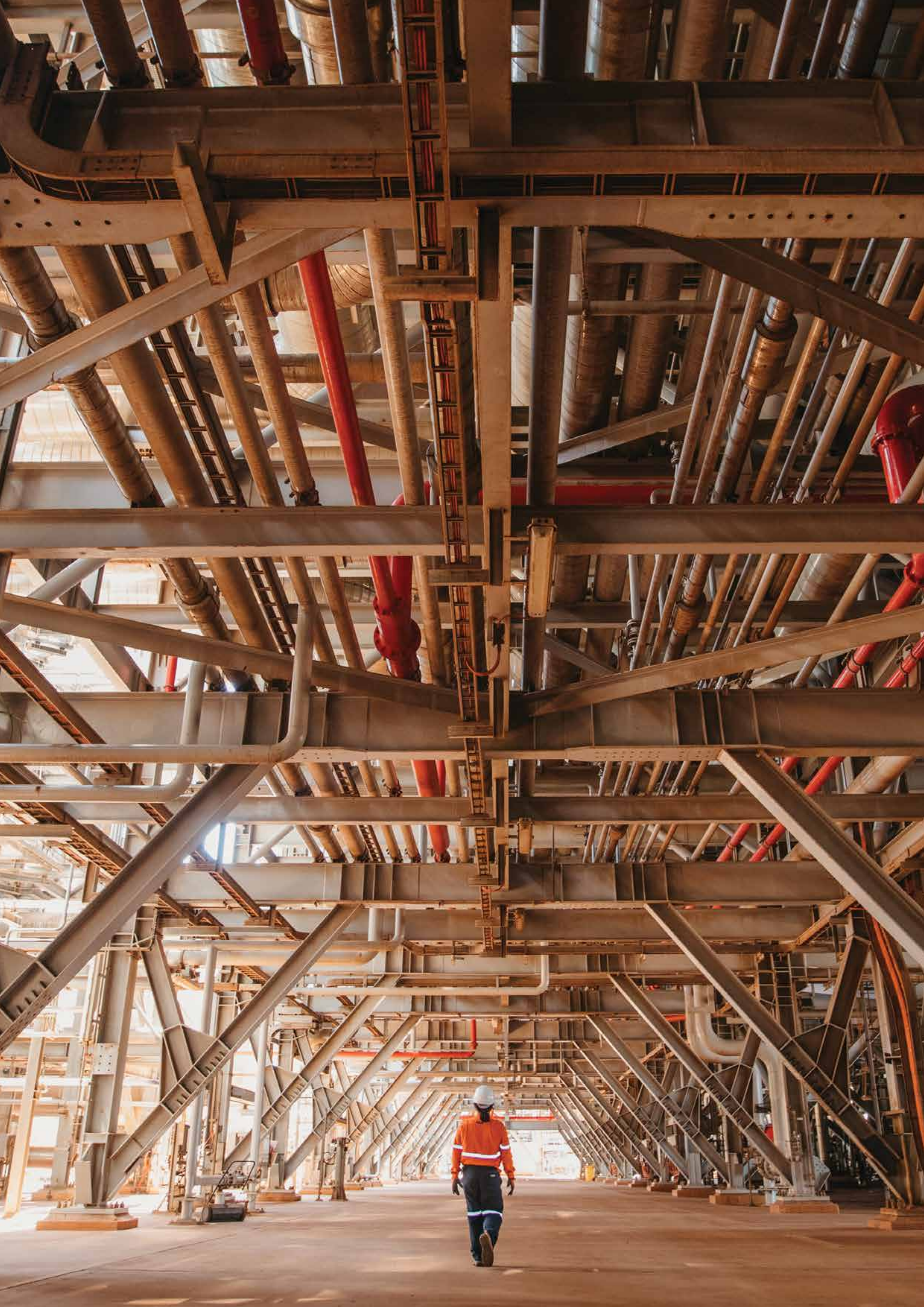
Refer to Woodside's Corporate Governance Statement for more information (www.woodside.com.au/Working-Sustainably/governance-and-compliance).

Material risks overview

CONTEXT	RISK	MITIGATION
Our future growth depends on our ability to identify, acquire, explore and develop reserves.	Unsuccessful exploration and renewal of upstream resources may impede delivery of our strategy.	Exposure to reserve depletion is addressed by our exploration strategy together with our capability in geosciences and deep-water exploration. Our disciplined management of opportunities and acquisitions, together with the application of new technologies and recovery processes, further addresses this risk.
	Commercial transactions undertaken with the objective of growing or divesting Woodside's portfolio incur many risks that may impact the ability to deliver anticipated value. These include sub-optimal commercial outcomes; the imposition of unfavorable (or change in) fiscal conditions, obligations or liabilities; and operational performance of assets not meeting expectations.	Our commercial processes are designed to reduce the likelihood of these risks materialising as a result of a commercial transaction. We focus on maintaining a disciplined approach to ensure that we continue to increase shareholder value and appropriately manage risk.
Efficient and cost-competitive commercialisation of hydrocarbons is a contributor to our success.	Failure to prioritise, invest in, and successfully commercialise our hydrocarbon opportunities to meet our corporate strategy may reduce the value we can secure from future developments and negatively impact our financial performance. Failure to deliver on major capital project FID commitments through poor project execution performance may negatively impact our financial performance.	Central to the management of this risk is our focus on creating effective commercial arrangements with a range of participants, stakeholders and contractors. In addition, we continue to invest in robust and high-quality opportunity development and project management systems. We undertake resource planning and management to support the demands of a growing, fast-paced and diverse development portfolio, with ongoing review of the mix of capability for each opportunity phase and capacity to deploy.
	Failure to negotiate, opitimise and finalise commercial agreements with key stakeholders may impact Woodside's current and future opportunity portfolio.	Our commercial processes are designed to reduce the likelihood of these risks materialising as a result of a commercial transaction. We focus on maintaining a disciplined approach to ensure that we continue to increase shareholder value and appropriately manage risk.

CONTEXT	RISK	MITIGATION
Safe and optimised production and delivery of hydrocarbon products to plan may influence our licence to operate and our ability to achieve superior shareholder returns.	Sustained, unplanned interruption to production may impact our licence to operate and financial performance. Our facilities are subject to operating hazards associated with major accident events, cyber-attack, inclement weather and disruption to supply chain, which can result in a loss of hydrocarbon containment, diminished production, additional costs, environmental damage or harm to our people, reputation or brand.	Our world-class operational performance is based on an extensive framework of controls which enable the management of these risks. This includes production processes, drilling and completions and well integrity management processes, inspection and maintenance procedures and performance standards. This framework is supported by the ongoing engagement we have with regulators.
	The integrity, availability and reliability of data within Woodside's information technology systems may be subject to intentional or unintentional disruption (e.g. cyber security attack).	Our exposure to cyber security risk is managed by a control framework and the continuing focus on system control improvements, supported by an established and embedded security strategy across the organisation.
Woodside's financial strength and performance may be impacted by key factors such as: + disruption in market dynamics; + ability to maintain competitive advantage; + access to capital; + capital allocation; and + management of financial risks.	Commodity prices are variable and are impacted by global economic factors beyond Woodside's control. Demand for and pricing of our products remain sensitive to external economic and political factors, weather, natural disasters, introduction of new and competing supply, and change within buyer preferences for differing products and price regimes. We are exposed to treasury and financial risks, including liquidity, changes in interest rates, fluctuation in foreign exchange and credit risk. Insufficient liquidity to meet financial commitments and fund growth opportunities could have a material adverse effect on our operations and financial performance. Our financing costs could be affected by interest rate fluctuations or deterioration in our long-term investment grade credit rating. We are exposed to credit risk; our counterparties could fail or could be unable to meet their payment and/or performance obligations under contractual arrangements.	Woodside mitigates the uncertainty associated with product demand by selling LNG in a portfolio manner and under long-term 'take or pay' sale agreements, in addition to the spot market. Our low cost of production and approach to balance sheet risk management further mitigate this exposure. Woodside maintains a flexible approach to capital management. The overall level of investment in the different areas of our business and the investment mix are adjusted to reflect the external environment. Our capital management strategy focuses on capital allocation, capital discipline and capital efficiency. Woodside maintains insurance in line with industry practice and sufficient to cover normal operational risks. However, Woodside is not insured against all potential risks because not all risks can be insured and because of constraints on the availability of commercial insurance in global markets. Insurance coverage is determined by the availability of commercial options and cost/benefit analysis, taking into account Woodside's risk management program. Losses that are not insured could impact Woodside's financial performance. For example, Woodside does not purchase insurance for the loss of revenue arising from an operational interruption. Our extensive framework of financial controls, including monitoring of counterparties, enables the management of these risks. The US dollar reflects the majority of Woodside's underlying cash flows and is used in our financial reporting, reducing our exposure to currency fluctuations.

CONTEXT	RISK	MITIGATION
Woodside must have the right capability and capacity, with staff performing to the required level, to deliver base business and growth.	Failure to establish sufficient capability and organisational culture to support global operations may impact achievement of our objectives.	As we progress into a major growth phase, our focus has been on reinforcing our Compass values, the establishment of the right talent and capability to support the fast-paced development portfolio timeline, and establishment of employer of choice credentials to attract high talent in the market. We proactively engage our tier 1 contractors, strengthening alignment with our Compass values, and are locking in capability and price to meet upcoming business demands.
Woodside's technology strategy is focused on maintaining competitive advantage through innovation to generate value for our business.	Unsuccessful development and delivery of new technology and new products through innovation may impact competitive advantage.	We are reducing unit costs for developments and deploying technology solutions in new business opportunities to deliver our strategic objectives. We aim to respond nimbly to emerging trends, disruptive innovations and complementary technologies.
Our business activities are subject to extensive regulation and government policy. Our business performance is underpinned by our licence to operate.	In each of the countries where we do business, Woodside is subject to various national and local laws, regulations and approvals, and stakeholder expectations. These relate to the exploration, development, production, marketing, pricing, transportation and storage of our products, and changes or failure to comply with these may impact our licence to operate.	As we increase our global footprint, we continue to strengthen our regulatory compliance framework and supporting tools. We also proactively maintain relationships with governments, regulators and stakeholders within countries in which we operate and those of interest.
	Bribery and corruption present a significant threat to commercial organisations and communities worldwide. Violation of anti-bribery and corruption laws may expose Woodside to fines, criminal sanctions and civil suits, and negatively impact our international reputation.	Our Fraud and Corruption Control Program provides a clear framework to help prevent, detect and respond to dishonest or unethical behaviour. The framework incorporates policies, programs, training, standards and guidelines that help ensure that all activities are conducted ethically, honestly and to a high standard.
Woodside faces climate change related risks including changes in product demand, carbon pricing, uncertainty surrounding future regulatory frameworks and increased stakeholder expectations.	Demand for oil and gas may subside as lower carbon substitutes take market share. Global climate change policy remains uncertain and has the potential to constrain Woodside's ability to create and deliver stakeholder value from the commercialisation of our hydrocarbons.	We are focusing on ensuring our portfolio is robust in a carbon constrained market, improving our energy efficiency, and maintaining engagement with key industry and government stakeholders. We are implementing strategies to diversify our product mix, diversify use of our products, broaden our customer base and increase our portfolio resilience.



RESERVES AND RESOURCES

The Scarborough acquisition contributed 640 MMboe to Best Estimate Contingent resources (2C) while start-up of Greater Western Flank Phase 2 contributed 48 MMboe to North West Shelf Proved plus Probable (2P) Developed reserves.

Woodside's[1,2,3,4] reserves and contingent resources[5] overview* (Woodside share, as at 31 December 2018)

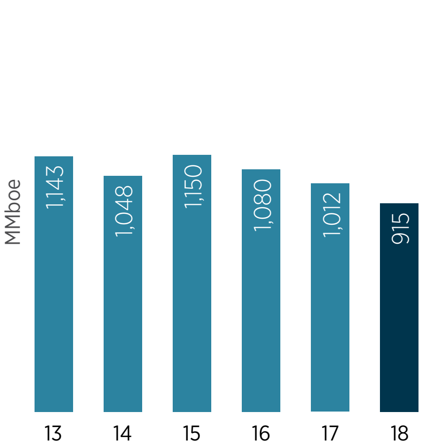
	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Proved[11] Developed[13] and Undeveloped[14]	4,494.7	80.1	46.4	915.0
Proved Developed	2,333.4	43.3	15.4	468.0
Proved Undeveloped	2,161.4	36.7	31.0	447.0
Proved plus Probable[12] Developed and Undeveloped	6,052.7	108.2	67.7	1,237.8
Proved plus Probable Developed	3,260.5	59.8	25.7	657.5
Proved plus Probable Undeveloped	2,792.2	48.4	42.0	580.3
Contingent resources	29,124.2	214.1	193.6	5,517.2

*Small differences are due to rounding.

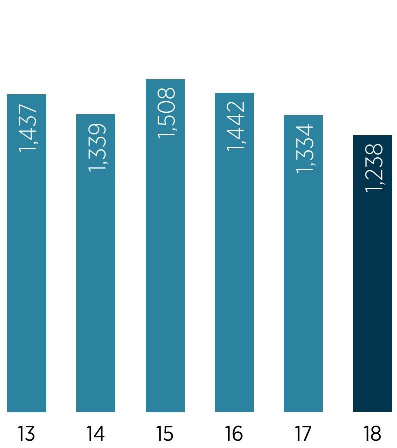
Key metrics

		Proved	Proved plus Probable
2018 reserves replacement ratio[15]	%	-3	-3
Organic 2018 reserves replacement ratio[16]	%	-3	-3
Three-year reserves replacement ratio	%	16	4
Organic three-year reserves replacement ratio	%	16	4
Reserves life[17]	Years	10	13
Annual production[18]	MMboe	93.6	93.6
Net acquisitions and divestments	MMboe	0.0	0.0

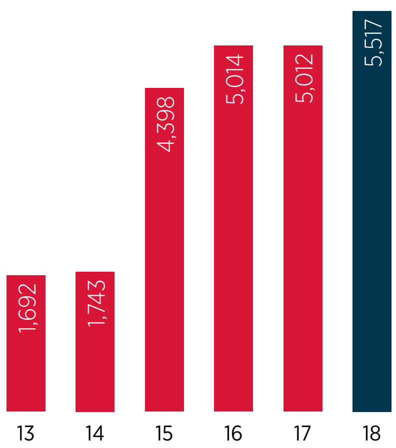
1P Reserves



2P Reserves



2C Contingent resources



Proved (1P) and Proved plus Probable (2P) developed and undeveloped reserves annual reconciliation by product* (Woodside share, as at 31 December 2018)

	Dry gas[6] Bcf[8]		Condensate[7] MMbbl[9]		Oil MMbbl		Total MMboe[10]	
	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)	Proved (1P)	Proved plus Probable (2P)
Reserves at 31 December 2017	4,983.0	6,538.5	88.8	117.0	48.5	69.9	1,011.5	1,333.9
Revision of previous estimates[19]	1.5	24.8	0.1	0.1	1.7	1.6	2.0	6.1
Transfer to/from reserves	-28.0	-48.9	0.0	0.0	0.0	0.0	-4.9	-8.6
Extensions and discoveries[20]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions and divestments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Annual production	461.7	461.7	8.8	8.8	3.8	3.8	93.6	93.6
Reserves at 31 December 2018	4,494.7	6,052.7	80.1	108.2	46.4	67.7	915.0	1,237.8

*Small differences are due to rounding.

Best Estimate Contingent resources (2C) annual reconciliation by product* (Woodside share, as at 31 December 2018)

	Dry gas Bcf	Condensate MMbbl	Oil MMbbl	Total MMboe
Contingent resources at 31 December 2017	26,043.8	236.9	206.0	5,012.0
Transfer to/from reserves	49.0	0.0	0.0	8.6
Revision of previous estimates	-789.5	-22.9	-12.4	-173.8
Extensions and discoveries	174.5	0.0	0.0	30.6
Acquisitions and divestments	3,646.5	0.0	0.0	639.7
Contingent resources at 31 December 2018	29,124.2	214.1	193.6	5,517.2

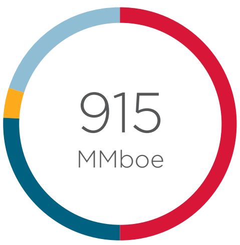
*Small differences are due to rounding.

Best Estimate Contingent resources (2C) summary by region* (Woodside share, as at 31 December 2018)

Project	Dry gas[6] Bcf[8]	Condensate[7] MMbbl[9]	Oil MMbbl	Total MMboe[10]
Greater Browse[26]	4,257.8	119.4	0.0	866.4
Greater Sunrise[28]	1,716.8	75.6	0.0	376.7
Greater Pluto	619.9	8.2	0.0	117.0
Greater Exmouth	307.4	2.1	32.0	87.9
North West Shelf	294.7	8.5	16.8	77.0
Wheatstone	20.3	0.3	0.0	3.9
Canada	15,024.0	0.0	0.0	2,635.8
Senegal[30]	88.8	0.0	144.9	160.5
Greater Scarborough[27]	6,411.6	0.0	0.0	1,124.8
Myanmar[29]	383.0	0.0	0.0	67.2
Total	29,124.2	214.1	193.6	5,517.2

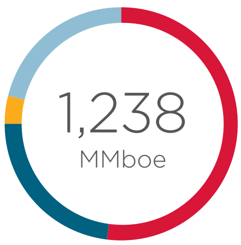
*Small differences are due to rounding.

1P Reserves by region (Developed and Undeveloped)



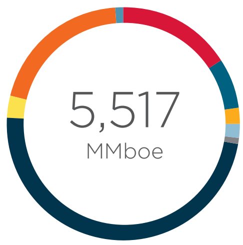
	%		%
Greater Pluto	50	Wheatstone	20
North West Shelf	26	Canada	0
Greater Exmouth	4		

2P Reserves by region (Developed and Undeveloped)



	%		%
Greater Pluto	52	Wheatstone	21
North West Shelf	23	Canada	0
Greater Exmouth	4		

2C Contingent resource by region



	%		%
Greater Browse	16	Wheatstone	0
Greater Sunrise	7	Canada	48
Greater Pluto	2	Senegal	3
Greater Exmouth	2	Greater Scarborough	20
North West Shelf	1	Myanmar	1

Proved (1P) Developed and Undeveloped reserves by region*

	Dry gas Bcf			Condensate MMbbl			Oil MMbbl			Total MMboe		
	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total
Greater Pluto[21, 31]	848.4	1,551.7	2,400.1	11.8	25.4	37.2	0.0	0.0	0.0	160.7	297.6	458.3
North West Shelf[22, 31]	1,050.5	102.6	1,153.1	21.1	3.0	24.1	10.2	0.0	10.2	215.6	21.0	236.6
Greater Exmouth[23]	0.0	0.0	0.0	0.0	0.0	0.0	5.1	31.0	36.2	5.1	31.0	36.2
Wheatstone[24]	434.4	507.2	941.6	10.3	8.4	18.7	0.0	0.0	0.0	86.6	97.4	183.9
Canada[25]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	2,333.4	2,161.4	4,494.7	43.3	36.7	80.1	15.4	31.0	46.4	468.0	447.0	915.0

*Small differences are due to rounding.

Proved plus Probable (2P) Developed and Undeveloped reserves by region*

	Dry gas Bcf			Condensate MMbbl			Oil MMbbl			Total MMboe		
	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total	Developed	Undeveloped	Total
Greater Pluto	1,447.3	1,920.7	3,367.9	19.5	32.3	51.9	0.0	0.0	0.0	273.4	369.3	642.7
North West Shelf	1,231.2	115.7	1,346.9	26.5	3.5	29.9	13.3	0.0	13.3	255.8	23.8	279.6
Greater Exmouth	0.0	0.0	0.0	0.0	0.0	0.0	12.4	42.0	54.4	12.4	42.0	54.4
Wheatstone	582.0	755.9	1,337.8	13.8	12.6	26.4	0.0	0.0	0.0	115.9	145.2	261.1
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	3,260.5	2,792.2	6,052.7	59.8	48.4	108.2	25.7	42.0	67.7	657.5	580.3	1,237.8

*Small differences are due to rounding.

Governance and assurance

Woodside, as an Australian company listed on the Australian Securities Exchange, reports its petroleum resource estimates using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS).

Woodside has several processes to provide assurance for reserves reporting, including the Woodside Reserves Policy, the Petroleum Resources Management Procedure, staff training and minimum competency levels and external reserves audits. On average, 96% of Woodside's Proved Reserves have been externally verified by independent review over the past four years.

Unless otherwise stated, all petroleum resource estimates are quoted as net Woodside share at standard oilfield conditions of 14.696 pounds per square inch (psi) (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).

Qualified petroleum reserves and resources evaluator statement

The Reserves and Resources Statement is based on and fairly represents information and supporting documentation prepared by qualified petroleum reserves and resources evaluators. The Reserves and Resources Statement has been approved by Mr Ian F. Sylvester, Woodside's Vice President of 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. Mr Sylvester has consented in writing to the inclusion of this information in this report.

Notes to the reserves and resources statement

1. 'Reserves' are estimated quantities of petroleum that have been demonstrated to be producible from known accumulations in which the company has a material interest from a given date forward, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs.
2. Assessment of the economic value of a project, in support of a reserves booking, uses Woodside Portfolio Economic Assumptions (PEAs). The PEAs are reviewed on an annual basis or more often if required. The review is based on historical data and forecast estimates for economic variables such as product prices and exchange rates. The PEAs are approved by the Woodside Board. Specific contractual arrangements for individual projects are also taken into account.
3. 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.
4. 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 liquefied natural gas (FLNG) projects, the reference point is defined as the outlet of the floating production storage offloading (FPSO) facility or FLNG facility respectively, while for onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility. Downstream fuel and flare represents 10.6% of Woodside's Proved (Developed and Undeveloped) reserves, and 10.5% of Proved plus Probable (Developed and Undeveloped) reserves.
5. 'Contingent resources' are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Woodside reports contingent resources net of the fuel and flare required for production, processing and transportation up to a reference point and non-hydrocarbons not present in sales products. Contingent resources estimates may not always mature to reserves and do not necessarily represent future reserves bookings. All contingent resource volumes are reported at the 'Best Estimate' (P50) confidence level.
6. 'Dry gas' is defined as 'C4 minus' petroleum components including non-hydrocarbons. These volumes include LPG (propane and butane) resources. Dry gas reserves and contingent resources include 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product.
7. 'Condensate' is defined as 'C5 plus' petroleum components.
8. 'Bcf' means billions (10^9) of cubic feet of gas at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).
9. 'MMbbl' means millions (10^6) of barrels of oil and condensate at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius).
10. 'MMboe' means millions (10^6) of barrels of oil equivalent. Consistent with international practice, dry gas volumes 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 are converted from MMbbl to MMboe on a 1:1 ratio.
11. 'Proved reserves' are those reserves which analysis of geological and engineering data suggests, to a high degree of certainty (90% confidence), are recoverable. There is relatively little risk associated with these reserves.
12. 'Probable reserves' are those reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. Proved plus Probable reserves represent the best estimate of recoverable quantities. Where probabilistic methods are used, there is at least a 50% probability that the quantities actually recovered will exceed the sum of estimated Proved plus Probable reserves.
13. 'Developed reserves' are those reserves that are producible through currently existing completions and installed facilities for treatment, compression, transportation and delivery, using existing operating methods and standards.
14. 'Undeveloped reserves' are those reserves for which wells and facilities have not been installed or executed but are expected to be recovered through future investments.
15. The 'reserves replacement ratio' is the reserves (Developed and Undeveloped) change during the year, before the deduction of production, divided by production during the year. The 'three-year reserves replacement ratio' is the reserves (Developed and Undeveloped) change over three years, before the deduction of production for that period, divided by production during the same period.
16. The 'organic annual reserves replacement ratio' is the reserves (Developed and Undeveloped) change during the year, before the deduction of production and adjustment for acquisition and divestments, divided by production during the year.
17. The 'reserves life' is the reserves (Developed and Undeveloped) divided by production during the year.
18. 'Annual production' is the volume of dry gas, condensate and oil produced during the year and converted to 'MMboe' for the specific purpose of reserves reconciliation and the calculation of reserves replacement ratios. The 'Reserves and Resources Statement' annual production differs from production volumes reported in the company's annual and quarterly reports due to differences between the sales and reserves product definitions, reserves being reported gross of downstream fuel and flare and the 'MMboe' conversion factors applied. Woodside's NWS pipeline gas production for the purpose of dry gas reserves reconciliation is based on the Woodside equity share. Any imbalance resulting from independently marketed pipeline gas sales will be reconciled before project abandonment.
19. 'Revision of previous estimates' are changes in previous estimates of reserves or contingent resources, either up or down, resulting from new information normally obtained from development drilling and production history or resulting from a change in economic factors or reservoir modelling to estimate volumes reasonably expected to be recovered from wells in the relevant project.
20. 'Extensions and discoveries' represent additions to reserves or contingent resources that result from increased areal extensions of previously discovered fields, discovery of reserves or contingent resources in new fields, or new reservoirs in old fields.
21. The 'Greater Pluto' region comprises the Pluto-Xena, Larsen, Martell, Martin, Noblige, Pyxis and Remy fields.
22. The 'North West Shelf' (NWS) includes all oil and gas fields within the North West Shelf Project Area. As the NWS consists of a portfolio of fields, probabilistic aggregation is more appropriate than arithmetic summation as inter-field dependencies reflecting different reservoir characteristics between fields are incorporated. Probabilistic aggregation of individual fields in the NWS accounts for 20.3% of NWS Proved (Developed and Undeveloped) dry gas reserves, 27.4% of NWS Proved (Developed and Undeveloped) condensate reserves.
23. The 'Greater Exmouth' region comprises the Vincent, Enfield, Greater Enfield, Greater Laverda, Ragnar and Toro fields.
24. The 'Wheatstone' region comprises the Julimar and Brunello fields.
25. The 'Canada' region comprises unconventional resources in the Liard and Horn River Basins. Previously reported Canada reserves, all associated with pipeline gas, have been reclassified to Contingent Resources using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS).
26. The 'Greater Browse' region comprises the Brecknock, Calliance and Torosa fields.
27. The 'Greater Scarborough' region comprises the Jupiter, Scarborough and Thebe fields.
28. The 'Greater Sunrise' region comprises the Sunrise and Troubadour fields.
29. The 'Myanmar' region comprises the Pyi Thit and Shwe Yee Htun fields with well results and discovered volumes within Block A-6 supporting consideration of concept selection in the near term.
30. The 'Senegal' region comprises the SNE field and includes oil and gas estimates for the SNE development phases including the opportunity to export pipeline gas to shore.
31. Material concentrations of undeveloped reserves in Greater Pluto and North West Shelf have remained undeveloped for longer than five years from the dates they were initially reported, as the incremental reserves are expected to be recovered through future developments to meet long-term contractual commitments. The incremental projects are included in the company business plan, demonstrating the intent to proceed with the developments.

GOVERNANCE

WOODSIDE BOARD OF DIRECTORS

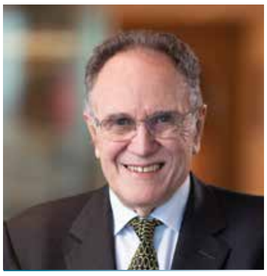
RICHARD GOYDER, AO

PETER COLEMAN

LARRY ARCHIBALD

MELINDA CILENTO

FRANK COOPER, AO



CHRISTOPHER HAYNES, OBE

IAN MACFARLANE

ANN PICKARD

SARAH RYAN

GENE TILBROOK

Richard Goyder, AO

BCom, FAICD

Chairman: Appointed April 2018

Term of office: Director since August 2017

Independent: Yes

Experience: 24 years with Wesfarmers Limited, including Managing Director and CEO from 2005 to late 2017. Chairman of the Australian B20 (the key business advisory body to the international economic forum which includes business leaders from all G20 economies) from February 2013 to December 2014.

Committee membership: Chair of the Nominations Committee. Attends other Board committee meetings.

Current directorships/other interests:

Chairman: Qantas Airways Limited, Australian Football League Commission, Channel 7 Telethon Trust, JDRF Australia and WA Symphony Orchestra.

Member: Evans and Partners Investment Committee.

Directorships of other listed entities within the past three years: Wesfarmers Limited (2002 to 2017).

Peter Coleman

BEng, MBA, FTSE

CEO and Managing Director

Term of office: Director since 2011

Independent: No

Experience: More than 30 years in the global oil and gas business, including 27 years' experience with the ExxonMobil group, culminating as Vice President Development Company, with responsibility for the development and project work in the Asia-Pacific region. Appointed an Adjunct Professor in Corporate Strategy by the University of Western Australia in 2012.

Committee membership: Attends Board committee meetings.

Current directorships/other interests:

Chair: Australia–Korea Foundation (since 2014).

Director: Business Council of Australia (since 2017).

Member: Executive Committee of the Australia Japan Business Co-operation Council (since 2011) and Australian Institute of Company Directors (since 2011).

Adviser: Monash Industry Council.

Directorships of other listed entities within the past three years: Nil

Larry Archibald

BSc (Geosciences), BA (Geology), MBA

Term of office: Director since February 2017

Independent: Yes

Experience: Former ConocoPhillips company executive (2008 to 2015), spending eight years in senior positions including Senior Vice President, Business Development and Exploration, and Senior Vice President, Exploration. Prior to this, spent 29 years at Amoco (1980 to 1998) and BP (1998 to 2008) in various positions including leadership of exploration programs covering many world regions.

Committee membership: Audit & Risk, Sustainability and Nominations Committees.

Current directorships/other interests:

Adviser: Warburg Pincus (since 2016).

Member: Geosciences Advisory Board of the University of Arizona.

Directorships of other listed entities within the past three years: Nil

Melinda Cilento

BA, BEc (Hons), MEc

Term of office: Director since December 2008

Independent: Yes

Experience: Significant public and private sector experience in economic policy development and analysis. Deputy Chief Executive (2006 to 2010) and Chief Economist (2002 to 2010) of the Business Council of Australia. Previously worked with County Investment Management (now Invesco) as Head of Economics, the Department of Treasury and the International Monetary Fund.

Committee membership: Chair of the Human Resources & Compensation Committee. Member of the Sustainability and Nominations Committees.

Current directorships/other interests:

Chief Executive Officer: Committee for Economic Development of Australia (since 2017).

Director: Australian Unity Limited (since 2014).

Co-Chair: Reconciliation Australia (director since 2010).

Member: Chief Executive Women.

Directorships of other listed entities within the past three years: Nil

Frank Cooper, AO

BCom, FCA, FAICD

Term of office: Director since February 2013

Independent: Yes

Experience: More than 35 years' experience in corporate tax, specialising in the mining, energy and utilities sector, including senior leadership roles at three of the largest accounting firms and director of a leading Australian utility company.

Committee membership: Chair of the Audit & Risk Committee. Member of the Human Resources & Compensation and Nominations Committees.

Current directorships/other interests:

Chair: Insurance Commission of Western Australia and the University of Western Australia Strategic Resources Committee.

Director: St John of God Australia Limited (since 2015) and South32 Limited (since 2015).

Member: Senate of the University of Western Australia.

President: Western Australia division of the Australian Institute of Company Directors.

Trustee: St John of God Health Care (since 2015).

Directorships of other listed entities within the past three years: Nil

Christopher Haynes, OBE

BSc, DPhil, CEng, FIMechE, FIEAust

Term of office: Director since June 2011

Independent: Yes

Experience: A 38-year career with Shell including as Executive Vice President, Upstream Major Projects within Shell's Projects and Technology business, General Manager of Shell's operations in Syria and a secondment as Managing Director of Nigeria LNG Ltd. From 1999 to 2002, seconded to Woodside as General Manager of the North West Shelf Venture. Retired from Shell in 2011.

Committee membership: Member of the Audit & Risk, Sustainability and Nominations Committees.

Current directorships/other interests:

Director: WorleyParsons Limited (since 2012).

President: Energy Industries Council (since 2015).

Directorships of other listed entities within the past three years: Nil

Ian Macfarlane

Former Australian Federal Minister (Resources; Energy; Industry and Innovation), FAICD

Term of office: Director since 2016

Independent: Yes

Experience: Australia's longest-serving Federal Resources and Energy Minister and the Coalition's longest-serving Federal Industry and Innovation Minister with over 14 years of experience in both Cabinet and shadow ministerial positions. Before entering politics, Mr Macfarlane's experience included agriculture, and being President of the Queensland Graingrowers Association (1991 to 1998) and the Grains Council of Australia (1994 to 1996).

Committee membership: Member of the Human Resources & Compensation, Sustainability and Nominations Committees.

Current directorships/other interests:

Chief Executive: Queensland Resources Council (since 2016).

Chair: Innovative Manufacturing Co-operative Research Centre.

Member: Toowoomba Community Advisory Committee of the University of Queensland Rural Clinical School.

Directorships of other listed entities within the past three years: Nil

Ann Pickard

BA, MA

Term of office: Director since February 2016

Independent: Yes

Experience: Retired from Shell in 2016 after a 15-year tenure holding numerous positions, including Executive Vice President Arctic, Executive Vice President Exploration and Production, Country Chair of Shell in Australia, and Executive Vice President Africa. Previously had an 11-year tenure with Mobil prior to its merger with Exxon.

Committee membership: Chair of the Sustainability Committee. Member of the Human Resources & Compensation and Nominations Committees.

Current directorships/other interests:

Director: KBR Inc. (since 2015).

Member: Chief Executive Women and University of Wyoming Foundation Board.

Directorships of other listed entities within the past three years: Nil

Sarah Ryan

BSc (Geology), BSc (Geophysics) (Hons 1), PhD (Petroleum and Geophysics), FTSE

Term of office: Director since 2012

Independent: Yes

Experience: More than 20 years' experience in the oil and gas industry in various technical, operational and senior management positions, including 15 years with Schlumberger Limited. From 2007 to 2017 was an equity analyst, portfolio manager and then energy adviser for Earnst Partners.

Committee membership: Member of the Audit & Risk, Sustainability and Nominations Committees.

Current directorships/other interests:

Director: Akastor ASA (since 2014), MPC Kinetic Pty Ltd (previously Kinetic Consolidated Pty Ltd) (since 2016) and Viva Energy Group Ltd (since 2018).

Member: Advisory Board of Unearthed Solutions (since 2017) and Chief Executive Women (since 2016).

Directorships of other listed entities within the past three years: Central Petroleum Limited (2017 to 2018).

Gene Tilbrook

BSc, MBA, FAICD

Term of office: Director since 2014

Independent: Yes

Experience: Broad experience in corporate strategy, investment and finance. Senior executive of Wesfarmers Limited between 1985 and 2009, including roles as Executive Director Finance and Executive Director Business Development.

Committee membership: Member of the Audit & Risk, Human Resources & Compensation and Nominations Committees.

Current directorships/other interests:

Deputy Chair: National Board of the Australian Institute of Company Directors (since 2016).

Director: Orica Limited (since 2013), GPT Group Limited (since 2010) and the Bell Shakespeare Company.

Member: Western Australia division of the Australian Institute of Company Directors (since 2013).

Directorships of other listed entities within the past three years: Aurizon Holdings Limited (2010 to 2016).

Michael Chaney

BSc, MBA, Hon LLD (UWA), FAICD

Mr Michael Chaney retired effective on 19 April 2018 after 13 years of service on Woodside's Board of Directors. Mr Chaney served as Chairman from 2007 and was also Chair of the Nominations Committee.

CORPORATE GOVERNANCE

We believe high standards of governance and transparency are essential.

Corporate governance at Woodside

Woodside is committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect. We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

Woodside's Compass is core to our governance framework. It sets out our mission, vision and strategic direction and core values of integrity, respect, working sustainably, working together, discipline and excellence. The Compass is the overarching guide for everyone who works for Woodside. Our values define what is important to us in the way we work.

Refer to Woodside's website for more information.

Our corporate governance model is illustrated below. The Woodside Management System (WMS) describes the Woodside way of working, enabling Woodside to understand and manage its business to achieve its objectives. It defines the boundaries within which our employees and contractors are expected to work. The WMS establishes a common approach to how we operate, wherever the location.

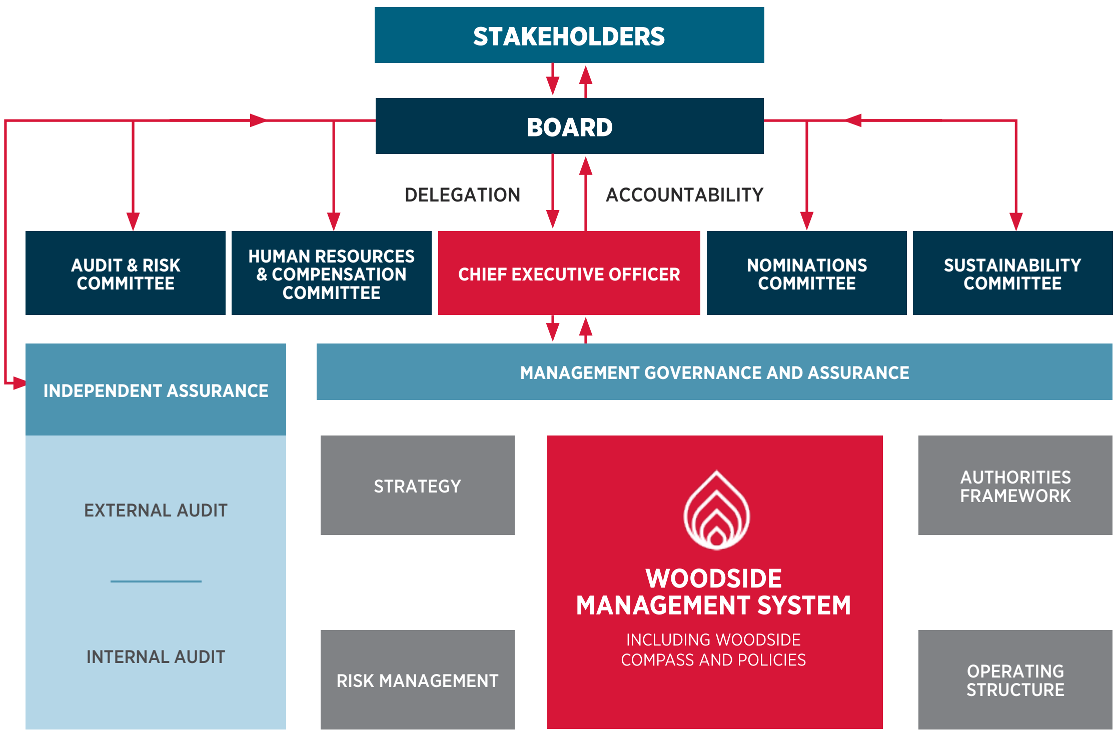
Throughout 2018, our governance arrangements complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (third edition) (ASXCG Recommendations).

Our Corporate Governance Statement reports on Woodside's key governance principles and practices. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and developments in corporate governance.

The Corporate Governance Statement discusses arrangements in relation to our Board of Directors, committees of the Board, shareholders, risk management and internal control, the external auditor relationship, and inclusion and diversity.

Our website contains copies of Board and committee charters and copies of many of the policies and documents mentioned in the Corporate Governance Statement. The website is updated regularly to ensure that it reflects Woodside's most current corporate governance information.

Refer to Woodside's Corporate Governance Statement for more information (www.woodside.com.au).



DIRECTORS' REPORT

The directors of Woodside Petroleum Ltd present their report (including the Remuneration Report) together with the Financial Statements of the consolidated entity, being Woodside Petroleum Ltd and its controlled entities, for the year ended 31 December 2018.

Directors

The directors of Woodside Petroleum Ltd in office at any time during or since the end of the 2018 financial year and information on the directors (including qualifications and experience and directorships of listed companies held by the directors at any time in the last three years) are set out on pages 70–72.

The number of directors' meetings held (including meetings of committees of the Board) and the number of meetings attended by each of the directors of Woodside Petroleum Ltd during the financial year are shown in Table 3 on page 14 of the Corporate Governance Statement. For all Board meetings held in person in 2018, all directors were present.

Details of director and senior executive remuneration are set out in the Remuneration Report.

The particulars of directors' interests in shares of the company as at the date of this report are set out on page 75.

Principal activities

The principal activities and operations of the Group during the financial year were hydrocarbon exploration, evaluation, development, production and marketing.

Other than as previously referred to in the Annual Report, there were no other significant changes in the nature of the activities of the consolidated entity during the year.

Consolidated results

The consolidated operating profit attributable to the company's shareholders after provision for income tax was $1,364 million ($1,069 million in 2017).

Review of operations

A review of the operations of the Woodside Group during the financial year and the results of those operations are set out on pages 1–67.

Significant changes in the state of affairs

The review of operations (pages 1–67) sets out a number of matters that have had a significant effect on the state of affairs of the consolidated entity.

Other than those matters, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Events subsequent to end of financial year

Since the reporting date, the directors have declared a fully franked dividend. More information is available in the 'Dividend' section below. No provision has been made for this dividend in the financial report as the dividend was not declared or determined by the directors on or before the end of the financial year.

Dividend

The directors have declared a final dividend out of profits of the company in respect of the year ended 31 December 2018 of 91 cents per ordinary share (fully franked) payable on 20 March 2019.

Type	2018 final	2018 interim	2017 final
Payment date	20 March 2019	20 September 2018	22 March 2018
Period ended	31 December 2018	30 June 2018	31 December 2017
Cents per share	91	53	49
Value $ million	852	496	413
Fully franked	✓	✓	✓

The full-year 2018 dividend was 144 cents per share.

Likely developments and expected results

In general terms, the review of operations of the Group gives an indication of likely developments and the expected results of the operations. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the Group.

Environmental compliance

Woodside is subject to a range of environmental legislation in Australia and other countries in which it operates.

Details of Woodside's environmental performance are provided on page 56.

Through its Health, Safety, Environment and Quality Policy, Woodside plans and performs activities so that adverse effects on the environment are avoided or kept as low as reasonably practicable.

Company Secretaries

The following individuals have acted as Company Secretary during 2018:

Andrew Cox
BA (Hons), LLB, MA
Vice President Legal and General Counsel, and Joint Company Secretary

Mr Cox joined Woodside in 2004 and was appointed to the role of Vice President Legal in January 2015. He was appointed Vice President Legal and General Counsel and Joint Company Secretary on 1 June 2017.

Warren Baillie
LLB, BCom, Grad. Dip. CSP
Company Secretary

Mr Baillie joined Woodside in 2005 and was appointed Company Secretary effective 1 February 2012. Mr Baillie is a solicitor and chartered secretary. He is a member of the National Board and Immediate Past President of the Governance Institute of Australia.

Indemnification and insurance of directors and officers

The company's constitution requires the company to indemnify each director, secretary, executive officer or employee of the company or its wholly owned subsidiaries against liabilities (to the extent the company is not precluded by law from doing so) incurred in or arising out of the conduct of the business of the company or the discharge of the duties of any such person. The company has entered into deeds of indemnity with each of its directors, secretaries, certain senior executives, and employees serving as officers on wholly owned or partly owned companies of Woodside in terms of the indemnity provided under the company's constitution.

From time to time, Woodside engages its external auditor, Ernst & Young, to conduct non-statutory audit work and provide other services in accordance with Woodside's External Auditor Guidance Policy. The terms of engagement include an indemnity in favour of Ernst & Young:

+ against all losses, claims, costs, expenses, actions, demands, damages, liabilities or any proceedings (liabilities) incurred by Ernst & Young in respect of third-party claims arising from a breach by the Group under the engagement terms; and
+ for all liabilities Ernst & Young has to the Group or any third-party as a result of reliance on information provided by the Group that is false, misleading or incomplete.

The company has paid a premium under a contract insuring each director, officer, secretary and employee who is concerned with the management of the company or its subsidiaries against liability incurred in that capacity. Disclosure of the nature of the liability covered by and the amount of the premium payable for such insurance is subject to a confidentiality clause under the contract of insurance. The company has not provided any insurance for the external auditor of the company or a body corporate related to the external auditor.

Non-audit services and auditor independence declaration

Details of the amounts paid or payable to the external auditor of the company, Ernst & Young, for audit and non-audit services provided during the year are disclosed in note E.5 to the Financial Statements.

Based on advice provided by the Audit & Risk Committee, the directors are satisfied that the provision of non-audit services by the external auditor during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

+ all non-audit services were provided in accordance with Woodside's External Auditor Policy and External Auditor Guidance Policy; and
+ all non-audit services were subject to the corporate governance processes adopted by the company and have been reviewed by the Audit & Risk Committee to ensure that they do not affect the integrity or objectivity of the auditor.

Further information on Woodside's policy in relation to the provision of non-audit services by the auditor is set out in section 7 of the Corporate Governance Statement.

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on this page and forms part of this report.

Proceedings on behalf of the company

No proceedings have been brought on behalf of the company, nor has any application been made in respect of the company, under section 237 of the *Corporations Act 2001*.

Rounding of amounts

The amounts contained in this report have been rounded to the nearest million dollars under the option available to the company under Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

Directors' relevant interests in Woodside shares as at the date of this report

Director	Relevant interest in shares
L Archibald	2,314
M Cilento	4,899
P Coleman	284,170[1]
F Cooper	8,240
R Goyder	15,634
C Haynes	9,512
I Macfarlane	1,956
A Pickard	3,818
S Ryan	7,373
G Tilbrook	7,949

1. Mr Coleman also has a relevant interest in 182,177 unvested Restricted Shares and holds Variable Pay Rights under his CEO incentive arrangements, details of which are set out in the Remuneration Report in Table 13 on page 92 and Table 15 on page 96.

Signed in accordance with a resolution of the directors.

R J Goyder, AO
Chairman
Perth, Western Australia
14 February 2019

P J Coleman
Chief Executive Officer and Managing Director
Perth, Western Australia
14 February 2019

Auditor's independence declaration to the Directors of Woodside Petroleum Ltd

As lead auditor for the audit of Woodside Petroleum Ltd for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Woodside Petroleum Ltd and the entities it controlled during the financial year.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth, Western Australia
14 February 2019

Liability limited by a scheme approved under Professional Standards Legislation

REMUNERATION REPORT

Woodside Petroleum Ltd.
ACN 004 898 962
Mia Yellagonga
11 Mount Street
Perth WA 6000
Australia
T: +61 8 9348 4000
F: +61 8 9214 2777
www.woodside.com.au

14 February 2019

Dear Shareholder

It is my pleasure, on behalf of the Board, to present Woodside's Remuneration Report for the year ended 31 December 2018.

In March 2018, the Board outlined the new Executive Incentive Scheme (EIS), after completing a comprehensive review of our executive remuneration arrangements. This report details Woodside's first application of this new remuneration structure.

I have appreciated the opportunity to engage with our investors in 2018 on remuneration and the new EIS. The Board is confident that the scheme is tailored to Woodside's corporate strategy, aligns with shareholder interests and allows Woodside to attract and retain the executive talent required to deliver on Woodside's growth aspirations.

It is structured to have a significantly greater reliance on equity to reward executives and for the first time, we have introduced minimum shareholding requirements for executive key management personnel. The Board has also decided to increase the minimum shareholding requirements for non-executive directors. These changes reflect the long-term focus of our executives and further promote alignment with shareholders.

Executive awards under the scheme will be based upon two equally weighted components – individual and corporate performance. In 2018, Woodside delivered positive performance across all operational assets and progressed a number of projects and growth opportunities. The majority of the business plan priorities were met and Woodside is well positioned to deliver our strategy across all three growth horizons. Individual executive performance was a critical contributor to this positive corporate performance.

The Board understands and welcomes our shareholders' expectation that the Board robustly and independently assesses executive and corporate performance in determining awards. An important component of this assessment is reconciling fairly shareholder experience with the award outcome.

We have sought to continue to provide greater detail around the factors and metrics that the Board has considered in determining remuneration outcomes for 2018. The challenge is to do so in a way that provides clarity without compromising commercially sensitive information. We trust shareholders share our view that we are striking a good balance in our efforts to improve transparency.

Notwithstanding strong overall performance, the Board chose to exercise discretion in adjusting the recommended scorecard outcome from 8.25 to 7.75 (out of 10) to reflect the decline in safety performance over the first half of the year and a number of business plan priorities that were not achieved.

Yours sincerely

Richard Goyder

Richard Goyder AO
Chairman

KMP and summary of Woodside's five-year performance

Woodside's executive key management personnel (KMP)

This report outlines the remuneration arrangements in place and outcomes achieved for Woodside's executive KMP during 2018.

Woodside's executive KMP are those people who have the authority to shape and influence the Group's strategic direction and performance through their actions, either collectively (in the case of the Board) or as individuals acting under delegated authorities (in the case of the CEO and senior executives).

The names and positions of the individuals who were executive KMP during 2018 are set out in Table 1.

Table 1 – Executive KMP

Executive	Non-executive directors
Executive Director	Richard Goyder (Chairman)[4]
Peter Coleman (Managing Director and Chief Executive Officer) (CEO)	Michael Chaney (Chairman)[5]
	Larry Archibald
Senior Executives	Melinda Cilento
Michael Abbott (Senior Vice President Corporate and Legal)	Frank Cooper
Sherry Duhe (Executive Vice President and Chief Financial Officer)	Christopher Haynes
Robert Edwardes (Executive Vice President Development)	Ian Macfarlane
Shaun Gregory (Executive Vice President Exploration and Chief Technology Officer)	Ann Pickard
Phil Loader (Executive Vice President Global Exploration)[1]	Sarah Ryan
Reinhardt Matisons (Executive Vice President Marketing, Trading and Shipping)	Gene Tilbrook
Meg O'Neill (Executive Vice President and Chief Operations Officer)[2]	
Michael Utsler (Executive Vice President and Chief Operations Officer)[3]	

1. Mr Phil Loader ceased being executive KMP on 28 February 2018 and ceased employment on 30 June 2018.
2. Ms Meg O'Neill commenced as KMP on 1 May 2018.
3. Mr Mike Utsler ceased being executive KMP on 27 April 2018 and ceased employment on 1 November 2018.
4. Mr Richard Goyder was appointed Chairman of the Woodside Board on 20 April 2018.
5. Mr Michael Chaney ceased being Chairman of the Woodside Board on 19 April 2018.

Table 2 – Five-year performance

The table below outlines Woodside's performance over the last five years against key metrics.

		2018	2017[1]	2016	2015	2014
Net profit after tax (NPAT)[2]	(US$ million)	1,364	1,069	868	26	2,414
Earnings per share[3]	(US cents)	148	123	104	3	293
Dividends per share	(US cents)	144	98	83	109	255
Share closing price (last trading day of the year)	(A$)	31.32	33.08	31.16	28.72	38.01
Production	(MMboe)	91.4	84.4	94.9	92.2	95.1

1. 2017 NPAT has been restated for the retrospective application of AASB 15, and earnings per share has been restated for the retrospective application of AASB 15 and the Retail Entitlement Offer. For more information refer to the Financial Statements on pages 99-139.
2. NPAT figure is NPAT attributable to equity holders of the parent. NPAT detail is contained in the Financial Statements on pages 99-139.
3. Basic and diluted earnings per share from total operations.

Remuneration Policy

Woodside aims to be a leading global performer in upstream oil and gas. To do so the company must be able to attract and retain executive capability in a globally competitive market. The Board structures remuneration so that it rewards those who perform, is valued by executives, and is strongly aligned with the company's Compass, strategic direction and the creation of value for all stakeholders.

Fixed Annual Reward (FAR) is determined by the scope of the executive's role and their level of knowledge, skills and experience.

Variable Annual Reward (VAR) at target is structured to reward the CEO and executive KMP for achieving challenging yet realistic targets set by the Board which deliver long-term growth for the company. VAR aligns shareholder and executive remuneration outcomes by ensuring a significant portion of executive remuneration is at risk, while rewarding performance.

Executive remuneration is reviewed annually having regard to the accountabilities, experience and performance of the individual. FAR and VAR are compared against domestic and international competitors at target, to maintain Woodside's competitive advantage in attracting and retaining talent and ensure appropriate motivation is provided to executives to deliver on the strategic objectives of the company.

Scorecard measures and outcomes

The Board assesses executive management performance on an annual basis against a balanced scorecard of measures in conjunction with individual key performance indicators (KPIs) that aim to drive business performance and the creation of shareholder value.

The 2018 scorecard for executive KMP is based on four equally weighted measures that have been chosen because they impact short- and long-term shareholder value, with a score of 5 for an outcome at target and a maximum score of 10 on each measure. The Board sets challenging targets for each measure with significant stretch to achieve maximum performance and robustly assesses performance against expectation.

In 2018, Woodside delivered positive performance across all operational assets, with total 2018 production at the high end of market guidance and strong safety performance particularly in the second half of the year. Combined with the higher realised price outcome, this enabled Woodside to deliver a NPAT outcome at the upper end of our target range. Woodside re-positioned its portfolio with the acquisition of an additional 50% equity in the Scarborough gas field and further progressed a number of projects and growth opportunities. The majority of business plan priorities were met and we are well positioned to deliver across all three growth horizons.

In considering overall corporate performance, the Board chose to exercise its discretion to reflect appropriately first half safety performance and business priorities that were not achieved. The Board elected to adjust the initially recommended scorecard outcome from 8.25 to 7.75 (out of a maximum of ten) for the 2018 performance year.

NPAT

Profit after tax performance is closely aligned with short-term shareholder value creation. NPAT is underpinned by operational performance, oil price and foreign exchange rates. This measure focuses management on driving exceptional operational performance, with the Board ensuring that short-term results are not achieved at the expense of longer term performance. NPAT outcomes are exposed to the upside and downside of oil price and foreign exchange fluctuations, as are returns to shareholders.

Scorecard outcome: **10**

+ Strong operational performance due to high reliability and low cost assets underpinned a NPAT result of $1,364 million, a 28% increase on 2017. This was supported by higher realised prices and lower exploration operational expense, partially offset by lower petroleum resource rent tax benefit, higher income tax expense and higher depreciation.

PRODUCTION

Woodside maximises revenue and generates value from its assets when they are fully utilised in production. Production is carefully managed throughout the year to optimise the production value from the reservoir. The production target is set relative to the company's annual budget and is not revised through the year.

Scorecard outcome: **7**

+ Full year production was 91.4 MMboe and was at the high end of market guidance. This result was underpinned by our strong operational and project delivery performance including successful optimisation of the North West Shelf turnaround, strong Pluto reliability, early delivery of Greater Western Flank 2 start-up and better than expected production performance from Wheatstone.

Total scorecard **7.75** outcome

DELIVERY AGAINST BUSINESS PLAN

Woodside's annual business plan commitments aim to deliver long-term shareholder value. In 2018, we focused on five key business priorities - base business excellence, Wheatstone delivery and optimisation, unlocking the Burrup Hub, SNE FEED entry and progressing our opportunities in Myanmar.

Scorecard outcome: **8**

+ Continued to deliver high reliability and strong unit production performance from our operating assets; commenced production from Greater Western Flank Phase 2, six months ahead of schedule and $630 million under budget (100% project); Wheatstone commenced LNG production from Train 2; successful A$2.5 billion equity raising underpinned funding for the acquisition of an additional 50% interest in Scarborough gas field, and will support the progression of Scarborough and the SNE Phase 1 developments and the development of Browse to FID; Woodside entered FEED for Pluto Train 2 underpinning Woodside's preferred concept for the development of the Scarborough gas resource; NWS Project signed non-binding preliminary agreements with the Browse Joint Venture (BJV) and Chevron for the processing of their respective offshore gas resources through NWS Project facilities; Browse commenced concept definition with unanimous approval by the BJV participants; Woodside assumed operatorship for the proposed SNE Field Development Phase 1, and FEED activities commenced; successful appraisal of the 2016 Shwe Yee Htun-1 discovery in Block A-6, located in offshore Myanmar; start-up of both the Wheatstone Domestic Gas and Pluto Truck Loading facilities was not achieved as planned in 2018 with delivery now expected in early 2019; disappointing exploration outcomes resulting in higher than expected non-commercial discoveries.

SAFETY AND ENVIRONMENT

The Board considers company performance across a range of elements including personal and process safety, environment (including emissions reductions), sustainability and our social licence to operate. Strong performance in this area creates and protects value four ways; it reduces the likelihood of major accident events and catastrophic losses; it maintains Woodside's licence to operate which enables the development and sanction of its growth portfolio; it reflects efficient, optimised and controlled business processes that generate value; and it supports the company's position as a partner of choice providing us access to the best capabilities and talent.

Scorecard outcome: **6**

+ During the first half of 2018, Woodside's safety performance declined compared to 2017. However, in response to a concerted campaign of engagement with staff and contractors, performance improved to deliver a total recordable injury rate of 1.32 per million hours worked. Woodside had one Tier 1 and one Tier 2 loss of primary containment process safety event in 2018. Woodside delivered a total of 138kt CO_2-e in emissions reductions against baseline. This exceeded our annual target of 115 kt CO_2-e. We remain on track to deliver our target of a 5% reduction against baseline by 2020. The Dow Jones Sustainability Index included Woodside in the World, Asia-Pacific and Australian lead groups and ranked Woodside fifth within our industry.

New Executive Incentive Scheme introduced in 2018

Following a comprehensive review of Woodside's incentive structure, the Executive Incentive Scheme (EIS) was introduced for the 2018 performance year. All executives have transitioned into the scheme and the terms of the CEO's contract have been updated to facilitate the new structure. The new scheme remunerates our executives for delivering outstanding results, whilst avoiding inappropriate remuneration outcomes for under-performance. The EIS has been designed to deliver three key objectives:

EXECUTIVE ENGAGEMENT

+ Enable Woodside to attract and retain executive capability in a globally competitive environment by providing executives with a simple remuneration structure and clear line of sight to how performance is reflected in remuneration outcomes.

ALIGNMENT WITH THE SHAREHOLDER EXPERIENCE

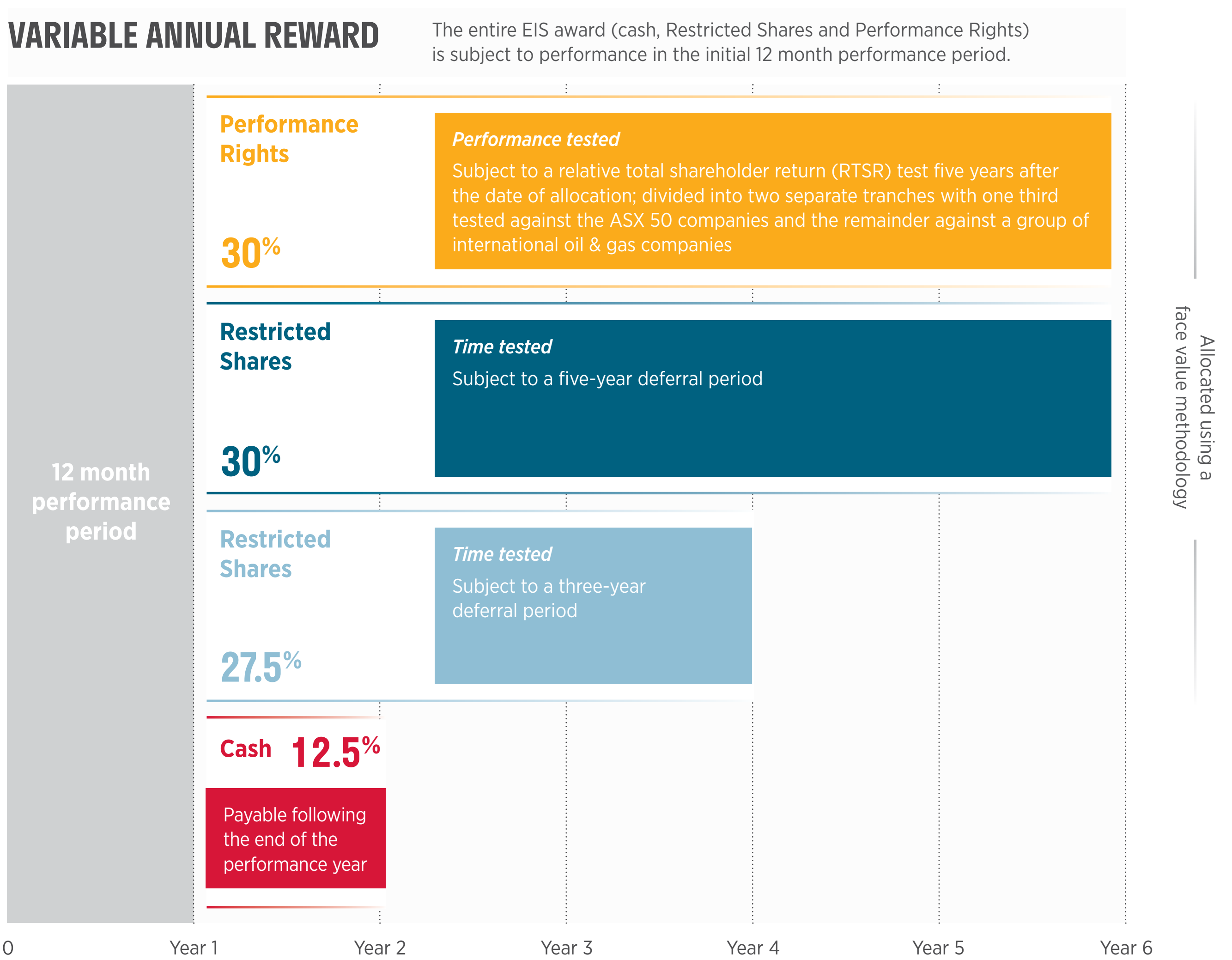
+ 87.5% of the award will be delivered as equity in the form of Restricted Shares or Performance Rights. The Performance Rights are RTSR-tested after five years against comparator groups.

STRATEGIC FIT

+ 60% of the award will have a five-year vesting period, which reflects Woodside's strategic time horizons to drive executives to deliver our strategic objectives with discipline and collaboration and in turn create shareholder value.

The scheme delivers a single combined award to executives which is linked to annual individual and corporate performance, designed to be simple and transparent. We have considerably reduced the variable cash opportunity for executives with a significant proportion of the award allocated in equity whilst introducing extended deferral periods which align to our strategic horizons of delivery. Awards under the EIS will be granted for the first time in 2019 based on performance against the corporate scorecard and individual KPIs set for the 2018 performance year.

The Board has strong oversight and governance to ensure that appropriate, challenging and stretch targets are set to ensure the clear link between performance and reward. The Board has overriding discretion to adjust outcomes in line with shareholder experience and company or management performance.



Calculation of award

An executive's award will be based upon two equally weighted components; individual performance against challenging KPIs and the company's performance against the corporate scorecard. This results in an individual performance factor (IPF) which ranges from 0 to 1.6 for executive KMP. These targets are designed to promote short- and long-term shareholder value. Performance against individual KPIs is assessed by the Board in the case of the CEO, and by the CEO and the Human Resources & Compensation Committee in the case of other executive KMP. Meeting these targets means the CEO and executive KMP are eligible for their target EIS allocation, subject to individual performance. Exceeding targets may result in an increase to award, whereas under performance will result in a reduction in award. The minimum award that an executive can receive is zero if the initial performance conditions are not achieved. The decision to pay or allocate any EIS award is subject to the overriding discretion of the Board, which may adjust outcomes in order to better reflect shareholder expectations, and company or management performance.

EQUALLY WEIGHTED

INDIVIDUAL KPIs + CORPORATE PERFORMANCE = IPF

See page 83 for details of the CEO's individual KPIs and page 85 for other executive KMP.

Restricted Shares

The Restricted Shares are divided into two tranches. The first tranche is 27.5% of the award and subject to a three-year deferral period. The second tranche is 30% of the award and subject to a five-year deferral period. There are no further performance conditions attached to these awards. This element creates a strong retention proposition for executives as vesting is subject to employment not being terminated with cause or by resignation during the deferral period. The deferral ensures that awards remain subject to fluctuations in share price across the three and five-year periods, which is intended to reflect the sustainability of performance over the medium- and long-term and support increased alignment between executives and shareholders.

Performance Rights

The Performance Rights are divided into two portions with each portion subject to a separate RTSR performance hurdle tested over a five-year period. Performance is tested after five years as Woodside operates in a capital intensive industry with long investment timelines. It is imperative that executives take decisions in the long-term interest of shareholders, focused on value creation across the commodity price cycles of the oil and gas industry. Our view is that RTSR is the best measure of long-term value creation across the commodity price cycle of our industry.

One-third of the Performance Rights will be tested against a comparator group that comprises the entities within the ASX 50 index at 1 December 2018. The remaining two-thirds will be tested against an international group of oil and gas companies, set out in Table 12 on page 92.

RTSR outcomes are calculated by an external adviser on or after the fifth anniversary of the allocation of the Performance Rights. The outcome of the test is measured against the schedule below. For EIS awards, any Performance Rights that do not vest will lapse and are not retested.

Woodside RTSR percentile position within peer group	Vesting of Performance Rights
Less than 50th percentile	no vesting
Equal to 50th percentile	50% vest
Equal to or greater than 75th percentile	100% vest

Vesting between the 50th and 75th percentile points is on a pro rata basis.

Target variable opportunity for 2018

Each executive is given a target VAR opportunity and a maximum VAR opportunity which is a percentage of the executive's FAR. The opportunities for 2018 are outlined below.

Position	Minimum opportunity	Target opportunity (% of FAR)	Maximum opportunity (% of FAR)
CEO	Zero	200	300
Executive KMP		160	256

CEO target remuneration

FIXED REWARD — VARIABLE REWARD

33% | 67%

Executive KMP target remuneration

FIXED REWARD — VARIABLE REWARD

38% | 62%

CEO and executive KMP remuneration structure

Woodside's remuneration structure for the CEO and executive KMP is now comprised of two components; fixed remuneration and variable reward.

FIXED ANNUAL REWARD

+ Based upon the scope of the executive's role and their individual level of knowledge, skill and experience.
+ Benchmarked for competitiveness against domestic and international peers to enable the company to attract and retain superior executive capability.

VARIABLE ANNUAL REWARD

+ Executives are eligible to receive a single variable reward linked to challenging individual and company annual targets set by the Board.
+ 12.5% of the variable reward is paid in cash.
+ 27.5% is allocated in Restricted Shares, subject to a three-year deferral period.
+ 30% is allocated in Restricted Shares, subject to a five-year deferral period.
+ 30% is allocated in Performance Rights which are subject to a RTSR test five years after the date of grant; divided into two separate tranches with one-third tested against a comparator group that comprises the ASX 50 and the remaining two-thirds against a group of international oil and gas companies determined by the Board.

MINIMUM SHAREHOLDING REQUIREMENTS (MSR)

The Board introduced a MSR policy for executive KMP to reflect the long-term focus of management and further strengthen alignment with shareholders. The policy requires executive KMP to have acquired and maintained Woodside shares for a minimum total purchase price of at least 100% of their fixed remuneration after a period of five years and in the case of the CEO a minimum of 200% of fixed remuneration.

Table 3 – Key VAR features

Allocation methodology	Restricted Shares and Performance Rights will be allocated using a face value allocation methodology. The number of Restricted Shares and Performance Rights is calculated by dividing the deferred value by the volume weighted average price (VWAP) each year.
Dividends	Executives are entitled to receive dividends on Restricted Shares. No dividends are paid on Performance Rights prior to vesting. For Performance Rights that do vest, a dividend equivalent payment will be paid by Woodside for the period between allocation and vesting.
Clawback provisions	The Board has the discretion to reduce unvested entitlements including where an executive has acted fraudulently or dishonestly or is found to be in material breach of their obligations, there is a material misstatement or omission in the financial statements or the Board determines that circumstances have occurred that have resulted in an unfair benefit to the executive.
Control event	The Board has the discretion to determine the treatment of any EIS award on a change of control event. If a change of control occurs during the 12-month performance period, an executive will receive at least a pro-rata cash payment in respect of the unallocated cash and Restricted Share components of the EIS award for that year, assessed at target. If a change of control occurs during the vesting period for equity awards, Restricted Shares will vest in full whilst Performance Rights may, at the discretion of the Board, vest on an at least pro-rata basis.
Cessation of employment	During a Performance Period, should an executive provide notice of resignation or be terminated for cause, no EIS award will be provided. In any other case, Woodside will have regard to performance against target and the portion of the performance period elapsed in determining the form of any EIS award. During a Vesting Period, should an executive provide notice of resignation or be terminated for cause, any EIS award will be forfeited or lapse. In any other case, any Restricted Shares will vest in full from a date determined by the Board whilst any Performance Rights will remain on foot and vest in the ordinary course subject to the satisfaction of applicable conditions. The Board will have discretion to accelerate the vesting of unvested equity awards, subject to termination benefits laws.
No retesting	There will be no retest applied to EIS awards. Performance Rights will lapse if the required RTSR performance is not achieved at the conclusion of the five-year period.

CEO and executive KMP KPIs and outcomes for 2018

CEO KPIs and outcomes

FAR

In February 2018, Woodside conducted a review of the CEO's remuneration. This review took into account the changes to the CEO's incentive structure alongside the CEO's individual and company performance together with comparative data against a defined peer group. This supported the Board's decision to award the CEO an increase of 7.9% in April 2018.

VAR

For 2018, the individual performance of the CEO was reviewed by the Board against five equally weighted measures. These metrics, outlined in Table 4, were chosen because successful performance in each area is a key driver of superior shareholder returns.

At the completion of the year, the Board reviews the CEO's performance for that year. The CEO is given an individual performance score of between 0 and 1.6. The CEO's overall IPF for 2018 was 1.29, resulting in an award of 85.8% of maximum. The 2018 award for the CEO is detailed in Table 6a on page 86.

Table 4 – CEO performance measures

Growth agenda

Objective	2018 outcomes
Assesses the alignment of growth opportunities to shareholder return; portfolio balance; the achievement of challenging business objectives.	Substantial progress achieved against strategic objectives including acquisition of additional equity in Scarborough; commencing FEED activities for Scarborough, Pluto expansion and Senegal; negotiating preliminary agreements to process Browse gas at KGP; commencing Browse concept definition phase; high grading Myanmar prospects through successful drilling campaigns; and completing the equity raising providing funding certainty for growth.

Effective execution

Objective	2018 outcomes
Assesses the maintenance, operation and profitability of existing assets; project delivery to achieve budget, schedule and stated performance; cost reduction; achievement of health, safety and community expectations.	Strong operational performance with increased production, reduced unit production costs and increased gross margin supporting cash flow and increased profit. Production optimised through major NWS maintenance turnaround executed with no recordable incidents, high Pluto reliability, completion of GWF 2 project ahead of schedule and under budget, and Wheatstone producing at above design rates. CO_2-e emissions reductions better than target, TRIR did not meet target but was the second best result on record and high potential incidents were almost halved.

Enterprise capability

Objective	2018 outcomes
Assesses leadership development; workforce planning; executive succession; Indigenous participation and diversity; effective risk identification and management.	Increased executive stewardship of workforce planning to deliver growth objectives while maintaining base business. Continued to build executive capability and gender balance with the appointment of the new Chief Operations Officer (COO). Overall, female participation increased to 30.4% which compares favourably to the industry average of 23.2%. Indigenous participation increased to 3.7%. Continued to advance artificial intelligence and data analytic capability while maintaining focus on critical infrastructure, security and risk management including a focus on opportunities designed to enhance long term resilience to a lower emissions future (e.g. carbon abatement capability, hydrogen assessment).

Table 4 – CEO performance measures (cont.)

Culture and reputation

Objective	2018 outcomes
Assesses performance culture and emphasis on values; engagement and enablement; improved employee climate; Woodside's brand as a partner of choice.	Introduced a new integrated cultural framework incorporating values, safety, risk and compliance and piloted pulse checks to measure cultural health on a regular basis. Workplace climate and collaboration enhanced through new Mia Yellagonga headquarters. Positive contribution to host communities through A$17.7 million social investment, and meeting or exceeding most annual Reconciliation Action Plan targets. Progressed Human Rights Policy implementation plan, including supply chain management framework.

Shareholder focus

Objective	2018 outcomes
Assesses whether decisions are made with a long-term shareholder return focus; efficient and timely communication to shareholders, market analysts and fund managers; the focus on shareholder return throughout the organisation.	The CEO drove a disciplined approach to managing capital efficiency allowing the optimisation of growth projects while maintaining base business operating cash flows and balancing corporate gearing.

CEO actual remuneration

FIXED REWARD	VARIABLE REWARD
28%	72%

2018 Vesting

P Coleman	Shares
2014 deferred short-term award vested on 20 February 2018	45,334
2013 long-term award had a partial vesting of 65% on 5 March 2018 including an adjustment due to the Retail Entitlement Offer	103,051
2012 long-term award had a partial vesting of 14% on 5 March 2018 including an adjustment due to the Retail Entitlement Offer	14,097

Executive KMP KPIs and outcomes

FAR

In January 2018, Woodside conducted a review of executive KMP remuneration based on benchmarking data against a defined peer group alongside consideration of executive performance and role accountabilities. This review confirmed that executive KMP remuneration was below market median. This supported the Board's decision to award an on average increase of 2.8% in April 2018.

VAR

For 2018, KPIs were tailored to reflect the individual responsibilities of executives who participate in the EIS. They are chosen to align individual performance with the achievement of Woodside's corporate strategy whilst fostering collaboration and excellence amongst executives.

The Board approved EIS awards to executive KMP based on the scorecard result and their individual performance assessment. As a result, EIS awards for executive KMP ranged from 59% to 88% of maximum and the average EIS award for executive KMP was 75% of maximum. The EIS award for executive KMP is detailed in Table 6a on page 86.

The individual KPIs for each of the executive KMP are shown in Table 5 on page 85.

Table 5 – Individual KPIs for 2018 EIS

Executive KMP	Key performance indicators	2018 performance
Michael Abbott Senior Vice President Corporate and Legal	Stakeholder engagement; continuous disclosure compliance; Code of Conduct and anti-bribery and corruption training; deliver Woodside headquarters project	Successful legal and corporate affairs support for core business and growth activities; corporate reputation plan succesfully executed; new Woodside headquarters delivered under budget and on schedule with smooth startup; managed robust market disclosure practices with no continuous disclosure breaches; training enhanced and delivered to plan.
Sherry Duhe Executive Vice President and Chief Financial Officer	Corporate operating expense; balance sheet strength; credit rating; commercial; contracting and funding support for growth projects	Corporate operating expenditure below budget; successful conclusion of Scarborough equity acquisition; successful execution of funding plan, including equity raising, to support growth; effective commercial and contracting support for Burrup Hub strategy including negotiations to process Browse gas at KGP and contract awards for Scarborough, Senegal and Pluto Train 2 FEED.
Robert Edwardes Executive Vice President Development	Portfolio development; capital expenditure; cost and schedule; portfolio cost competitiveness; Development HSE	GWF 2 project delivered under budget and ahead of schedule; Greater Enfield, Pluto Expansion, Scarborough, Senegal and Browse developments progressed on or ahead of plan; capital expenditure (excluding Scarborough acquisition) below budget; Scarborough, Senegal and Browse cost of supply in line with targets; Development Division TRIR did not achieve target.
Shaun Gregory Executive Vice President Exploration and Chief Technology Officer	Project development; exploration value delivery; data analytics capability; technology delivery	Successfully moved Scarborough and Pluto Expansion into FEED activities and Browse into concept definition stage; review and redirection of exploration focus; two Myanmar gas discoveries; technology initiatives delivered; enhanced data analytics capability; identification of opportunities to enhance resilience to a lower emissions future.
Reinhardt Matisons Executive Vice President Marketing, Trading and Shipping	LNG, oil and domestic gas sales; trading performance; fleet utilisation; progress integrated energy solutions	LNG marketing strategies developed for growth projects; grew domestic gas sales portfolio including long-term agreement with Perdaman for pipeline gas; trading performance and fleet utilisation exceeded targets; joint venture agreement for domestic LNG fuel distribution in the Pilbara.
Meg O'Neill Executive Vice President and Chief Operations Officer	Production, operating expense; unit production costs; Operations HSE performance	Production above target; operating expenditure below budget; unit production costs better than target; instrumental in mid-year turnaround in company's personal safety performance; Operations Division TRIR better than target; emissions reductions better than target; successful commissioning of Pluto pipeline gas facility.

Executive KMP actual remuneration[1]

FIXED REWARD — VARIABLE REWARD

36% — 64%

1. This represents an average of all executive KMPs actual and variable remuneration for 2018.

2018 vestings

	Executive KMP	Shares
2015 WEP Equity Rights vested on 1 October 2018 including an adjustment due to the Retail Entitlement Offer	Mr Abbott	2,323
	Mr Gregory	2,323
	Mr Matisons	2,323
2014 deferred short-term award vested on 20 February 2018	Mr Abbott	4,287
	Mr Edwardes	9,717
	Mr Gregory	5,198
	Mr Loader	7,445
	Mr Matisons	5,324
	Mr Utsler	12,228
2013 long-term award had a partial vesting of 65% on 5 March 2018 including an adjustment due to the Retail Entitlement Offer	Mr Abbott	4,431
	Mr Edwardes	12,988
	Mr Gregory	6,566
	Mr Loader	4,947
	Mr Matisons	6,807
	Mr Utsler	1,100
2012 long-term award had a partial vesting of 14% on 5 March 2018 including an adjustment due to the Retail Entitlement Offer	Mr Abbott	613
	Mr Edwardes	1,115
	Mr Gregory	434
	Mr Matisons	950

Table 6a – Valuation summary of CEO and executive KMP EIS for 2018

Name	Year	Cash[1] $	Restricted Shares[2] *3 year vesting period* $	Restricted Shares[2] *5 year vesting period* $	Performance Rights[3] *5 year vesting period* $	Total EIS $
P Coleman	2018	612,113	1,360,220	1,483,006	851,081	4,306,420
M Abbott	2018	100,721	223,799	244,160	140,121	708,801
S Duhe	2018	144,976	322,164	351,438	201,686	1,020,264
R Edwardes	2018	170,422	378,704	413,118	237,084	1,199,328
S Gregory	2018	123,403	274,206	299,134	171,670	868,413
P Loader[4]	2018	15,063	33,465	36,509	20,952	105,989
R Matisons	2018	108,688	241,513	263,463	151,198	764,862
M O'Neill[5]	2018	139,948	310,980	339,261	194,698	984,887
M Utsler[6]	2018	48,103	106,881	116,609	66,921	338,514

1. Represents the cash incentive earned in the respective year, which is actually paid in the following year. Amounts were translated to US dollars using closing spot rate on 31 December 2018.
2. The number of Restricted Shares allocated was calculated by dividing the amount of the executive's entitlement allocated to restricted shares by the face value of Woodside shares. The USD fair value of Restricted Shares as at their date of grant has been estimated by reference to the closing share price at 31 December 2018. Grant date has been determined to be the date of the Board of Directors approval, being 13 February 2019 and any differences between the estimated fair value at 31 December 2018 to the final fair value will be trued-up in the following 2019 financial year. The fair value is not related to or indicative of the benefit (if any) that an individual executive may ultimately realise should these equity instruments vest.
3. The number of Performance Rights allocated for 2018 was calculated by dividing the amount of the executive's entitlement allocated to performance rights by the face value of Woodside shares. The USD fair value shown above has been estimated at the date of grant based on preliminary modelling. Grant date has been determined to be the date of the Board of Directors' approval, being 13 February 2019 and any differences between the estimated fair value at 31 December 2018 to the final fair value will be trued-up in the following 2019 financial year. The amount listed above is not related to or indicative of the benefit (if any) that an individual executive may ultimately receive should these equity instruments vest.
4. Mr Loader ceased being executive KMP on 28 February 2018 and ceased employment on 30 June 2018.
5. Ms O'Neill commenced employment with Woodside on 1 May 2018.
6. Mr Utsler ceased being executive KMP on 27 April 2018 and ceased employment on 1 November 2018.

Table 6b – Valuation summary of CEO and executive KMP EIP for 2017

Name	Year	STA Cash[1] $	STA Deferred[2] $	LTA[3] $	Total EIP $
P Coleman	2017	1,875,061	850,617	1,263,852	3,989,530
M Abbott	2017	234,046	106,175	84,263	424,484
S Duhe[4]	2017	21,809	9,873	10,468	42,150
R Edwardes	2017	333,532	151,290	160,109	644,931
S Gregory	2017	239,529	108,649	86,229	434,407
P Loader	2017	256,787	116,476	123,265	496,528
R Matisons	2017	184,074	83,483	88,364	355,921
M Utsler	2017	475,262	215,589	171,107	861,958

1. Represents the short-term incentive earned in the respective year, which is actually paid in the following year. Amounts were translated to US dollars using closing spot rate on 31 December 2017.
2. The number of shares allocated under the STA was calculated by dividing the amount of the executive's entitlement by the face value of Woodside shares. The USD fair value of Restricted Shares as at their date of grant has been determined by reference to the share price at acquisition. The fair value is not related to or indicative of the benefit (if any) that an individual executive may ultimately realise should these equity instruments vest.
3. The number of shares allocated under the LTA for 2017 was calculated by dividing the amount of the executive's entitlement by the face value of Woodside shares. The USD fair value shown above has been determined at the date of grant by applying the binomial valuation method combined with a Monte Carlo simulation. The amount listed above is not related to or indicative of the benefit (if any) that individual executives may ultimately receive should these equity instruments vest.
4. Ms Duhe commenced employment with Woodside on 1 December 2017.

Other equity plans

Woodside has a history of providing employees with the opportunity to participate in ownership of shares in the company and using equity to support a competitive base remuneration position, including the legacy Executive Incentive Plan.

Details of prior year allocations are provided in Table 13 on pages 92-94. The terms applying to prior year grants are described in past Woodside Annual Reports.

Executive Incentive Plan (EIP)

The EIP operated as Woodside's executive incentive framework until the end of 2017 when the Board introduced the EIS. The EIP was used to deliver STA and LTA to executive KMP.

Eligible executives could only receive an STA award if their individual annual performance was assessed as acceptable. Participants were then divided into "Pool Groups", with the size of the pool determined by each participant's target STA, and then adjusted based on the corporate scorecard result.

STA made up 30-33% of total target remuneration for executive KMP with no individual maximum STA opportunity because the size of the STA pool varied from year to year depending on performance and other factors.

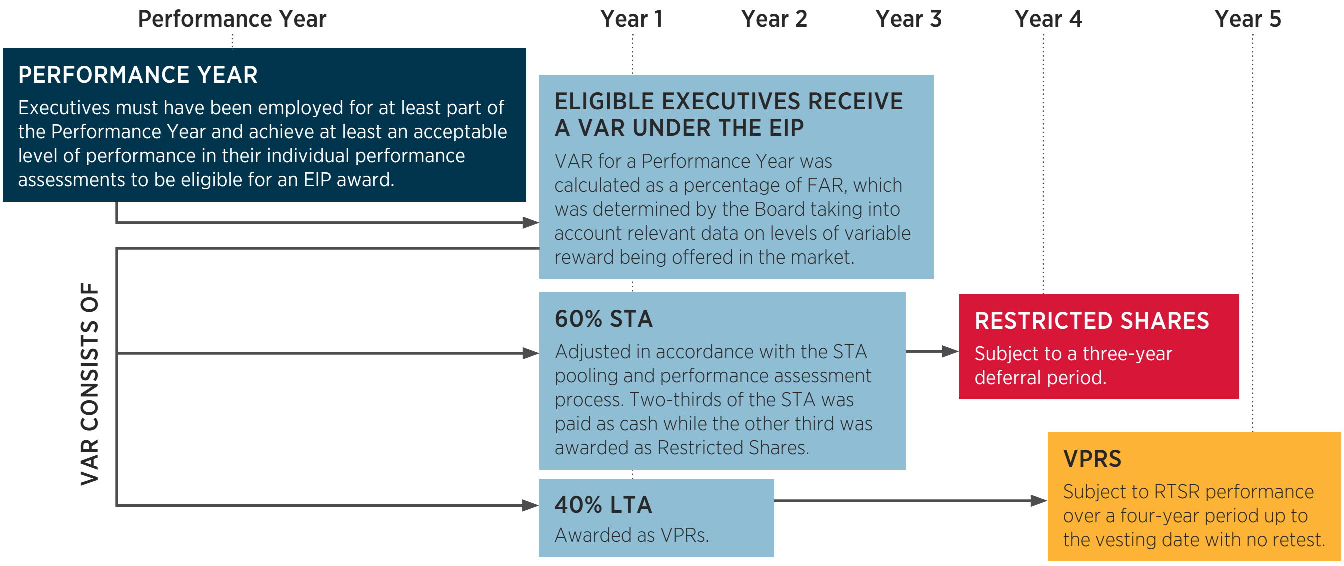
LTA was granted in the form of Variable Pay Rights (VPRs) making up 20-22% of total target remuneration for executive KMP.

The award was divided into two portions with each portion subject to a separate RTSR performance hurdle tested over a four-year period. One-third of the LTA will be tested against a comparator group that comprises of the entities within the ASX 50 index. The remaining two-thirds will be tested against an international group of oil and gas companies.

RTSR outcomes are calculated by an external adviser on the fourth anniversary of the allocation. For 2017 awards, any VPRs that do not vest, will lapse and are not retested. Prior awards of VPRs allowed for a retest at the end of a five-year period.

Table 7 illustrates how EIP awards for executive KMP were allocated, as well as their lifecycle in future years.

Table 7 – Overview of EIP



Details of prior year allocations are provided in Table 13 on pages 92-94.

CEO STA & LTA

The CEO's incentive arrangements are governed by his contract of employment. For previous years the CEO's STA award was determined by multiplying the CEO's FAR by the corporate scorecard result and the CEO's individual performance factor as determined by the Board. Two-thirds of the award was paid in cash with the remaining third delivered as a deferred equity award of Restricted Shares, subject to an overall cap of two times FAR.

For 2017, the LTA opportunity was set at 133% of his FAR. The entitlement was allocated at face value and in the form of VPRs and divided into two portions with each subject to a separate RTSR performance hurdle tested over a four year period with no retest. One- third of the LTA will be tested against a comparator group that comprises the entities within the ASX 50 index. The remaining two-thirds will be tested against an international group of oil and gas companies.

Details of prior year allocations are provided in Table 13 on pages 92-94.

Woodside Equity Plan (WEP)

The WEP is available to all permanent employees, but since 1 January 2018 has excluded EIS participants. The purpose of the WEP is to enable eligible employees to build up a holding of equity in the company as they progress through their career at Woodside.

The number of Equity Rights (ERs) offered to each eligible employee is determined by the Board, and based on individual performance as assessed under the performance review process. There are no further ongoing performance conditions. The linking of performance to an allocation allows Woodside to recognise and reward eligible employees for high performance.

Each ER entitles the participant to receive a Woodside share on the vesting date three years after the effective grant date.

Supplementary Woodside Equity Plan (SWEP)

In October 2011, the Board approved a remuneration strategy which includes the use of equity to support a competitive base remuneration position. To this end, the Board approved the establishment of the SWEP to enable the offering of targeted retention awards of ERs for key capability. The SWEP was designed to be offered to a small number of employees identified as being retention critical. The SWEP awards have service conditions and no performance conditions. Each ER entitles the participant to receive a Woodside share on the vesting date three years after the effective grant date.

There were no allocations under the SWEP in 2018. Table 13 on pages 92-94 includes a summary of executive KMPs interests in ERs.

ERs under both the WEP and the SWEP may vest prior to the vesting date on a change of control or on a pro-rata basis, at the discretion of the CEO, limited to the following circumstances; redundancy, retirement (after six months' participation), death, termination due to illness or incapacity or total and permanent disablement of a participating employee. An employee whose employment is terminated by resignation or for cause prior to the vesting date will forfeit all of their ERs.

Equity awards

In February 2018, the Board approved the equity award rules which apply to EIS and discretionary executive allocations. This allows the Board and CEO to award discretionary allocations of Restricted Shares or Performance Rights.

An award of 133,366 Restricted Shares was made to Ms Meg O'Neill upon commencement of employment with Woodside on 1 May 2018 to recognise certain rights that were forfeited with her prior employer. The Restricted Shares will vest in three tranches on each of 1 May 2019, 1 May 2021 and 1 May 2023, subject to Ms O'Neill not resigning or being terminated for cause prior to the vesting date. No further vesting conditions were attached. Further details are set out in Table 13 on page 92-94.

Contracts for executive KMP

All executive KMP have a contract of employment. Table 8 below contains a summary of the key contractual provisions of the contracts of employment for the executive KMP.

Table 8 – Summary of contractual provisions for executive KMP

	Employing company	Contract Duration	Termination notice period company[1, 2]	Termination notice period executive
P Coleman	Woodside Petroleum Ltd	Unlimited	12 months	6 months
M Abbott	Woodside Energy Ltd	Unlimited	6 months	3 months
S Duhe	Woodside Energy Ltd	Unlimited	6 months	6 months
R Edwardes	Woodside Energy Ltd	Fixed term contract until 31 December 2019	6 months	6 months
S Gregory	Woodside Energy Ltd	Unlimited	6 months	3 months
R Matisons	Woodside Energy Ltd	Unlimited	12 months	6 months
M O'Neill	Woodside Energy Ltd	Unlimited	6 months	3 months

1. Termination provisions – Woodside may choose to terminate the contract immediately by making a payment in lieu of notice equal to the fixed remuneration the executive would have received during the 'Company Notice Period'. In the event of termination for serious misconduct or other nominated circumstances, executives are not entitled to this termination payment. Any payments made in the event of a termination of an executive contract will be consistent with the *Corporations Act 2001*.
2. On termination of employment, executives will be entitled to the payment of any fixed remuneration calculated up to the termination date, any leave entitlement accrued at the termination date and any payment or award permitted under the EIP and Equity Award Rules. Executives are restrained from certain activities for specified periods after termination of their employment in order to protect Woodside's interests.

Non-executive directors (NEDs)

Remuneration Policy

Woodside's Remuneration Policy for NEDs aims to attract, retain, motivate and to remunerate fairly and responsibly having regard to:

+ the level of fees paid to NEDs relative to other major Australian companies
+ the size and complexity of Woodside's operations
+ the responsibilities and work requirements of Board members.

Fees paid to NEDs are recommended by the HR&C Committee based on benchmarking from external remuneration consultants, and determined by the Board, subject to an aggregate limit of A$3.75 million per financial year, which was approved by shareholders at the 2014 AGM.

The minimum shareholding requirements for NEDs was reviewed in 2018. NEDs are now required to have acquired shares for a total purchase price of at least 100% of their pre-tax annual fee after five years on the Board. The NEDs may utilise the Non-Executive Directors' Share Plan (NEDSP) to acquire the shares on market at market value. As the shares are acquired with net fees the shares in the NEDSP are not subject to any forfeiture conditions.

NEDs remuneration structure

NEDs remuneration consists of base Board fees and committee fees, plus statutory superannuation contributions or payments in lieu (currently 9.5%). Other payments may be made for additional services outside the scope of Board and committee duties. NEDs do not earn retirement benefits other than superannuation and are not entitled to any form of performance-linked remuneration.

Table 9 below shows the annual base Board and committee fees for NEDs.

In addition to these fees, NEDs are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred attending meetings of the Board, committees or shareholders, or while engaged on Woodside business. NEDs are not entitled to compensation on termination of their directorships.

Effective 1 January 2019 an allowance is paid to any NED required to travel internationally to attend Board commitments, compensating for factors related to long-haul travel. Where travel is between six and ten hours, an allowance of $5,000 gross per trip is paid. Where travel exceeds 10 hours, an allowance of $10,000 gross per trip is paid.

Board fees are not paid to the CEO, as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of the normal employment conditions.

The total remuneration paid to, or in respect of, each NED in 2018 is set out in Table 14 on page 95.

Table 9 – Annual base Board and committee fees for NEDs

Position	Board[1]	Audit & Risk Committee	Human Resources & Compensation Committee	Sustainability Committee	Nominations Committee
	A$	A$	A$	A$	A$
Chairman of the Board[2]	723,300[4]				
Non-executive directors[3]	212,700[4]				
Committee chair		56,000[4]	52,000[5]	47,400[4]	Nil
Committee member		27,900[4]	26,500[5]	23,700[4]	Nil

1. NEDs receive Board and committee fees plus statutory superannuation (or payments in lieu for overseas based NEDs).
2. Inclusive of committee work.
3. Board fees paid to NEDs other than the Chairman.
4. Annual fee from 1 July 2014.
5. Annual fee from 1 July 2018.

Human Resources & Compensation Committee

The Committee assists the Board to determine appropriate remuneration policies and structures for NEDs and executives. Further information on the role of the Committee is described in section 3.4 of the Corporate Governance Statement, available on Woodside's website.

Use of remuneration consultants

The Committee directly engages independent external advisers to provide input to the process of reviewing NEDs and executive remuneration. The Committee may receive executive remuneration advice directly from external independent remuneration consultants. Table 10 below shows the fees payable to independent external remuneration consultants during 2018.

Under communications and engagement protocols adopted by the company, the market data reports were provided directly to the Committee Chair, and the consultants provided a statement to the Committee that the reports had been prepared free of undue influence from executive KMP. The Committee had full oversight of the review process and therefore it, and the Board, were satisfied that the work undertaken by PricewaterhouseCoopers was free from undue influence by executive KMP.

Table 10 – Fees paid to remuneration consultants

Remuneration consultant	Services provided	Fees
PricewaterhouseCoopers	Remuneration benchmarking and modelling for the EIS	A$184,609 (ex GST)
	Remuneration benchmarking for the 2018 NED fee review	A$15,000 (ex GST)
	Remuneration benchmarking for the 2018 CEO remuneration review	A$25,500 (ex GST)

PricewaterhouseCoopers provided other services to Woodside including provision of taxation advice and general financial and business consulting which resulted in a total of A$3,967,077 fees paid by Woodside.

Reporting notes

Reporting in United States dollars

In this report, the remuneration and benefits reported have been presented in US dollars, unless otherwise stated. This is consistent with the functional and presentation currency of the company.

Compensation for Australian-based employees and all executive KMP is paid in Australian dollars and, for reporting purposes, converted to US dollars based on the applicable exchange rate at the date of payment. Valuation of equity awards is converted at the spot rate applying when the equity award is granted.

Statutory tables

Table 11 - Compensation of executive KMP for the year ended 31 December 2018 and 2017

		Fixed Annual Reward			Variable Annual Reward						
		Short-term		Post	Cash	Share based payments					
		Salaries, fees and allowances	Benefits and allowances (including non-monetary)[1]	Company contributions to superannuation	Cash[2]	Share plans[3]	Long service leave	Termination benefits	Total remuneration[4]		Performance related[5]
		$	$	$	$	$	$	$	$	A$	%
P Coleman Chief Executive Officer	2018	1,964,585	44,260	15,149	612,113	3,755,729	147,126	-	6,538,962	8,807,377	67
	2017	1,893,748	51,310	15,197	1,875,061	3,994,496	84,293	-	7,914,105	10,266,600	74
M Abbott Senior Vice President Corporate and Legal	2018	430,015	17,060	14,569	100,721	322,263	25,153	-	909,781	1,226,641	46
	2017	349,823	17,049	92,801	234,046	270,277	19,760	-	983,756	1,281,013	51
S Duhe Executive Vice President and Chief Financial Officer[6,7]	2018	628,922	35,984	7,544	144,976	279,663	15,482	-	1,112,571	1,501,811	38
	2017	197,922	78,528	-	21,809	9,186	1,238	-	308,683	402,986	10
R Edwardes, Executive Vice President Development[8]	2018	790,884	27,563	15,149	170,422	951,554	41,206	-	1,996,778	2,688,150	56
	2017	807,124	17,532	15,197	333,532	688,578	28,686	-	1,890,649	2,456,444	54
S Gregory Senior Vice President and Chief Technology Officer	2018	532,588	19,062	15,149	123,403	393,253	121,145	-	1,204,600	1,623,340	43
	2017	444,512	17,003	15,197	239,529	339,217	23,788	-	1,079,246	1,409,030	54
P Loader Executive Vice President Global Exploration[7,9,10]	2018	360,299	7,102	-	15,063	349,044	(88,098)	21,012	664,422	853,388	55
	2017	681,242	41,783	-	256,787	681,840	21,031	-	1,682,683	2,186,728	56
R Matisons Executive Vice President Marketing, Trading and Shipping	2018	469,000	19,746	12,977	108,688	357,139	17,299	-	984,849	1,327,826	47
	2017	385,171	23,336	79,248	184,074	323,310	20,692	-	1,015,831	1,325,726	50
M O'Neill Executive Vice President and Chief Operations Officer[7,11]	2018	846,751	129,600	11,531	139,948	1,407,427	15,666	-	2,550,923	3,497,641	61
	2017	-	-	-	-	-	-	-	-	-	-
M Utsler Executive Vice President and Chief Operations Officer[7,12,13]	2018	873,307	13,869	-	48,103	829,668	(116,234)	153,035	1,801,748	2,352,842	49
	2017	1,026,372	22,006	-	475,262	828,789	30,656		2,383,085	3,094,964	55

1. Reflects the value of allowances and non-monetary benefits (including relocation, travel, health insurance, car parking and any associated fringe benefit tax).
2. The amount represents the cash earned in the respective year, which is actually paid in the following year. Amounts were translated to USD using closing spot rate on 31 December 2018.
3. 'Share plan' incorporates all equity based plans. In accordance with the requirements of AASB 2 Share-based Payment, the fair value of rights as at their date of grant has been determined by applying the Black-Scholes option pricing technique or applying the binomial valuation method combined with a Monte Carlo simulation. The fair value of rights is amortised over the vesting period from the commencement of the service period, such that 'total remuneration' includes a portion of the fair value of unvested equity compensation during the year. The portion of the expense relating to the 2018 EIS has been measured using estimated fair values as disclosed in footnotes 2 and 3 in Table 6a. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual executives may ultimately realise should these equity instruments vest.
4. The total remuneration in AUD is converted from USD using exchange rates on the date of each transaction. This non-IFRS information is included for the purposes of showing the total annual cost of benefits to the company in Australian dollars for the service period.
5. Performance related outcomes are calculated using the USD total remuneration figure.
6. Ms Duhe commenced with Woodside on 1 December 2017.
7. As non-residents for Australian tax purposes Ms Duhe, Mr Loader, Ms O'Neill and Mr Utsler have elected to receive a cash payment in lieu of all superannuation contributions, in accordance with the Superannuation Guarantee (Administration) Act 1992. The cash payment is subject to (PAYG) income tax and paid as part of their normal monthly salary. The amount is included in salaries, fees and allowances.
8. Mr Edwardes' 2015, 2016, 2017 and 2018 share based payment amortisation expenses have been accelerated based on his contract end date of 31 December 2019.
9. Mr Loader's 2014, 2015, 2016, 2017 and 2018 share based payment amortisation expenses have been accelerated based on his contract end date of 30 June 2018.
10. Mr Loader ceased being executive KMP on 28 February 2018 and ceased employment 30 June 2018. Includes $306,774 of salaries, fees and allowances received by Mr Loader for the period of 1 March 2018 to 30 June 2018 whilst he was on gardening leave.
11. Ms O'Neill commenced with Woodside on 1 May 2018.
12. Mr Utsler's 2014, 2015, 2016, 2017 and 2018 share based payment amortisation expenses have been accelerated based on his contract end date of 1 November 2018.
13. Mr Utsler ceased being executive KMP on 27 April 2018 and ceased employment on 1 November 2018. Includes $688,104 of salaries, fees and allowances received by Mr Utsler for the period of 28 April 2018 to 1 November 2018 whilst he was on gardening leave.

Table 12 - Peer group of international oil and gas companies

Anadarko Petroleum Corporation
Apache Corporation
ConocoPhillips
Hess Corporation
Inpex Corporation
Kosmos Energy
Marathon Oil Company
Murphy Oil Corporation
Noble Energy
Oil Search Limited
Origin Energy Limited
Santos Ltd
Tullow Oil PLC

Table 13 – Summary of CEO and executive KMPs allocated, vested or lapsed equity

Name	Type of equity[1]	Grant date	Allocation date	Vesting date[2,3]	Awarded but not vested	Vested in 2018	% of total vested	Lapsed in 2018	Fair value of equity[4,5,13]
P Coleman	Restricted Shares	1 January 2014	20 February 2015	20 February 2018	45,334	45,334	100	-	34.80
	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	47,905	-	-	-	31.15
	Restricted Shares	16 December 2016	27 February 2017	27 February 2019	48,225	-	-	-	22.73
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	48,225	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	37,822	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	61,660	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	67,226	-	-	-	22.06
	RTSR Tested VPRs	1 January 2012	22 February 2013	5 March 2018	99,822[6]	14,097	14	85,725	15.90
	RTSR Tested VPRs	1 January 2013	21 February 2014	21 February 2018	158,540[6]	103,051	65	-	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	169,022[6]	-	-	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	155,402[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	106,067[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	104,797	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	67,226	-	-	-	12.66
M Abbott[7]	Restricted Shares	1 January 2014	20 February 2015	20 February 2018	4,287	4,287	100	-	34.80
	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	4,788	-	-	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	5,339	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	4,721	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	10,145	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	11,068	-	-	-	22.06
	RTSR Tested VPRs	1 January 2012	22 February 2013	5 March 2018	4,349[6]	613	14	3,736	15.90
	RTSR Tested VPRs	1 January 2013	21 February 2014	21 February 2018	6,818[6]	4,431	65	-	20.77
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	9,521[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,017[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	6,987	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	11,068	-	-	-	12.66
	WEP Equity Rights	1 October 2015	-	1 October 2018	2,323[6]	2,323	100	-	18.07
	WEP Equity Rights	1 October 2017	-	1 October 2020	1,161[6]	-	-	-	20.33

Table 13 – Summary of CEO and executive KMPs allocated, vested or lapsed equity (cont.)

Name	Type of equity[1]	Grant date	Allocation date	Vesting date[2,3]	Awarded but not vested	Vested in 2018	% of total vested	Lapsed in 2018	Fair value of equity[4,5,13]
S Duhe[8]	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	439	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	14,604	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	15,931	-	-	-	22.06
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	868	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	15,931	-	-	-	12.66
	SWEP Equity Rights	1 December 2017	-	1 December 2020	15,153[6]	-	-	-	21.26
R Edwardes	Restricted Shares	1 January 2014	20 February 2015	20 February 2018	9,717	9,717	100	-	34.80
	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	10,507	-	-	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	9,658	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	6,727	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	17,167	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	18,727	-	-	-	22.06
	RTSR Tested VPRs	1 January 2012	22 February 2013	5 March 2018	7,900[6]	1,115	14	6,785	15.90
	RTSR Tested VPRs	1 January 2013	21 February 2014	21 February 2018	19,981[6]	12,988	65	-	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	21,292[6]	-	-	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	19,576[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	13,361[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	13,276	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	18,727	-	-	-	12.66
S Gregory	Restricted Shares	1 January 2014	20 February 2015	20 February 2018	5,198	5,198	100	-	34.80
	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	6,218	-	-	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	7,038	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	4,831	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	12,430	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	13,560	-	-	-	22.06
	RTSR Tested VPRs	1 January 2012	22 February 2013	5 March 2018	3,079[6]	434	14	2,645	15.90
	RTSR Tested VPRs	1 January 2013	21 February 2014	21 February 2018	10,101[6]	6,566	65	-	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	11,391[6]	-	-	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	10,472[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,148[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	7,150	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	13,560	-	-	-	12.66
	WEP Equity Rights	1 October 2015	-	1 October 2018	2,323[6]	2,323	100	-	18.07
	WEP Equity Rights	1 October 2017	-	1 October 2020	1,747[6]	-	-	-	20.33
P Loader[9]	Restricted Shares	1 January 2014	20 February 2015	20 February 2018	7,445	7,445	100	-	34.80
	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	8,051	-	-	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	10 July 2018	8,787	8,787	100	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	10 July 2018	5,179	5,179	100	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	1,517	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	1,655	-	-	-	22.06
	RTSR Tested VPRs	1 January 2013	21 February 2014	21 February 2018	7,611[6]	4,947	65	-	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	16,314[6]	-	-	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	15,000[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	10,238[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	10,221	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	1,655	-	-	-	12.66

Table 13 – Summary of CEO and executive KMPs allocated, vested or lapsed equity (cont.)

Name	Type of equity[1]	Grant date	Allocation date	Vesting date[2,3]	Awarded but not vested	Vested in 2018	% of total vested	Lapsed in 2018	Fair value of equity[4,5,13]
R Matisons[10]	Restricted Shares	1 January 2014	20 February 2015	20 February 2018	5,324	5,324	100	-	34.80
	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	5,541	-	-	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	27 February 2020	5,583	-	-	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	20 February 2021	3,712	-	-	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	10,948	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	11,943	-	-	-	22.06
	RTSR Tested VPRs	1 January 2012	22 February 2013	5 March 2018	6,732[6]	950	14	5,782	15.90
	RTSR Tested VPRs	1 January 2013	21 February 2014	21 February 2018	10,473[6]	6,807	65	.	20.77
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	10,797[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	7,368[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	7,327	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	11,943	-	-	-	12.66
	WEP Equity Rights	1 October 2015	-	1 October 2018	2,323[6]	2,323	100	-	18.07
	WEP Equity Rights	1 October 2017	-	1 October 2020	1,161[6]	-	-	-	20.33
M O'Neill[11]	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	14,097	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	15,379	-	-	-	22.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	15,379	-	-	-	12.66
	Restricted Shares	1 May 2018	1 May 2018	1 May 2019	59,270	-	-	-	24.45
	Restricted Shares	1 May 2018	1 May 2018	1 May 2021	37,048	-	-	-	24.45
	Restricted Shares	1 May 2018	1 May 2018	1 May 2023	37,048	-	-	-	24.45
M Utsler[12]	Restricted Shares	1 January 2014	20 February 2015	20 February 2018	12,228	12,228	100	-	34.80
	Restricted Shares	1 January 2015	19 February 2016	19 February 2019	10,876	-	-	-	31.15
	Restricted Shares	1 January 2016	27 February 2017	1 November 2018	13,673	13,673	100	-	20.88
	Restricted Shares	1 January 2017	20 February 2018	1 November 2018	9,586	9,586	100	-	22.49
	Restricted Shares	13 February 2019	19 February 2019	19 February 2022	4,845	-	-	-	22.06
	Restricted Shares	13 February 2019	19 February 2019	19 February 2024	5,286	-	-	-	22.06
	RTSR Tested VPRs	1 January 2013	21 February 2014	21 February 2018	1,692[6]	1,100	65	-	20.77
	RTSR Tested VPRs	1 January 2014	20 February 2015	20 February 2019	21,435[6]	-	-	-	17.45
	RTSR Tested VPRs	1 January 2015	19 February 2016	19 February 2020	19,707[6]	-	-	-	17.39
	RTSR Tested VPRs	1 January 2016	27 February 2017	27 February 2021	14,199[6]	-	-	-	12.05
	RTSR Tested VPRs	1 January 2017	20 February 2018	20 February 2022	14,188	-	-	-	12.06
	Performance Rights	13 February 2019	19 February 2019	19 February 2024	5,286	-	-	-	12.66

1. For valuation purposes all VPRs and equity rights are treated as if they will be equity settled.
2. Vesting date and exercise date are the same. Vesting is subject to satisfaction of vesting conditions. Full details of the vesting conditions for all prior year equity grants to executive KMP are included in the remuneration report for the relevant year. The minimum total value of the grants for future financial years is nil if relevant vesting conditions are not satisfied. An estimate of the maximum possible total value in future financial years is the fair value at grant date multiplied by the number of equity instruments awarded.
3. Any RTSR-tested VPRs allocated prior to 2017 that do not vest as a result of the first test will be re-tested over a five year performance period. RTSR-tested VPRs allocated in 2017 and performance rights will not be re-tested. The second test date for earlier VPR allocations is one year after the vesting date listed in the table.
4. In accordance with the requirements of AASB 2 Share-based Payment, the fair value of variable pay rights as at their date of grant has been determined by applying the Black-Scholes option pricing technique or binomial valuation method combined with a Monte Carlo simulation. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual executives may ultimately realise should these equity instruments vest.
5. The fair value of Rights and Restricted Shares as at their date of grant has been determined by reference to the share price at acquisition. The fair value is not related to or indicative of the benefit (if any) that individual executives may ultimately realise should these equity instruments vest.
6. The RTSR-tested VPRs allocated for the 2012, 2013, 2014, 2015 and 2016 performance years and the 2015 and 2017 WEP allocations have been updated to include any adjustments made as part of the Retail Entitlement Offer.
7. Mr Abbott did not meet the definition of executive KMP under AASB 124 for years prior to 2015. Previous years' figures are not shown.
8. Ms Duhe commenced employment with Woodside on 1 December 2017.
9. Mr Loader ceased being executive KMP on 28 February 2018 and ceased employment on 30 June 2018.
10. Mr Matisons did not meet the definition of executive KMP under AASB 124 for years prior to 2015. Previous years' figures are not shown.
11. Ms O'Neill commenced employment with Woodside on 1 May 2018.
12. Mr Utsler ceased being executive KMP on 27 April 2018 and ceased employment on 1 November 2018.
13. Fair values for the 2018 EIS with a grant date of 13 February 2019 have been estimated as disclosed in footnotes 2 and 3 of Table 6a.

Table 14 - Total remuneration paid to NEDs in 2018 and 2017

The following table provides a detailed breakdown of the components of remuneration for each of the company's NEDs.

		Short-term	Post employment	
		Cash salary and fees	Pension super	
Non-executive director		Salaries, fees and allowances $	Company contributions to superannuation $	Total $
R Goyder[1]	2018	449,968	14,969	464,937
	2017	69,080	6,507	75,587
M A Chaney[2]	2018	171,227	17,951	189,178
	2017	554,241	52,653	606,894
L Archibald[3]	2018	216,076	-	216,076
	2017	203,850	-	203,850
M A Cilento	2018	213,606	20,293	233,899
	2017	217,467	20,659	238,126
F C Cooper	2018	219,354	20,839	240,193
	2017	224,057	21,285	245,342
C Haynes	2018	216,076	-	216,076
	2017	221,765	-	221,765
I Macfarlane	2018	198,637	15,149	213,786
	2017	203,043	14,852	217,895
A D Pickard	2018	233,162	-	233,162
	2017	234,168	-	234,168
S Ryan	2018	197,329	18,747	216,076
	2017	202,524	19,240	221,764
G Tilbrook	2018	198,375	18,846	217,221
	2017	211,265	18,301	229,566

1. Mr Goyder was appointed as a Director on 1 August 2017 and was appointed Chairman on 20 April 2018.
2. Mr Chaney ceased being Chairman on 19 April 2018.
3. Mr Archibald was appointed as a Director on 1 February 2017.

Table 15 - Executive KMP share and equity holdings

Details of shares held by executive KMP including their personally related entities[1] for the 2018 financial year are as follows:

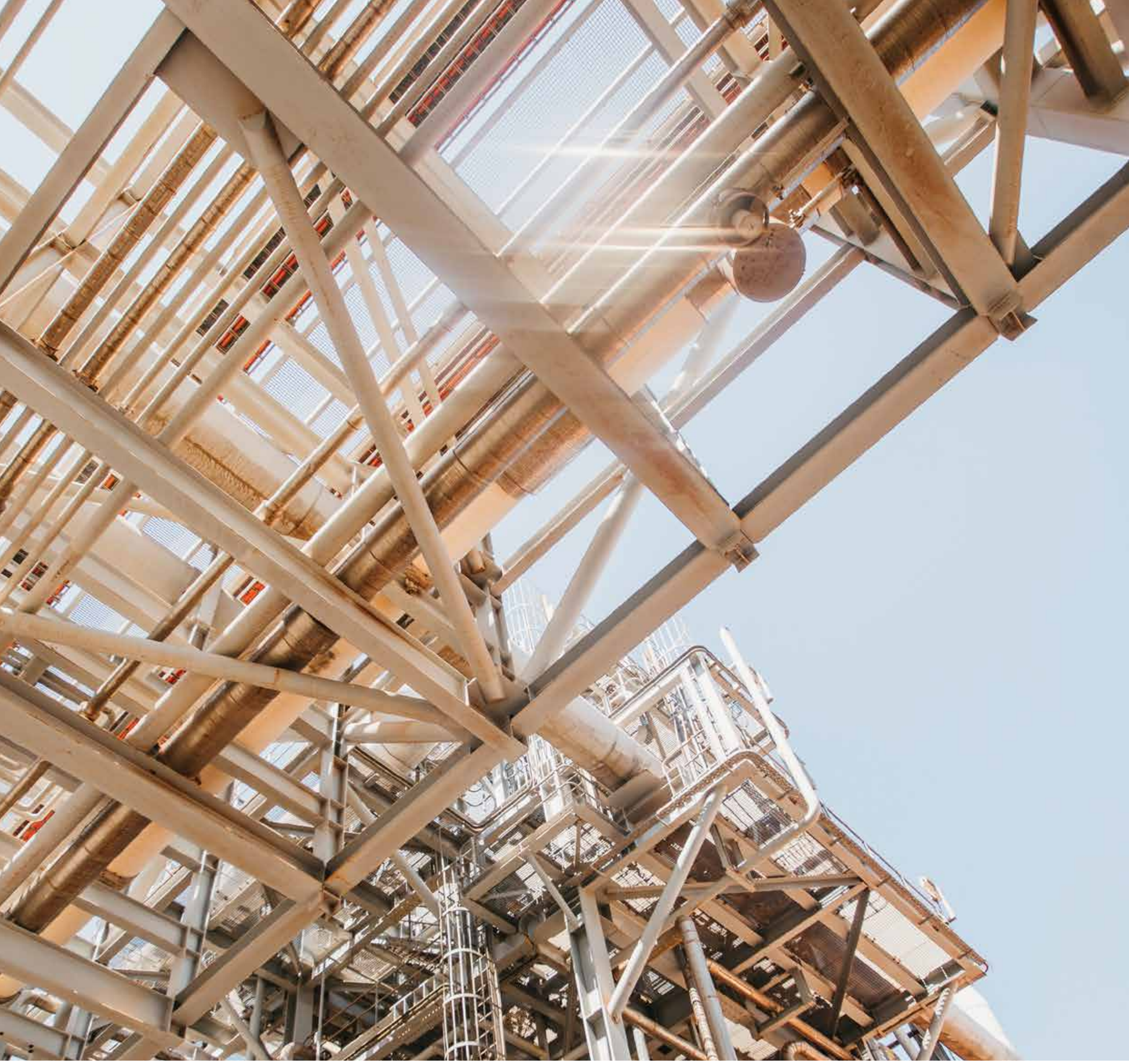
Name	Type of equity	Opening holding at 1 January 2018[2]	NEDSP[3]	Rights allocated in 2018	Rights vested in 2018	Restricted Shares granted	Net changes - other[4]	Closing holding at 31 December 2018[5]
Non-executive Directors								
R Goyder	Shares	12,500	1,744	-	-	-	1,390	15,634
M Chaney[6]	Shares	20,000	-	-	-	-	(20,000)	-
L Archibald	Shares	1,088	1,106	-	-	-	120	2,314
M Cilento	Shares	3,559	944	-	-	-	396	4,899
F Cooper	Shares	6,396	1,133	-	-	-	711	8,240
C Haynes	Shares	7,565	1,106	-	-	-	841	9,512
I MacFarlane	Shares	873	986	-	-	-	97	1,956
A Pickard	Shares	2,376	1,178	-	-	-	264	3,818
S Ryan	Shares	5,748	986	-	-	-	639	7,373
G Tilbrook	Shares	7,153	-	-	-	-	796	7,949
Executives								
P Coleman	Equity Rights	682,766	-	110,884	(117,148)	-	(85,725)	590,777
	Shares	349,443	-	-	117,148	37,822	(38,066)	466,347
M Abbott	Equity Rights	38,111	-	7,334	(7,367)	-	(3,736)	34,342
	Shares	15,996	-	-	7,367	4,721	(5,000)	23,084
S Duhe	Equity Rights	15,000	-	1,021	-	-	-	16,021
	Shares	-	-	-	-	439	-	439
R Edwardes	Equity Rights	81,353	-	14,033	(14,103)		(6,785)	74,498
	Shares	42,244	-	-	14,103	6,727		63,074
S Gregory	Equity Rights	45,824	-	7,587	(9,323)	-	(2,645)	41,443
	Shares	20,754	-	-	9,323	4,831	(7,128)	27,780
P Loader[7]	Equity Rights	48,670	-	10,221	-	-	(58,891)	-
	Shares	37,693	-	-	-	5,179	(42,872)	-
R Matisons	Equity Rights	50,072	-	7,775	(10,080)	-	(5,782)	41,985
	Shares	38,404	-	-	10,080	3,712	(16,496)	35,700
M O'Neill	Equity Rights	-	-	-	-	-	-	-
	Shares	-	-	-	-	133,366	-	133,366
M Utsler[8]	Equity Rights	56,460	-	14,188	(1,089)	-	(69,559)	-
	Shares	51,449	-	-	1,089	9,586	(62,124)	-

1. Personally related entities include a KMP's spouse, dependants or entities over which they have direct control or significant influence.
2. Opening holding represents amounts carried forward in respect of KMP.
3. Related to participation in the Non-executive Directors' Share Plan (NEDSP).
4. For NEDs only (excluding M Chaney), related to participation in the entitlement of one new share for every nine shares held on the record date of 19 February 2018, under the Entitlement Offer announced on 14 February 2018.
5. Closing equity rights holdings represents unvested options and rights held at the end of the reporting period. There are no options and rights vested but unexercised as at 31 December 2018.
6. Mr Chaney ceased being Chairman on 19 April 2018.
7. Mr Loader ceased being KMP on 28 February 2018.
8. Mr Utsler ceased being KMP on 27 April 2018.

Glossary

Key terms used in the Remuneration Report

Term	Meaning
Committee	The Human Resources & Compensation Committee
EIP	The Executive Incentive Plan
EIS	Executive Incentive Scheme
ER	Equity right. ERs are awarded under the WEP and SWEP and each one entitles participants to receive a fully paid share in Woodside on the vesting date (or a cash equivalent in the case of international assignees). No amount is payable by the Executive on the grant or vesting of an ER
Executive	A senior employee whom the Board has determined to be eligible to participate in the EIS
Executive Director	Peter Coleman
Executive KMP	The Executive Director and senior executives listed in Table 1 on page 78
KMP	Key management personnel
KPI	Key performance indicator
LTA	Long-term award
NED	Non-executive director
NEDSP	The Non-executive Director Share Plan
Performance Right	Each Performance Right is a right to receive a fully paid ordinary share in Woodside (or, at the Board's discretion, as cash equivalent). No amount is payable by the Executive on the grant or vesting of a Performance Right
Performance Year	The year to which an EIS award relates
Restricted Shares	Woodside ordinary shares that are awarded to Executives as the deferred component of their STA or as a part of their VAR under the EIS. No amount is payable by the Executive on the grant or vesting of a Restricted Share
RTSR	Relative total shareholder return
Scorecard	A corporate scorecard of key measures that aligns with Woodside's overall business performance
STA	Short-term award
SWEP	The Supplementary Woodside Equity Plan
VAR	Variable Annual Reward
VPR	Variable Pay Right. Each VPR is a right to receive a fully paid ordinary share in Woodside (or, at the Board's discretion, as cash equivalent). No amount is payable by the Executive on the grant or vesting of a VPR
WEP	The Woodside Equity Plan



FINANCIAL STATEMENTS

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Significant changes in the current reporting period

The financial performance and position of the Group were particularly affected by the following events and transactions during the reporting period:

- Wheatstone LNG Train 2 and Greater Western Flank Phase 2 commenced production. Refer to Note A.1 for the assets' results for the period.
- The Company completed an equity raising of 93,706,646 shares at a discounted price of A$27.00 per share. The net proceeds from the equity raising were US$1,949 million. For more details, refer to Note A.4 and C.3.
- The purchase of ExxonMobil's interests in the Scarborough area assets on 29 March 2018, for a total purchase consideration of US$444 million. For more details, refer to Note B.5.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2018

	Notes	2018 US$m	Restated* 2017 US$m
Operating revenue	A.1	**5,240**	3,975
Cost of sales	A.1	**(2,604)**	(1,963)
Gross profit		**2,636**	2,012
Other income	A.1	**79**	16
Other expenses	A.1	**(437)**	(314)
Profit before tax and net finance costs		**2,278**	1,714
Finance income		**33**	10
Finance costs	A.2	**(216)**	(94)
Profit before tax		**2,095**	1,630
Petroleum resource rent tax (PRRT) benefit	A.5	**52**	136
Income tax expense	A.5	**(680)**	(601)
Profit after tax		**1,467**	1,165
Profit attributable to:			
Equity holders of the parent		**1,364**	1,069
Non-controlling interest	E.9	**103**	96
Profit for the period		**1,467**	1,165
Basic and diluted earnings per share attributable to equity holders of the parent (US cents)	A.4	**148.1**	123.4

The accompanying notes form part of the Financial Statements.

**Certain amounts shown here do not correspond to the 2017 Annual Financial Statements, refer to Note E.10(b).*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2018

	2018 US$m	Restated* 2017 US$m
Profit for the period	**1,467**	1,165
Other comprehensive income		
Items that may be reclassified to the income statement in subsequent periods:		
Losses on hedges	**-**	(2)
Tax effect on employee share plans	**(4)**	8
Items that will not be reclassified to the income statement in subsequent periods:		
Remeasurement gains on defined benefit plan	**1**	4
Other comprehensive (loss)/income for the period, net of tax	**(3)**	10
Total comprehensive income for the period	**1,464**	1,175
Total comprehensive income attributable to:		
Equity holders of the parent	**1,361**	1,079
Non-controlling interest	**103**	96
Total comprehensive income for the period	**1,464**	1,175

The accompanying notes form part of the Financial Statements.

**Certain amounts shown here do not correspond to the 2017 Financial Statements, refer to Note E.10(b).*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	Notes	2018 US$m	Restated* 2017 US$m
Current assets			
Cash and cash equivalents	C.1	**1,674**	318
Receivables	D.1	**487**	406
Inventories	D.2	**155**	186
Other financial assets	D.5	**54**	74
Other assets		**31**	27
Non-current assets held for sale	D.7	**10**	-
Total current assets		**2,411**	1,011
Non-current assets			
Receivables	D.1	**208**	155
Other financial assets	D.5	**30**	31
Other assets		**17**	8
Exploration and evaluation assets	B.2	**4,180**	3,530
Oil and gas properties	B.3	**18,881**	19,398
Other plant and equipment		**182**	141
Deferred tax assets	A.5	**1,179**	1,125
Total non-current assets		**24,677**	24,388
Total assets		**27,088**	25,399
Current liabilities			
Payables	D.3	**586**	645
Interest-bearing liabilities	C.2	**79**	76
Other financial liabilities	D.5	**48**	11
Other liabilities		**43**	29
Provisions	D.4	**215**	220
Tax payable	A.5	**74**	61
Total current liabilities		**1,045**	1,042
Non-current liabilities			
Interest-bearing liabilities	C.2	**3,992**	4,989
Deferred tax liabilities	A.5	**2,062**	1,811
Other financial liabilities	D.5	**20**	22
Other liabilities		**64**	77
Provisions	D.4	**1,583**	1,547
Total non-current liabilities		**7,721**	8,446
Total liabilities		**8,766**	9,488
Net assets		**18,322**	15,911
Equity			
Issued and fully paid shares	C.3	**8,880**	6,919
Shares reserved for employee share plans	C.3	**(31)**	(35)
Other reserves	C.4	**985**	997
Retained earnings		**7,655**	7,200
Equity attributable to equity holders of the parent		**17,489**	15,081
Non-controlling interest	E.9	**833**	830
Total equity		**18,322**	15,911

The accompanying notes form part of the Financial Statements.

**Certain amounts shown here do not correspond to the 2017 Financial Statements, refer to Note E.10(b).*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

	Notes	2018 US$m	Restated* 2017 US$m
Cash flows from operating activities			
Profit after tax for the period		**1,467**	1,165
Adjustments for:			
Non-cash items			
Depreciation and amortisation		**1,497**	1,204
Change in fair value of derivative financial instruments		**(2)**	(1)
Net finance costs		**183**	84
Tax expense		**628**	465
Exploration and evaluation written off		**94**	58
Impairment loss		**39**	-
Other		**9**	28
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		**(96)**	9
Decrease/(increase) in inventories		**22**	(25)
Decrease in provisions		**(14)**	(75)
Decrease/(increase) in other assets and liabilities		**45**	(24)
Decrease in trade and other payables		**(5)**	(9)
Cash generated from operations		**3,867**	2,879
Purchases of shares and payments relating to employee share plans		**(56)**	(47)
Interest received		**29**	10
Dividends received		**8**	6
Borrowing costs relating to operating activities		**(131)**	(21)
Income tax paid		**(414)**	(411)
PRRT received		**2**	6
Payments for restoration		**(9)**	(22)
Net cash from operating activities		**3,296**	2,400
Cash flows used in investing activities			
Payments for capital and exploration expenditure		**(1,334)**	(1,390)
Proceeds from disposal of other plant and equipment		**71**	-
Borrowing costs relating to investing activities		**(65)**	(178)
Payments for acquisition of joint arrangements net of cash acquired	B.5	**(444)**	-
Net cash used in investing activities		**(1,772)**	(1,568)
Cash flows used in financing activities			
Proceeds from borrowings	C.2	**-**	2,220
Repayment of borrowings	C.2	**(1,003)**	(2,133)
Borrowing costs relating to financing activities		**(47)**	(15)
Contributions to non-controlling interests		**(149)**	(51)
Dividends paid		**(909)**	(826)
Net proceeds from equity raising		**1,949**	-
Net cash used in financing activities		**(159)**	(805)
Net increase in cash held		**1,365**	27
Cash and cash equivalents at the beginning of the period		**318**	285
Effects of exchange rate changes		**(9)**	6
Cash and cash equivalents at the end of the period	C.1	**1,674**	318

The accompanying notes form part of the Financial Statements.

**Certain amounts shown here do not correspond to the 2017 Financial Statements, refer to Note E.10(b).*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Issued and fully paid shares	Shares reserved for employee share plans	Employee benefits reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity holders of the parent	Non-controlling interest	Total equity
Notes	**C.3**	**C.3**	**C.4**	**C.4**	**C.4**			**E.9**	
	US$m	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**
At 1 January 2018	**6,919**	**(35)**	**218**	**793**	**(14)**	**7,200**	**15,081**	**830**	**15,911**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1,364**	**1,364**	**103**	**1,467**
Other comprehensive loss	**-**	**-**	**(3)**	**-**	**-**	**-**	**(3)**	**-**	**(3)**
Total comprehensive income/(loss) for the period	**-**	**-**	**(3)**	**-**	**-**	**1,364**	**1,361**	**103**	**1,464**
Shares issued	**1,989**	**-**	**-**	**-**	**-**	**-**	**1,989**	**-**	**1,989**
Share issue costs (net of tax)	**(28)**	**-**	**-**	**-**	**-**	**-**	**(28)**	**-**	**(28)**
Employee share plan purchases	**-**	**(56)**	**-**	**-**	**-**	**-**	**(56)**	**-**	**(56)**
Employee share plan redemptions	**-**	**60**	**(60)**	**-**	**-**	**-**	**-**	**-**	**-**
Share-based payments	**-**	**-**	**51**	**-**	**-**	**-**	**51**	**-**	**51**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(909)**	**(909)**	**(100)**	**(1,009)**
At 31 December 2018	**8,880**	**(31)**	**206**	**793**	**(14)**	**7,655**	**17,489**	**833**	**18,322**
At 1 January 2017 (restated*)	6,919	(30)	198	793	(12)	6,957	14,825	823	15,648
Profit for the period (restated*)	-	-	-	-	-	1,069	1,069	96	1,165
Other comprehensive income/(loss)	-	-	12	-	(2)	-	10	-	10
Total comprehensive income/(loss) for the period (restated*)	-	-	12	-	(2)	1,069	1,079	96	1,175
Employee share plan purchases	-	(47)	-	-	-	-	(47)	-	(47)
Employee share plan redemptions	-	42	(42)	-	-	-	-	-	-
Share-based payments	-	-	50	-	-	-	50	-	50
Dividends paid	-	-	-	-	-	(826)	(826)	(89)	(915)
At 31 December 2017 (restated*)	6,919	(35)	218	793	(14)	7,200	15,081	830	15,911

The accompanying notes form part of the Financial Statements.

**Certain amounts shown here do not correspond to the 2017 Financial Statements, refer to Note E.10(b).*

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

About these statements

Woodside Petroleum Ltd (Woodside or the Group) is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report and in the segment information in Note A.1.

The financial statements were authorised for issue in accordance with a resolution of the directors on 14 February 2019.

Statement of compliance

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AASBs) and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The accounting policies are consistent with those disclosed in the 2017 Financial Statements, except for the impact of all new or amended standards and interpretations. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies, with the exception of AASB 15 *Revenue from Contracts with Customers* (AASB 15) (refer to Note E.10(b)). The Group early adopted AASB 9 *Financial Instruments* (AASB 9) on 1 January 2017.

The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

Currency

The functional and presentation currency of Woodside Petroleum Ltd and all its subsidiaries is US dollars.

Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling at that date. Exchange differences in the consolidated financial statements are taken to the income statement.

Rounding of amounts

The amounts contained in these financial statements have been rounded to the nearest million dollars under the option available to the Group under Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and certain other financial assets and financial liabilities, which have been measured at fair value or amortised cost adjusted for changes in fair value attributable to the risks that are being hedged in effective hedge relationships.

The financial statements comprise the financial results of the Group and its subsidiaries as at 31 December each year (refer to Section E).

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which the Group ceases to have control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits and losses arising from intra-group transactions, have been eliminated in full.

The consolidated financial statements provide comparative information in respect of the previous period. A reclassification of items in the financial statements of the previous period has been made in accordance with the classification of items in the financial statements of the current period.

Non-controlling interests are allocated their share of the net profit after tax in the consolidated income statement, their share of other comprehensive income net of tax in the consolidated statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Financial and capital risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework, including review and the approval of the Group's risk management strategy, policy and key risk parameters. The Board of Directors and the Audit and Risk Committee have oversight of the Group's internal control system and risk management process, including the oversight of the internal audit function.

The Group's management of financial and capital risks is aimed at ensuring that available capital, funding and cash flows are sufficient to:

- meet the Group's financial commitments as and when they fall due;
- maintain the capacity to fund its committed project developments;
- pay a reasonable dividend; and
- maintain a long-term credit rating of not less than 'investment grade'.

The Group monitors and tests its forecast financial position against these criteria and, in general, will undertake hedging activity only when necessary to ensure that these objectives are achieved.

Other circumstances that may lead to hedging activities include the management of exposures relating to trading activities, the purchase of reserves and the underpinning of the economics of a new project. It is, and has been throughout the period, the Group Treasury policy that no speculative trading in financial instruments shall be undertaken. Refer to the risk section of the Operating and Financial Review on pages 60–62 for more information on the Group's objectives, policies and processes for managing financial risk.

The below risks arise in the normal course of the Group's business. Risk information can be found in the following sections:

Section A	Commodity price risk	Page 107
Section A	Foreign exchange risk	Page 107
Section C	Capital risk	Page 117
Section C	Liquidity risk	Page 117
Section C	Interest rate risk	Page 117
Section D	Credit risk	Page 121

Key estimates and judgements

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances known to management. Actual results may differ from those judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are found in the following notes:

Note A.1	Revenue from contracts with customers	Page 108
Note A.5	Taxes	Page 111
Note B.2	Exploration and evaluation	Page 114
Note B.3	Oil and gas properties	Page 115
Note B.4	Impairment of oil and gas properties	Page 116
Note D.4	Provisions	Page 123
Note E.7	Joint arrangements	Page 129

In this section

This section addresses financial performance of the Group for the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made. The section also includes the tax position of the Group for and at the end of the reporting period.

Key financial and capital risks in this section

Commodity price risk management

The Group's revenue is exposed to commodity price fluctuations. Commodity prices are measured by monitoring and stress testing the Group's forecast financial position to sustained periods of low oil and gas prices. This analysis is regularly performed on the Group's portfolio and, as required, for discrete projects and acquisitions.

As at the reporting date, the Group had no financial instruments with material exposure to commodity price risk.

Foreign exchange risk management

Foreign exchange risk arises from future commitments, financial assets and financial liabilities that are not denominated in US dollars. The majority of the Group's revenue is denominated in US dollars. The Group is exposed to foreign currency risk arising from operating and capital expenditure incurred in currencies other than US dollars, particularly Australian dollars.

Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

A reasonably possible change in the exchange rate of the US dollar to the Australian dollar (+12%/-12% (2017: +12%/-12%)), with all other variables held constant, would not have a material impact on the Group's equity or the profit or loss in the current period. Refer to Notes C.1, C.2, D.1 and D.3 for detail of the denomination of cash and cash equivalents, interest-bearing liabilities, receivables and payables held at 31 December 2018.

In order to hedge the foreign exchange risk and interest rate risk (refer to Section C) of a Swiss Franc (CHF) denominated medium-term note, Woodside holds a number of cross-currency interest rate swaps (refer to Note C.2). The aim of this hedge is to convert the fixed interest CHF bond into variable interest US dollar debt.

A.1 Segment revenue and expenses

Operating segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources. The producing operating segments are consistent with the 2017 Financial Statements. In the reporting period, the Group's development projects have been consolidated into one development segment for internal reporting purposes which comprises the Browse, Scarborough, Kitimat, Myanmar, Sunrise and Senegal projects. With the exception of Browse, which was previously a separate reporting segment, all other projects were previously included in the other reporting segment. Comparatives have been restated to reflect the updated operating segments reported internally.

Management monitors the performance of the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. The performance of operating segments is evaluated based on profit before tax and net finance costs and is measured in accordance with the Group's accounting policies.

Financing requirements, including cash and debt balances, finance income, finance costs and taxes are managed at a Group level.

Operating segments outlined below are identified by management based on the nature and geographical location of the business or venture.

Producing

North West Shelf Project – Exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas, condensate and liquefied petroleum gas from the North West Shelf ventures.

Pluto LNG – Exploration, evaluation, development, production and sale of liquefied natural gas and condensate in assigned permit areas.

Australia Oil – Exploration, evaluation, development, production and sale of crude oil in assigned permit areas (North West Shelf, Enfield and Vincent).

Wheatstone LNG – Exploration, evaluation, development, production and sale of liquefied natural gas and condensate in assigned permit areas.

Development

Development segments – This segment comprises exploration, evaluation and development of liquefied natural gas and condensate in the Browse, Scarborough, Kitimat, Myanmar, Sunrise and Senegal projects.

Other

Other segments – This segment comprises trading and shipping activities and activities undertaken in other international locations.

Unallocated items – Unallocated items comprise primarily corporate non-segmental items of revenue and expenses and associated assets and liabilities not allocated to operating segments as they are not considered part of the core operations of any segment.

Major customer information

The Group has two major customers which account for 19% and 14% of the Group's external revenue. The sales are generated by the Pluto and North West Shelf operating segments (2017: two customers; 20% and 15%).

	Revenue from external customers[1]		Non-current assets[2]	
	2018 US$m	Restated 2017[3] US$m	**2018 US$m**	Restated 2017[3] US$m
Oceania	**286**	334	**21,324**	21,178
Asia	**4,739**	3,439	**192**	133
Canada	**5**	11	**1,408**	1,349
Africa	**-**	-	**558**	598
Other	**210**	191	**16**	5
Consolidated	**5,240**	3,975	**23,498**	23,263

1. Revenue is attributable to geographic location based on the location of the customers.
2. Non-current assets exclude deferred tax assets of US$1,179 million (2017: US$1,125 million).
3. 2017 amounts have been restated for the retrospective application of AASB 15.

Recognition and measurement

Revenue from contracts with customers

Revenue is recognised when or as the Group transfers control of products or provides services to a customer at the amount to which the Group expects to be entitled. If the consideration includes a variable component, the expected consideration is adjusted for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

- Revenue from sale of produced hydrocarbons
  Revenue from the sale of produced hydrocarbons is recognised at a point in time when control of the product is transferred to the customer, which is typically on delivery.
  Revenue from take or pay contracts is recognised in earnings when the product has been drawn by the customer (transfer of control) and recorded as unearned revenue until drawn by the customer.
- Other operating revenue
  Revenue earned from LNG processing and other services is recognised over time as the services are rendered.
  Trading and other hydrocarbon revenue earned from sales of third-party products is recognised at a point in time when control of the product is transferred to the customer, which is typically on delivery.

Expenses

- Royalties and excise duty
  Royalties and excise duty under existing regimes are considered to be production-based taxes and are therefore accrued on the basis of the Group's entitlement to physical production.

Key estimates and judgements

Revenue from contracts with customers

Judgment is required to determine the point at which the customer obtains control of hydrocarbons. Factors including transfer of legal title, transfer of significant risks and rewards of ownership and the existence of a present right to payment for the hydrocarbons typically result in control transferring on delivery of hydrocarbons at port of loading or port of discharge.

The transaction price at the date control passes for sales made subject to provisional pricing periods in oil and condensate contracts is determined with reference to quoted commodity prices.

Progress of performance obligations for LNG processing services revenue recognised over time is measured using the output method which most accurately measures the progress towards satisfaction of the performance obligation of the services provided.

A.1 Segment revenue and expenses (cont.)

	Producing								Development		Other					
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other segments		Unallocated items		Consolidated	
	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m	2018 US$m	2017[1] US$m
Liquefied natural gas	**1,061**	903	**2,280**	1,763	**-**	-	**420**	8	**-**	-	**-**	-	**-**	-	**3,761**	2,674
Pipeline natural gas	**84**	142	**-**	-	**-**	-	**-**	-	**5**	11	**-**	-	**-**	-	**89**	153
Condensate	**327**	276	**230**	146	**-**	-	**94**	-	**-**	-	**-**	-	**-**	-	**651**	422
Oil	**-**	-	**-**	-	**301**	391	**-**	-	**-**	-	**-**	-	**-**	-	**301**	391
Liquefied petroleum gas	**25**	43	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**25**	43
Revenue from sale of produced hydrocarbons	**1,497**	1,364	**2,510**	1,909	**301**	391	**514**	8	**5**	11	**-**	-	**-**	-	**4,827**	3,683
Processing and services revenue	**-**	-	**202**	192	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**202**	192
Trading revenue	**-**	-	**71**	36	**-**	-	**-**	-	**-**	-	**139**	17	**-**	-	**210**	53
Other hydrocarbon revenue	**-**	-	**-**	19	**-**	-	**1**	28	**-**	-	**-**	-	**-**	-	**1**	47
Other revenue	**-**	-	**273**	247	**-**	-	**1**	28	**-**	-	**139**	17	**-**	-	**413**	292
Operating revenue from contracts with customers	**1,497**	1,364	**2,783**	2,156	**301**	391	**515**	36	**5**	11	**139**	17	**-**	-	**5,240**	3,975
Production costs	**(124)**	(132)	**(157)**	(159)	**(117)**	(125)	**(62)**	(15)	**(5)**	(11)	**-**	-	**-**	(1)	**(465)**	(443)
Royalties and excise	**(211)**	(180)	**-**	-	**(7)**	(7)	**-**	-	**-**	-	**-**	-	**-**	-	**(218)**	(187)
Insurance	**(7)**	(2)	**(14)**	(12)	**(3)**	(7)	**(1)**	-	**-**	-	**-**	(1)	**(11)**	(1)	**(36)**	(23)
Inventory movement	**-**	(1)	**(9)**	13	**(12)**	(8)	**(3)**	11	**-**	-	**-**	-	**-**	-	**(24)**	15
Provision adjustment	**-**	-	**-**	-	**-**	120	**-**	-	**-**	-	**-**	-	**-**	-	**-**	120
Costs of production	**(342)**	(315)	**(180)**	(158)	**(139)**	(27)	**(66)**	(4)	**(5)**	(11)	**-**	(1)	**(11)**	(2)	**(743)**	(518)
Land and buildings	**(5)**	(4)	**(24)**	(24)	**-**	-	**(28)**	(6)	**-**	-	**-**	-	**-**	-	**(57)**	(34)
Transferred exploration and evaluation	**(13)**	(7)	**(44)**	(35)	**(1)**	(3)	**(16)**	(1)	**-**	-	**-**	-	**-**	-	**(74)**	(46)
Plant and equipment	**(247)**	(226)	**(803)**	(744)	**(53)**	(94)	**(190)**	(17)	**-**	-	**-**	-	**-**	-	**(1,293)**	(1,081)
Marine vessels and carriers	**(7)**	(7)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(7)**	(7)
Oil and gas properties depreciation and amortisation	**(272)**	(244)	**(871)**	(803)	**(54)**	(97)	**(234)**	(24)	**-**	-	**-**	-	**-**	-	**(1,431)**	(1,168)
Shipping and direct sales costs	**(42)**	(56)	**(110)**	(96)	**-**	-	**(33)**	-	**-**	-	**-**	-	**(22)**	(23)	**(207)**	(175)
Trading costs	**-**	-	**(71)**	(34)	**-**	-	**-**	-	**-**	-	**(151)**	(21)	**-**	-	**(222)**	(55)
Other hydrocarbon costs	**-**	-	**-**	(20)	**-**	-	**(1)**	(27)	**-**	-	**-**	-	**-**	-	**(1)**	(47)
Other cost of sales	**(42)**	(56)	**(181)**	(150)	**-**	-	**(34)**	(27)	**-**	-	**(151)**	(21)	**(22)**	(23)	**(430)**	(277)
Cost of sales	**(656)**	(615)	**(1,232)**	(1,111)	**(193)**	(124)	**(334)**	(55)	**(5)**	(11)	**(151)**	(22)	**(33)**	(25)	**(2,604)**	(1,963)
Trading intersegment adjustments	**(15)**	(18)	**(5)**	(18)	**-**	-	**(1)**	-	**-**	-	**21**	36	**-**	-	**-**	-
Gross profit	**826**	731	**1,546**	1,027	**108**	267	**180**	(19)	**-**	-	**9**	31	**(33)**	(25)	**2,636**	2,012
Other income	**20**	12	**8**	-	**12**	7	**13**	1	**4**	(3)	**4**	7	**18**	(8)	**79**	16
Exploration and evaluation expenditure	**(3)**	(4)	**(6)**	(8)	**(2)**	(1)	**(1)**	(2)	**-**	-	**(121)**	(104)	**-**	-	**(133)**	(119)
Amortisation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(46)**	(16)	**-**	-	**(46)**	(16)
Write-offs	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(94)**	(58)	**-**	-	**(94)**	(58)
Exploration and evaluation	**(3)**	(4)	**(6)**	(8)	**(2)**	(1)	**(1)**	(2)	**-**	-	**(261)**	(178)	**-**	-	**(273)**	(193)
General, administrative and other costs	**(4)**	(3)	**(16)**	(1)	**(1)**	-	**-**	-	**-**	(1)	**(4)**	(7)	**(78)**	(87)	**(103)**	(99)
Depreciation of other plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(1)**	(1)	**(19)**	(19)	**(20)**	(20)
Other[2]	**(39)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2)**	(2)	**(41)**	(2)
Other costs	**(43)**	(3)	**(16)**	(1)	**(1)**	-	**-**	-	**-**	(1)	**(5)**	(8)	**(99)**	(108)	**(164)**	(121)
Other expenses	**(46)**	(7)	**(22)**	(9)	**(3)**	(1)	**(1)**	(2)	**-**	(1)	**(266)**	(186)	**(99)**	(108)	**(437)**	(314)
Profit/(loss) before tax and net finance costs	**800**	736	**1,532**	1,018	**117**	273	**192**	(20)	**4**	(4)	**(253)**	(148)	**(114)**	(141)	**2,278**	1,714

1. 2017 amounts have been restated for the retrospective application of AASB 15 and the change of reporting segments.
2. Other comprises impairment losses on non-current assets held for sale as well as other expenses not associated with the ongoing operations of the business.

A.2 Finance costs

	2018 US$m	2017 US$m
Interest on interest-bearing liabilities	**207**	202
Accretion charge	**42**	39
Other finance costs	**27**	20
Less: Finance costs capitalised against qualifying assets	**(60)**	(167)
	216	94

A.3 Dividends paid and proposed

Woodside Petroleum Ltd, the parent entity, paid and proposed dividends set out below:

	2018 US$m	2017 US$m
(a) Dividends paid during the financial year		
Prior year fully franked final dividend US$0.49, paid on 22 March 2018 (2017: US$0.49, paid on 29 March 2017)	**413**	413
Current year fully franked interim dividend US$0.53 paid on 20 September 2018 (2017: US$0.49, paid on 21 September 2017)	**496**	413
	909	826
(b) Dividend declared subsequent to the reporting period (not recorded as a liability)		
Final dividend US$0.91 (2017: US$0.49)	**852**	413
(c) Other information		
Franking credits available for the subsequent periods	**1,634**	2,032
Current year dividends per share (US cents)	**144**	98

A.4 Earnings per share

	2018	Restated 2017
Profit attributable to equity holders of the parent (US$m)	**1,364**	1,069
Weighted average number of shares on issue	**921,165,018**	866,201,877
Basic and diluted earnings per share (US cents)	**148.1**	123.4

Earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares on issue during the year. The weighted average number of shares makes allowance for shares reserved for employee share plans.

During the period, the Company completed an equity raising of 93,706,646 shares at a discounted price of A$27.00 per share. As a result of the new shares issued, the weighted average number of ordinary shares to calculate EPS was adjusted by a theoretical ex-rights price factor. The adjustment factor of 1.03 was used to restate the weighted average number of ordinary shares for the EPS calculation for all periods prior to the equity raising. Equity rights under employee share plans were adjusted in order to maintain value equivalence, resulting in an additional 53,656 rights under the Woodside Equity Plan and 24,079 rights under the Executive Incentive Plan.

Performance rights of 9,702,925 (2017: 10,006,241) are considered to be contingently issuable and have not been allowed for in the diluted earnings per share calculation.

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

A.5 Taxes

	2018 US$m	Restated 2017 US$m
(a) Tax expense comprises		
PRRT		
Current tax benefit	**(3)**	(3)
Deferred tax benefit	**(49)**	(133)
PRRT benefit	**(52)**	(136)
Income tax		
Current year		
Current tax expense	**426**	384
Deferred tax expense	**259**	189
Adjustment to prior years		
Current tax benefit	**-**	(3)
Deferred tax (benefit)/expense	**(5)**	31
Income tax expense	**680**	601
Tax expense	**628**	465
(b) Reconciliation of income tax expense		
Profit before tax	**2,095**	1,630
PRRT benefit	**52**	136
Profit before income tax	**2,147**	1,766
Income tax expense calculated at 30%	**644**	530
Non-deductible items	**(1)**	2
Foreign expenditure not brought to account	**51**	35
Adjustment to prior years	**(5)**	28
Foreign exchange impact on tax expense	**(9)**	6
Income tax expense	**680**	601
(c) Reconciliation of PRRT benefit		
Profit before tax	**2,095**	1,630
Non-PRRT assessable profits	**(1,785)**	(1,577)
PRRT projects profit before tax	**310**	53
PRRT benefit calculated at 40%	**124**	21
Augmentation	**(190)**	(183)
Other	**14**	26
PRRT benefit	**(52)**	(136)
(d) Deferred tax income statement reconciliation		
PRRT		
Production and growth assets	**189**	(49)
Augmentation for current year	**(190)**	(183)
Provisions	**(23)**	105
Other	**(25)**	(6)
PRRT deferred tax benefit	**(49)**	(133)
Income tax		
Oil and gas properties	**97**	198
Exploration and evaluation assets	**65**	9
Provisions	**(8)**	39
PRRT liabilities	**15**	39
Unused tax losses and tax credits	**96**	(50)
Other	**(19)**	(23)
Income tax deferred tax expense	**246**	212
Deferred tax expense	**197**	79
(e) Deferred tax balance sheet reconciliation		
Deferred tax assets		
PRRT		
Production and growth assets	**987**	933
Augmentation for current year	**174**	178
Provisions	**21**	24
Other	**(3)**	(10)
	1,179	1,125

A.5 Taxes (cont.)

	2018 US$m	Restated 2017 US$m
(e) Deferred tax balance sheet reconciliation (cont.)		
Deferred tax liabilities		
PRRT		
Production and growth assets	**523**	463
Augmentation for current year	**(16)**	(5)
Provisions	**(155)**	(129)
Other	**(7)**	11
Income tax		
Oil and gas properties	**1,733**	1,636
Exploration and evaluation assets	**373**	308
Provisions	**(493)**	(485)
PRRT liabilities	**251**	236
Unused tax losses and tax credits	**(73)**	(169)
Other[1]	**(74)**	(55)
	2,062	1,811
(f) Tax payable reconciliation		
Income tax payable	**(74)**	(61)
	(74)	(61)
(g) Effective income tax rate: Australian and global operations		
Effective income tax rate[2]		
Australia	**29.4%**	31.4%
Global	**31.7%**	34.0%
(h) Current year income tax expense reconciliation		
Profit before income tax	**2,147**	1,766
Income tax at the statutory tax rate of 30%	**644**	530
Non-temporary differences[3,4]	**49**	37
Temporary differences: deferred tax[4]	**(258)**	(189)
Current year income tax expense	**435**	378

1. US$4 million (2017: US$8 million) movement recognised in other comprehensive income.
2. The global operations effective income tax rate (ETR) is calculated as the Group's income tax expense divided by profit before income tax. The Australian operations ETR is calculated with reference to all Australian companies and excludes foreign exchange impact on tax expense.
3. Primarily expenditure in respect of foreign operations. Excludes foreign exchange impact on tax expense.
4. Excludes adjustment to prior years.

Tax transparency code

Woodside participates in the Australian Board of Taxation's voluntary Tax Transparency Code (TTC). To increase public confidence in the contributions and compliance of corporate taxpayers, the TTC recommends public disclosure of tax information. Woodside has addressed the recommended disclosures in two parts. The Part A disclosures are addressed within this Taxes note; the Part B disclosures are addressed in our Sustainable Development Report.

Recognition and measurement

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised. The tax rates and laws used to determine the amount are based on those that have been enacted or substantially enacted by the end of the reporting period. Income taxes relating to items recognised directly in equity are recognised in equity.

Current taxes

Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred taxes

Deferred tax expense is the movements in the temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

With the exception of those noted below, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, unused tax losses and tax credits only if it is probable that sufficient future taxable income will be available to utilise those temporary differences and losses.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither accounting profit nor the taxable profit.

In relation to PRRT, the impact of future augmentation on expenditure is included in the determination of future taxable profits when assessing the extent to which a deferred tax asset can be recognised in the statement of financial position.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that the Group intends to settle its current tax assets and liabilities on a net basis. Refer to Notes E.9 and E.10 for detail on the tax consolidated group.

Key estimates and judgements

(a) Income tax classification

Judgement is required when determining whether a particular tax is an income tax or another type of tax. Accounting for deferred tax is applied to income taxes as described above, but is not applied to other types of taxes, e.g. North West Shelf royalties and excise. Such taxes are recognised in the income statement on an appropriate basis. PRRT is considered, for accounting purposes, to be an income tax.

(b) Deferred tax asset recognition

Australian tax losses: A deferred tax asset of US$73 million (2017: US$169 million) has been recognised from carry forward unused tax losses and credits. The Group has determined that it is probable that sufficient future taxable income will be available to utilise those losses and credits.

Foreign tax losses: Deferred tax assets of US$399 million (2017: US$403 million) relating to unused foreign tax losses have not been recognised on the basis that it is not probable that the assets will be utilised based on current planned activities in those regions.

PRRT: Certain deferred tax assets on deductible temporary differences have not been recognised on the basis that deductions from future augmentation of the deductible temporary difference will be sufficient to offset future taxable profit. US$3,792 million (2017: US$3,722 million) relates to the North West Shelf Project, US$589 million (2017: US$501 million) relates to the quarantined exploration spend of the Pluto Project and US$767 million (2017: US$680 million) relates to the Wheatstone Project. Future taxable profits were determined using a long-term bond rate of 2.8% (2017: 2.5%) for the purposes of augmentation.

Had an alternative approach been used to assess recovery of the deferred tax assets, whereby future augmentation was not included in the assessment, the additional deferred tax assets would be recognised, with a corresponding benefit to income tax expense. It was determined that the approach adopted provides the most meaningful information on the implications of the PRRT regime, whilst ensuring compliance with AASB 112 *Income Taxes*.

In this section

This section addresses the strategic growth (exploration and evaluation) and core producing (oil and gas properties) assets position of the Group at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made. The section also includes the impairment position of the Group at the end of the reporting period.

B.1 Segment production and growth assets

	Producing								Development		Other			
	North West Shelf		Pluto		Australia Oil		Wheatstone		Development		Other segments		Consolidated	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m	2018 US$m	2017 US$m	2018 US$m	2017 US$m	2018 US$m	2017[2] US$m	2018 US$m	2017[2] US$m	2018 US$m	2017 US$m
Balance as at 31 December														
Oceania	**16**	16	**464**	402	**21**	21	**18**	7	**1,324**	832	**159**	169	**2,002**	1,447
Asia	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**192**	133	**192**	133
Canada	**-**	-	**-**	-	**-**	-	**-**	-	**1,408**	1,348	**-**	-	**1,408**	1,348
Africa	**-**	-	**-**	-	**-**	-	**-**	-	**563**	537	**-**	61	**563**	598
Other	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**15**	4	**15**	4
Total exploration and evaluation	**16**	16	**464**	402	**21**	21	**18**	7	**3,295**	2,717	**366**	367	**4,180**	3,530
Balance as at 31 December														
Land and buildings	**19**	24	**412**	436	**-**	-	**668**	661	**-**	-	**1**	1	**1,100**	1,122
Transferred exploration and evaluation	**106**	69	**289**	333	**11**	12	**219**	235	**-**	-	**-**	-	**625**	649
Plant and equipment	**2,262**	2,263	**9,428**	10,222	**339**	409	**3,428**	3,190	**-**	-	**3**	3	**15,460**	16,087
Marine vessels and carriers	**59**	115	**-**	-	**-**	-	**7**	7	**-**	-	**-**	-	**66**	122
Projects in development	**73**	268	**166**	62	**1,172**	568	**219**	520	**-**	-	**-**	-	**1,630**	1,418
Total oil and gas properties	**2,519**	2,739	**10,295**	11,053	**1,522**	989	**4,541**	4,613	**-**	-	**4**	4	**18,881**	19,398
Additions to exploration and evaluation:														
Exploration	**-**	-	**58**	1	**-**	-	**-**	-	**-**	29	**99**	150	**157**	180
Evaluation	**-**	-	**9**	10	**-**	-	**11**	7	**580**	139	**40**	43	**640**	199
Restoration	**-**	-	**(1)**	(5)	**-**	-	**-**	-	**(2)**	2	**-**	-	**(3)**	(3)
	-	-	**66**	6	**-**	-	**11**	7	**578**	170	**139**	193	**794**	376
Additions to oil and gas properties:														
Oil and gas properties additions	**129**	171	**110**	22	**483**	286	**144**	480	**-**	-	**-**	-	**866**	959
Capitalised borrowing costs additions[1]	**7**	8	**-**	-	**28**	9	**21**	150	**-**	-	**-**	-	**56**	167
Restoration	**(35)**	36	**(1)**	18	**76**	1	**(3)**	21	**-**	-	**-**	-	**37**	76
	101	215	**109**	40	**587**	296	**162**	651	**-**	-	**-**	-	**959**	1,202

1. Borrowing costs capitalised were at a weighted average interest rate of 4.4% (2017: 4.0%).
2. 2017 amounts have been restated for the change of reporting segments detailed in Note A.1.

Refer to Note A.1 for descriptions of the Group's segments and geographical regions.

B.2 Exploration and evaluation

	Oceania US$m	Asia US$m	Canada US$m	Africa US$m	Other US$m	Total US$m
Year ended 31 December 2018						
Carrying amount at 1 January 2018	**1,447**	**133**	**1,348**	**598**	**4**	**3,530**
Additions	**570**	**76**	**60**	**74**	**14**	**794**
Amortisation of licence acquisition costs	**(11)**	**(4)**	**-**	**(28)**	**(3)**	**(46)**
Expensed[1]	**-**	**(13)**	**-**	**(81)**	**-**	**(94)**
Transferred exploration and evaluation	**(4)**	**-**	**-**	**-**	**-**	**(4)**
Carrying amount at 31 December 2018	**2,002**	**192**	**1,408**	**563**	**15**	**4,180**
Year ended 31 December 2017						
Carrying amount at 1 January 2017	1,392	61	1,284	486	5	3,228
Additions	90	89	64	132	1	376
Amortisation of licence acquisition costs	(2)	(1)	-	(11)	(2)	(16)
Expensed[1]	(33)	(16)	-	(9)	-	(58)
Carrying amount at 31 December 2017	1,447	133	1,348	598	4	3,530
Exploration commitments						
Year ended 31 December 2018	**33**	**35**	**-**	**3**	**36**	**107**
Year ended 31 December 2017	82	63	21	93	16	275

1. $94 million of exploration and evaluation expensed relates to unsuccessful wells written off during the period (2017: $58 million).

Recognition and measurement

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. The Group's application of the accounting policy for the cost of exploring and of evaluating discoveries is closely aligned to the US GAAP-based successful efforts method.

Areas of interest are based on a geographical area. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and new venture activity costs, is expensed as incurred except for the following:

- where the expenditure relates to an exploration discovery that, at the reporting date, has not been recognised as an area of interest, because an assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or
- where the expenditure relates to a recognised area of interest and it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of acquiring interests in new exploration and evaluation licences are capitalised. The costs of drilling exploration wells are initially capitalised pending the results of the well.

Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons and the recognition of an area of interest.

Subsequent to the recognition of an area of interest, all further evaluation costs relating to that area of interest are capitalised.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil and gas properties.

In the statement of cash flows, those cash flows associated with capitalised exploration and evaluation expenditure, including unsuccessful wells, are classified as cash flows used in investing activities.

Exploration commitments

The Group has exploration expenditure obligations which are contracted for, but not provided for in the financial statements. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

Key estimates and judgements

(a) Area of interest

An area of interest (AOI) is defined by the Group as an individual geographical area whereby the presence of hydrocarbons is considered favourable or proved to exist. The Group has established criteria to recognise and maintain an AOI. There is separate guidance for conventional and unconventional AOIs.

(b) Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective AOI.

Each potential or recognised AOI is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. Where a potential impairment is indicated, assessment is performed using a fair value less costs to dispose method to determine the recoverable amount for each AOI to which the exploration and evaluation expenditure is attributed.

This assessment requires management to make certain estimates and apply judgement in determining assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

B.3 Oil and gas properties

	Land and buildings US$m	Transferred exploration and evaluation US$m	Plant and equipment US$m	Marine vessels and carriers US$m	Projects in development US$m	Total US$m
Year ended 31 December 2018						
Carrying amount at 1 January 2018	**1,122**	**649**	**16,087**	**122**	**1,418**	**19,398**
Additions	**-**	**-**	**(56)**	**-**	**1,015**	**959**
Depreciation and amortisation	**(57)**	**(74)**	**(1,293)**	**(7)**	**-**	**(1,431)**
Impairment loss	**-**	**-**	**-**	**(39)**	**-**	**(39)**
Completions and transfers	**35**	**50**	**722**	**(10)**	**(803)**	**(6)**
Carrying amount at 31 December 2018	**1,100**	**625**	**15,460**	**66**	**1,630**	**18,881**
At 31 December 2018						
Historical cost	**1,694**	**1,143**	**29,167**	**306**	**1,701**	**34,011**
Accumulated depreciation and impairment	**(594)**	**(518)**	**(13,707)**	**(240)**	**(71)**	**(15,130)**
Net carrying amount	**1,100**	**625**	**15,460**	**66**	**1,630**	**18,881**
Year ended 31 December 2017						
Carrying amount at 1 January 2017	489	425	13,981	122	4,359	19,376
Additions	-	-	39	-	1,163	1,202
Depreciation and amortisation	(34)	(46)	(1,093)	(7)	-	(1,180)
Completions and transfers	667	270	3,160	7	(4,104)	-
Carrying amount at 31 December 2017	1,122	649	16,087	122	1,418	19,398
At 31 December 2017						
Historical cost	1,903	1,093	28,450	316	1,530	33,292
Accumulated depreciation and impairment	(781)	(444)	(12,363)	(194)	(112)	(13,894)
Net carrying amount	1,122	649	16,087	122	1,418	19,398

Recognition and measurement

Oil and gas properties are stated at cost less accumulated depreciation and impairment charges. Oil and gas properties include initial cost to acquire, construct, install or complete production and infrastructure facilities such as pipelines and platforms, capitalised borrowing costs, transferred exploration and evaluation assets, development wells and the estimated cost of dismantling and restoration.

Subsequent capital costs, including major maintenance, are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation and amortisation

Oil and gas properties and other plant and equipment are depreciated to their estimated residual values at rates based on their expected useful lives.

Transferred exploration and evaluation and offshore plant and equipment are depreciated using the unit of production basis over proved plus probable reserves or proved reserves for late life assets. Onshore plant and equipment is depreciated using a straight-line basis over the lesser of useful life and the life of proved plus probable reserves. On a straight-line basis the assets have an estimated useful life of 5-50 years.

All other items of oil and gas properties are depreciated using the straight-line method over their useful life. They are depreciated as follows:

- Buildings – 24-40 years;
- Marine vessels and carriers – 10-40 years;
- Other plant and equipment – 5-15 years; and
- Land is not depreciated.

Impairment

Refer to Note B.4 for details on impairment.

Capital commitments

The Group has capital expenditure commitments contracted for, but not provided for in the financial statements of US$331 million (2017: US$535 million).

Key estimates and judgements

Reserves

The estimations of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries.

Estimates of oil and natural gas reserves are used to calculate depreciation, depletion and amortisation charges for the Group's oil and gas properties. Judgement is used in determining the reserve base applied to each asset. Typically, late life oil assets use proved reserves.

Estimates are reviewed at least annually or when there are changes in the economic circumstances impacting specific assets or asset groups. These changes may impact depreciation, asset carrying values, restoration provisions and deferred tax balances. If proved reserves estimates are revised downwards, earnings could be affected by higher depreciation expense or an immediate write-down of the asset's carrying value.

For more information regarding reserve assumptions, refer to the reserves and resources statement on pages 64–67 of the Annual Report.

Depreciation and amortisation

Judgment is required in determing the commencement of depreciation and amortisation for an asset and is at the point that the project is ready for start up.

B.4 Impairment of oil and gas properties

Recognition and measurement

Impairment testing

The carrying amounts of oil and gas properties are assessed half-yearly to determine whether there is an indication of impairment or impairment reversal for those assets which have previously been impaired. Indicators of impairment and impairment reversals include changes in future selling prices, future costs and reserves.

Oil and gas properties are assessed for impairment indicators and impairments on a cash generating unit (CGU) basis. CGUs are determined as a floating production, storage and off-take vessel and associated oil fields for an oil asset and an LNG plant and associated gas fields for a gas asset.

If there is an indicator of impairment or impairment reversal for a CGU then the recoverable amount is calculated.

Impairment calculations

The recoverable amount of an asset or CGU is determined as the higher of its value in use and fair value less costs of disposal. Value in use is determined by estimating future cash flows after taking into account the risks specific to the asset and discounting it to its present value using an appropriate discount rate.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is written down and an impairment loss is recognised in the income statement.

For assets previously impaired, if the recoverable amount exceeds the carrying amount, the impairment loss is reversed. The carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Recognised impairment and impairment reversal

The Group assessed each CGU to determine whether an indicator of impairment or impairment reversal existed. All impairment losses and reversals are recognised in other expenses. Refer to Note A.1.

The conditional sale of two LNG vessels in the North West Shelf operating segment resulted in an impairment loss of US$39 million as the assets' carrying value exceeded the fair value less costs of disposal. The fair value less costs of disposal was determined using in-principle sales agreements, classified as Level 3 on the fair value hierarchy. Refer to Note D.7 for further details.

No other indicators of impairment or impairment reversal were identified in 2017 or 2018.

Key estimates are disclosed in the 'Key estimates and judgements' section.

Key estimates and judgements

Impairment and impairment reversal indicator key assumptions

In determining whether there is an indicator of impairment or impairment reversal, the Group considers whether there has been a significant change in the following external and internal qualitative factors:

- Commodity prices - LNG, natural gas and oil.
- Economic factors - interest rates, inflation rates, foreign exchange rates and discount rates.
- Operating performance of an asset.
- Reserve and resource estimates.
- Project concept / planned use of assets.
- Forecast project expenditure.

B.5 Significant production and growth asset acquisitions

On 29 March 2018, Woodside completed the acquisition of ExxonMobil's 50% interest in WA-1-R, which contains the Scarborough gas field, for an aggregate purchase price of US$444 million. The transaction was accounted for as an asset acquisition. An additional US$300 million payment due to ExxonMobil is contingent on a positive final investment decision to develop the Scarborough field. In conjunction with the transaction, Woodside granted BHP Billiton an option to purchase an additional 10% interest in the Scarborough gas field on equivalent consideration terms to the transaction with ExxonMobil.

In addition to the contingent payment above, a US$150 million payment is due to BHP Billiton contingent on a positive final investment decision to develop the Scarborough field.

Both contingent payments associated with acquiring the Scarborough development are accounted for as contingent liabilities in accordance with the Group's accounting policies.

Woodside now holds the following interest in Joint Operations relating to the Scarborough development:

- a 75% interest in WA-1-R and a 50% interest in WA-62-R, which together contain the Scarborough gas field;
- a 50% interest in WA-61-R which contains the Jupiter gas field; and
- a 50% interest in WA-63-R which contains the Thebe gas field.

Assets acquired and liabilities assumed

The identifiable assets and liabilities acquired as at the date of the acquisition inclusive of transaction costs were:

	Scarborough US$m
Exploration and evaluation assets	444
Total identifiable net assets at acquisition	**444**

Cash flows on acquisition

	Scarborough US$m
Purchase cash consideration	444
Transaction costs[1]	-
Total purchase consideration	444
Net cash outflows on acquisition	**444**

1. Transaction costs were less than US$0.5 million.

In this section

This section addresses cash, debt and the capital position of the Group at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made.

Key financial and capital risks in this section

Capital risk management

Capital management is undertaken to ensure that a secure, cost-effective and flexible supply of funds is available to meet the Group's operating and capital expenditure requirements. A stable capital base is maintained from which the Group can pursue its growth aspirations, whilst maintaining a flexible capital structure that allows access to a range of debt and equity markets to both draw upon and repay capital.

The Dividend Reinvestment Plan (DRP) was approved by shareholders at the Annual General Meeting in 2003 for activation as required to fund future growth. The DRP has not been utilised since the fully underwritten 2015 final dividend.

A range of financial metrics are monitored, including gearing and cash flow leverage, and Treasury policy breaches and exceptions.

Liquidity risk management

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay financial liabilities as and when they fall due. The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet its financial commitments in a timely and cost-effective manner.

The Group's liquidity position is continually reviewed, including cash flow forecasts, to determine the forecast liquidity position and maintain appropriate liquidity levels. At 31 December 2018, the Group has a total of US$3,918 million (2017: US$2,942 million) of available undrawn facilities and cash at its disposal. The maturity profile of interest-bearing liabilities is disclosed in Note C.2, and trade and other payables are disclosed in Note D.3. Financing facilities available to the Group are disclosed in Note C.2.

Interest rate risk management

Interest rate risk is the risk that the Group's financial position will fluctuate due to changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to financial instruments with floating interest rates including long-term debt obligations, cash and short-term deposits. The Group manages its interest rate risk by maintaining an appropriate mix of fixed and floating rate debt. To manage the ratio of fixed rate debt to floating rate debt, the Group may enter into interest rate swaps. The Group holds cross-currency interest rate swaps to hedge the foreign exchange risk (refer to Section A) and interest rate risk of the CHF denominated medium term note.

At the reporting date, the Group was exposed to various benchmark interest rates that were not designated in cash flow hedges, US$1,536 million (2017: US$84 million) on cash and cash equivalents, US$617 million (2017: US$1,020 million) on interest-bearing liabilities (excluding transaction costs) and US$12 million (2017: US$11 million) on cross-currency interest rate swaps.

A reasonably possible change in the USD London Interbank Offered Rate (LIBOR) (+1.0%/-1.0% (2017: +1.0%/-1.0%)), with all variables held constant, would not have a material impact on the Group's equity or the income statement in the current period.

C.1 Cash and cash equivalents

	2018 US$m	2017 US$m
Cash and cash equivalents		
Cash at bank	214	318
Term deposits	1,460	-
Total cash and cash equivalents	1,674	318

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are stated at face value in the statement of financial position.

Foreign exchange risk

The Group held US$64 million of cash and cash equivalents at 31 December 2018 (2017: US$73 million) in currencies other than US dollars.

C.2 Interest-bearing liabilities and financing facilities

	Bilateral Facilities US$m	Syndicated Facilities US$m	JBIC Facility US$m	US Bonds US$m	Medium Term Notes US$m	Total US$m
Year ended 31 December 2018						
At 1 January 2018	316	(3)	500	3,880	372	5,065
Repayments	(320)	-	(83)	(600)	-	(1,003)
Fair value adjustment and foreign exchange movement	-	-	-	-	1	1
Transaction costs capitalised and amortised	2	2	-	4	-	8
Carrying value at 31 December 2018	(2)	(1)	417	3,284	373	4,071
Current	(1)	(1)	83	(2)	-	79
Non-current	(1)	-	334	3,286	373	3,992
Carrying value at 31 December 2018	(2)	(1)	417	3,284	373	4,071
Undrawn balance at 31 December 2018	1,444	800	-	-	-	2,244
Year ended 31 December 2017						
At 1 January 2017	244	696	583	3,084	366	4,973
Repayments	(1,350)	(700)	(83)	-	-	(2,133)
Drawdowns	1,420	-	-	800	-	2,220
Fair value adjustment and foreign exchange movement	-	-	-	-	7	7
Transaction costs capitalised and amortised	2	1	-	(4)	(1)	(2)
Carrying value at 31 December 2017	316	(3)	500	3,880	372	5,065
Current	(2)	(1)	83	(4)	-	76
Non-current	318	(2)	417	3,884	372	4,989
Carrying value at 31 December 2017	316	(3)	500	3,880	372	5,065
Undrawn balance at 31 December 2017	1,824	800	-	-	-	2,624

Recognition and measurement

All borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds received and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings designated as a hedged item are measured at amortised cost adjusted to record changes in the fair value of risks that are being hedged in fair value hedges. The changes in the fair value risks of the hedged item resulted in a loss of US$1 million being recorded (2017: loss of US$7 million), and a loss of US$1 million recorded on the hedging instrument (2017: gain of US$6 million).

All bonds, notes and facilities are subject to various covenants and a negative pledge restricting future secured borrowings, subject to a number of permitted lien exceptions. Neither the covenants nor the negative pledges have been breached at any time during the reporting period.

Foreign exchange risk

All interest-bearing liabilities are denominated in US dollars, excluding the CHF175 million medium term note.

Fair value

The carrying amount of interest-bearing liabilities approximates their fair value, with the exception of the Group's unsecured bonds and the medium term notes. The unsecured bonds have a carrying amount of US$3,284 million (2017: US$3,880 million) and a fair value of US$3,167 million (2017: US$3,985 million). The medium term notes have a carrying amount of US$373 million (2017: US$372 million) and a fair value of US$388 million (2017: US$399 million). The fair value of the bonds and notes was determined using quoted prices in an active market, classified as Level 1 on the fair value hierarchy. The Group's repayment obligations remain unchanged.

C.2 Interest-bearing liabilities and financing facilities (cont.)

Maturity profile of interest-bearing liabilities

The table below presents the contractual undiscounted cash flows associated with the Group's interest-bearing liabilities, representing principal and interest. The figures will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position.

	2018 US$m	2017 US$m
Due for payment in:		
1 year or less	**235**	289
1-2 years	**233**	1,144
2-3 years	**914**	267
3-4 years	**388**	910
4-5 years	**359**	390
More than 5 years	**2,876**	3,237
	5,005	6,237

Amounts exclude transaction costs.

Bilateral facilities

The Group has 14 bilateral loan facilities totalling US$1,444 million (2017: US$2,144 million). Details of bilateral loan facilities at the reporting date are as follows:

Number of facilities	Term (years)	Currency	Extension option
7	5	USD	Evergreen
1	4	USD	Evergreen
6	3	USD	Evergreen

Interest rates are based on USD LIBOR and margins are fixed at the commencement of the drawdown period. Interest is paid at the end of the drawdown period. Evergreen facilities may be extended continually by a year subject to the bank's agreement.

Syndicated facility

On 3 July 2015, the Group executed an unsecured US$1,000 million syndicated loan facility, which was increased to US$1,200 million on 22 March 2016. On 15 November 2017, Woodside amended the existing facility to a US$800 million facility comprising two equal tranches, which now expire in July 2020 and July 2022. Interest rates are based on USD LIBOR plus 0.9% and USD LIBOR plus 1.15% respectively. Interest is paid at the end of each drawdown period.

Japan Bank for International Cooperation (JBIC) facility

On 24 June 2008, the Group entered into a two tranche committed loan facility of US$1,000 million and US$500 million respectively. The US$500 million tranche was repaid in 2013. There is a prepayment option for the remaining balance. Interest rates are based on LIBOR. Interest is payable semi-annually in arrears and the principal amortises on a straight-line basis, with equal instalments of principal due on each interest payment date (every six months).

Under this facility, 90% of the receivables from designated Pluto LNG Project Sale and Purchase Agreements are secured in favour of the lenders through a trust structure, with a required reserve amount of US$30 million.

To the extent that this reserve amount remains fully funded and no default notice or acceleration notice has been given, the revenue from the Pluto LNG Project continues to flow directly to the Group from the trust account.

Medium term notes

On 28 August 2015, the Group established a US$3,000 million Global Medium Term Notes Programme listed on the Singapore Stock Exchange. Two notes have been issued under this program as set out below:

Maturity date	Currency	Carrying amount (million)	Nominal interest rate
15 July 2022	USD	200	Floating three month USD LIBOR
11 December 2023	CHF	175	1%

The unutilised program is not considered to be an unused facility.

US Bonds

The Group has four unsecured bonds issued in the United States of America as defined in Rule 144A of the *US Securities Act of 1933* as set out below:

Maturity date	Carrying amount US$m	Nominal interest rate
10 May 2021	700	4.60%
5 March 2025	1,000	3.65%
15 September 2026	800	3.70%
15 March 2028	800	3.70%

Interest on the bonds is payable semi-annually in arrears.

C.3 Contributed equity

Recognition and measurement

Issued capital

Ordinary shares are classified as equity and recorded at the value of consideration received. The cost of issuing shares is shown in share capital as a deduction, net of tax, from the proceeds.

Reserved shares

The Group's own equity instruments, which are reacquired for later use in employee share-based payment arrangements (reserved shares), are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(a) Issued and fully paid shares

	Number of shares	US$m
Year ended 31 December 2018		
Opening balance	**842,444,903**	**6,919**
Equity raising - ordinary shares issued at A$27.00	**93,706,646**	**1,989**
Share issue costs (net of tax)	**-**	**(28)**
Amounts as at 31 December 2018	**936,151,549**	**8,880**
Year ended 31 December 2017		
Opening and closing balance	842,444,903	6,919

All shares are a single class with equal rights to dividends, capital, distributions and voting. The Company does not have authorised capital nor par value in relation to its issued shares.

C.3 Contributed equity (cont.)

(b) Shares reserved for employee share plans

	Number of shares	US$m
Year ended 31 December 2018		
Opening balance	**1,248,510**	**(35)**
Purchases during the year	**2,143,577**	**(56)**
Vested during the year	**(2,261,983)**	**60**
Amounts at 31 December 2018	**1,130,104**	**(31)**
Year ended 31 December 2017		
Opening balance	1,151,175	(30)
Purchases during the year	1,962,899	(47)
Vested during the year	(1,865,564)	42
Amounts at 31 December 2017	1,248,510	(35)

C.4 Other reserves

	2018 US$m	2017 US$m
Other reserves		
Employee benefits reserve	**206**	218
Foreign currency translation reserve	**793**	793
Hedging reserves	**(14)**	(14)
	985	997

Reserve	Nature and purpose
Employee benefits reserve	Used to record share-based payments associated with the employee share plans and remeasurement adjustments relating to the defined benefit plan.
Foreign currency translation reserve	Used to record foreign exchange differences arising from the translation of the financial statements of foreign entities from their functional currency to the Group's presentation currency.
Hedging reserve	Used to record gains and losses on hedges designated as cash flow hedges and foreign currency basis spread arising from the designation of a financial instrument as a hedging instrument. Gains and losses accumulated in the cash flow hedge reserve are taken to the income statement in the same period during which the hedged expected cash flows affect the income statement.

In this section

This section addresses the other assets and liabilities position at the end of the reporting period including, where applicable, the accounting policies applied and the key estimates and judgements made.

Key financial and capital risks in this section

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss to the Group. Credit risk arises from the financial assets of the Group, which comprise trade and other receivables and deposits with banks and financial institutions.

The Group manages its credit risk on trade receivables and financial instruments by predominantly dealing with counterparties with an investment grade credit rating. Customers who wish to trade on unsecured credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis. As a result, the Group's exposure to bad debts is not significant. The Group's maximum credit risk is limited to the carrying amount of its financial assets.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 December 2018, the Group had 7 customers (2017: 6 customers) that owed the Group more than $10 million each and accounted for approximately 90% (2017: 85%) of all the receivables. Payment terms are typically 14 to 30 days providing only a short credit exposure.

At 31 December 2018, the Group had a provision for credit losses of nil (2017: nil). Subsequent to 31 December 2018, 100% (2017: 100%) of the trade receivables balance of $266 million (2017: $214 million) has been received.

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. The Group's main funds are placed as short term deposits with reputable financial institutions with strong investment grade credit ratings.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2018 and 2017 is the carrying amounts as illustrated in this Note D.

D.1 Receivables

	2018 US$m	Restated 2017[3] US$m
(a) Receivables (current)		
Trade receivables[1] (restated[3])	**266**	214
Other receivables[1] (restated[3])	**131**	103
Loans receivables[2]	**84**	87
Interest receivable	**4**	-
Dividend receivable	**2**	2
	487	406
(b) Receivables (non-current)		
Loans receivables[2]	**193**	141
Defined benefit plan asset	**15**	14
	208	155

1. Interest-free and settlement terms are usually between 14 and 30 days.
2. Loans receivables are due from non-controlling interests.
3. 2017 amounts have been restated for the restrospective application of AASB 15.

Recognition and measurement

Most trade and other receivables, including receivables from related parties, are initially recognised at fair value or transaction price determined under AASB 15 and subsequently measured at amortised cost less an allowance for uncollectable amounts. Uncollectable amounts are determined using the expected loss impairment model. Collectability and impairment are assessed on a regular basis. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement. Certain receivables that do not satisfy the contractual cash flow and business model tests are subsequently measured at fair value (refer to Note D.5).

The Group's customers are required to pay in accordance with agreed payment terms. Depending on the product, settlement terms are 14 to 30 days from the date of invoice or bill of lading and customers regularly pay on time. There are no significant overdue trade receivables as at the end of the reporting period (2017: nil).

Fair value

The carrying amount of trade and other receivables approximates their fair value.

Foreign exchange risk

The Group held US$74 million of receivables at 31 December 2018 (2017: US$113 million) in currencies other than US dollars (predominantly Australian dollars).

D.2 Inventories

	2018 US$m	2017 US$m
Inventories		
Petroleum products		
Goods in transit	**17**	31
Finished stocks	**38**	51
Warehouse stores and materials	**100**	104
	155	186

Recognition and measurement

Inventories include hydrocarbon stocks, consumable supplies and maintenance spares. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed and variable production overheads where applicable. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

D.3 Payables

The following table shows the Group's payables balances and maturity analysis.

	< 30 days US$m	30-60 days US$m	> 60 days US$m	Total US$m
Year ended 31 December 2018				
Trade payables[1]	**150**	**-**	**62**	**212**
Other payables[1]	**332**	**-**	**-**	**332**
Interest payable[2]	**6**	**-**	**36**	**42**
Total payables	**488**	**-**	**98**	**586**
Year ended 31 December 2017 (restated[3])				
Trade payables[1]	139	28	70	237
Other payables[1] (restated[3])	322	1	26	349
Interest payable[2]	7	-	52	59
Total payables (restated[3])	468	29	148	645

1. Interest-free and normally settled on 30-day terms.
2. Details regarding interest-bearing liabilities are contained in Note C.2.
3. 2017 amounts have been restated for the restrospective application of AASB 15.

Recognition and measurement

Trade and other payables are carried at amortised cost and are recognised when goods and services are received, whether or not billed to the Group, prior to the end of the reporting period.

Fair value

The carrying amount of payables approximates their fair value.

Foreign exchange risk

The Group held US$360 million of payables at 31 December 2018 (2017: US$380 million) in currencies other than US dollars (predominantly Australian dollars).

D.4 Provisions

	Restoration of operating locations US$m	Employee benefits US$m	Other US$m	Total US$m
Year ended 31 December 2018				
At 1 January 2018	**1,524**	**177**	**66**	**1,767**
Change in provision	**8**	**(6)**	**(11)**	**(9)**
Unwinding of present value discount	**40**	**-**	**-**	**40**
Carrying amount at 31 December 2018	**1,572**	**171**	**55**	**1,798**
Current	**13**	**147**	**55**	**215**
Non-current	**1,559**	**24**	**-**	**1,583**
Net carrying amount	**1,572**	**171**	**55**	**1,798**
Year ended 31 December 2017				
At 1 January 2017	1,442	155	166	1,763
Change in provision	45	22	(100)	(33)
Unwinding of present value discount	37	-	-	37
Carrying amount at 31 December 2017	1,524	177	66	1,767
Current	17	148	55	220
Non-current	1,507	29	11	1,547
Net carrying amount	1,524	177	66	1,767

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Restoration of operating locations

Provision is made for the obligation to restore operating locations. The provision is first recognised in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

Restoration provisions are updated annually, with the corresponding movement recognised against the related exploration and evaluation assets or oil and gas properties.

Over time, the liability is increased for the change in the present value based on a pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset (refer to Note B.3).

Costs incurred that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages, salaries, annual leave and long service leave.

Liabilities in respect of employees' services rendered that are not expected to be wholly settled within one year after the end of the period in which the employees render the related services are recognised as long-term employee benefits.

These liabilities are measured at the present value of the estimated future cash outflow to be made to the employees using the projected unit credit method. Liabilities expected to be wholly settled within one year after the end of the period in which the employees render the related services are classified as short-term benefits and are measured at the amount due to be paid.

Key estimates and judgements

(a) Restoration obligations

The Group estimates the future removal costs of offshore oil and gas platforms, production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and liability specific discount rates to determine the present value of these cash flows. The proportion of the non-current balance not expected to be settled within 15 years is 58% (2017: 63%).

(b) Long service leave

Long service leave is measured at the present value of benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management uses judgement to determine key assumptions used in the calculation including future increases in salaries and wages, future on-cost rates and future settlement dates of employees' departures.

(c) Legal case outcomes

Provisions for legal cases are measured at the present value of the amount expected to settle the claim. Management is required to use judgement when assessing the likely outcome of legal cases, estimating the risked amount and whether a provision or contingent liability should be recognised.

D.5 Other financial assets and liabilities

	2018 US$m	Restated 2017 US$m
Other financial assets		
Other financial assets at fair value through profit and loss		
Other financial assets	84	105
Total other financial assets	84	105
Current	54	74
Non-current	30	31
Net carrying amount	84	105
Other financial liabilities		
Financial instruments at fair value through profit and loss		
Derivative financial instruments designated as hedges	12	11
Other financial liabilities at fair value through profit and loss		
Other financial liabilities	56	22
Total other financial liabilities	68	33
Current	48	11
Non-current	20	22
Net carrying amount	68	33

Recognition and measurement

Other financial assets and liabilities

Other financial assets and liabilities, including sales contracts containing provisional pricing features, are initially recognised at fair value on the date the contract is entered into and subsequent fair value movements are recognised in the income statement.

Derivative financial instruments

Derivative financial instruments that are designated within qualifying hedge relationships are initially recognised at fair value on the date the contract is entered into. For relationships designated as fair value hedges, subsequent fair value movements of the derivative are recognised in the income statement. For relationships designated as cash flow hedges, subsequent fair value movements of the derivative for the effective portion of the hedge are recognised in other comprehensive income and accumulated in reserves in equity; fair value movements for the ineffective portion are recognised immediately in the income statement. Costs of hedging have been separated from the hedging arrangements and deferred to other comprehensive income and accumulated in reserves in equity. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Fair value

The carrying amount of all other financial assets and liabilities approximates their fair values.

Foreign exchange

The Group had no material other financial assets and liabilities denominated in currencies other than US dollars.

D.6 Segment assets and liabilities

	2018 US$m	Restated 2017 US$m
(a) Segment assets		
NWS	2,672	2,988
Pluto	11,292	11,858
Australia Oil	1,581	1,084
Wheatstone	4,706	4,663
Development	3,310	2,750
Other segments	414	422
Unallocated items	3,113	1,634
	27,088	25,399

	2018 US$m	Restated 2017 US$m
(b) Segment liabilities		
NWS	572	602
Pluto	497	432
Australia Oil	683	646
Wheatstone	222	186
Development	110	127
Other segments	65	69
Unallocated items	6,617	7,426
	8,766	9,488

Refer to Note A.1 for descriptions of the Group's segments. Unallocated assets mainly comprise cash and cash equivalents and the Group's deferred tax assets. Unallocated liabilities mainly comprise interest-bearing liabilities and deferred tax liabilities.

D.7 Non-current assets held for sale

In December 2018, the partners of the North West Shelf joint operation committed to sell two LNG vessels for a total price of US$60 million. Woodside's share is US$10 million.

Accordingly, the LNG vessels within the North West Shelf operating segment have been reclassified as non-current assets held for sale. The sale of each LNG vessel is subject to a number of conditions precedent and is expected to complete in 2019.

Impairment relating to the non-current assets held for sale
Immediately before the classification of the LNG vessels as non-current assets held for sale, the recoverable amount was estimated for the LNG vessels within oil and gas properties and an impairment of US$39 million was recognised (Note B.4).

Assets and liabilities of the non-current assets held for sale
At 31 December 2018, the LNG vessels have been classified as non-current assets held for sale for US$10 million. No liabilities are associated with the LNG vessels classified as held for sale.

Recognition and measurement
The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale, expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

In this section

This section addresses information on items which require disclosure to comply with Australian Accounting Standards and the Australian *Corporations Act 2001,* however, are not considered critical in understanding the financial performance or position of the Group.
This section includes Group structure information and other disclosures.

E.1 Contingent liabilities and assets

	2018 US$m	2017 US$m
Contingent liabilities at reporting date		
Not otherwise provided for or disclosed in the financial statements:		
Contingent liabilities	**73**	66
Guarantees	**7**	8
	80	74

Contingent liabilities relate predominantly to actual or potential claims on the Group for which amounts are reasonably estimated but the liability is not probable and therefore the Group has not provided for such amounts in these financial statements. Additionally, there are a number of other claims and possible claims that have arisen in the course of business against entities in the Group, the outcome of which cannot be foreseen at present and for which no amounts have been included in the table above.

E.2 Leases

	2018 US$m	2017 US$m
Operating lease commitments		
Rents payable on non-cancellable operating leases, due:		
Within one year	**189**	207
After one year but not more than five years	**625**	518
Later than five years	**1,198**	953
	2,012	1,678

Subject to the joint operation that utilises the lease, the Group's share of actual payments made under operating leases may be lower than the value of commitments disclosed.

The Group leases assets for operations including vessels, helicopters, cranes, land, mobile offshore drilling units, office premises and computers.

There are no restrictions placed upon the lessee by entering into these leases. Renewals are at the option of the Group. Certain leases contain a clause enabling upward revision of the rental charge on an annual basis based on the consumer price index. The Group made payments under operating leases of US$242 million during the year (2017: US$227 million). A portion of this amount relates to arrangements containing non-lease elements, which are not practicable to separate.

Recognition and measurement

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives received are recognised in the income statement as a part of total lease expense.

E.3 Employee benefits

(a) Employee benefits

Employee benefits for the reporting period are as follows:

	2018 US$m	2017 US$m
Employee benefits	**282**	285
Share-based payments	**21**	21
Defined contribution plan costs	**33**	33
Defined benefit plan expense	**2**	2
	338	341

Recognition and measurement

The Group's accounting policy for employee benefits other than superannuation is set out in Note D.4. The policy relating to share-based payments is set out in Note E.3(c).

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The majority of employees are party to a defined contribution scheme and receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. The Group also operates a defined benefit superannuation scheme, the membership of which is now closed. The net defined benefit plan asset at 31 December 2018 was US$15 million (2017: US$14 million).

(b) Compensation of key management personnel

Key management personnel (KMP) compensation for the financial year was as follows:

	2018 US$	2017 US$
Short-term employee benefits	**8,674,034**	10,039,832
Post employment benefits	**92,068**	227,786
Share-based payments	**8,645,740**	5,663,860
Long-term employee benefits	**178,745**	97,305
Termination benefits	**174,047**	276,622
	17,764,634	16,305,405

(c) Share plans

The Group provides benefits to its employees (including KMP) in the form of share-based payments whereby employees render services for shares (equity-settled transactions).

Woodside equity plan (WEP) and supplementary Woodside equity plan (SWEP)

The WEP is available to all permanent employees, but since 1 January 2018 has excluded EIS participants. The number of Equity Rights (ERs) offered to each eligible employee will be calculated with reference to salary and performance. The linking of performance to an allocation allows the Group to recognise and reward eligible employees for high performance. The ERs have no further ongoing performance conditions after allocation, and do not require participants to make any payment in respect of the ERs at grant or at vesting. SWEP is available to a number of employees identified as being retention critical. Participants do not make any payment in respect of the ERs at grant or at vesting. Each ER entitles the participant to receive a Woodside share on the vesting date three years after the grant date.

E.3 Employee benefits (cont.)

Executive incentive plans (EIP)

Short-term awards (STA)

The STA are delivered in the form of restricted shares to executives, including all executive KMP. Restricted shares entitle their holders to receive dividends. There are no further performance conditions for vesting of deferred STA. Participants are not required to make any payments in respect of STA awards at grant or at vesting.

Long-term awards (LTA)

LTA are granted in the form of Variable Pay Rights (VPRs) to executives, including all executive KMP. Vesting of LTA is subject to achievement of relative total shareholder return (RTSR) targets, with 33% measured against the ASX 50 and the remaining 67% tested against an international group of oil and gas companies.

Participants are not required to make any payments in respect of LTA awards at grant or at vesting.

Executive incentive scheme (EIS)

The EIS was introduced for the 2018 performance year for all excutives including executive KMP. The EIS is delivered in the form of a cash incentive, restricted shares and performance rights. The grant date of the restricted shares and performance rights has been determined to be subsequent to the performance year, being the date of the Board of Directors' approval (13 February 2019). Accordingly, restricted shares and perfomance rights have not been included in the table below as they have not been granted as at 31 December 2018. An expense related to the 2018 performance year has been estimated for restricted shares and performance rights, using fair value estimates based on inputs at 31 December 2018.

Recognition and measurement

All compensation under WEP, SWEP and executive share plans is accounted for as share-based payments to employees for services provided. The cost of equity-settled transactions with employees is measured by reference to the fair values of the equity instruments at the date at which they are granted. The fair value of share-based payments is recognised, together with the corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the shares. At each balance sheet date, the Group reassesses the number of awards that are expected to vest based on service conditions. The expense recognised each year takes into account the most recent estimate.

The fair value of the benefit provided for the WEP and SWEP is estimated using the Black-Scholes option pricing technique. The fair value of the restricted shares is estimated as the closing share price at grant date. The fair value of the benefit provided for the RTSR VPRs was estimated using the Binomial or Black-Scholes option pricing technique combined with a Monte Carlo simulation methodology, where relevant, using historical volatility to estimate the volatility of the share price in the future.

The number of performance rights and movements for all share plans are summarised as follows:

	Number of performance rights			
	Employee plans		Executive plans	
	WEP	SWEP	STA	LTA
Year ended 31 December 2018				
Opening balance	**5,789,008**	**17,500**	**934,148**	**3,265,585**
Granted during the year[1,2]	**2,552,041**	**178**	**167,879**	**61,127**
Vested during the year	**(1,710,458)**	**-**	**(271,997)**	**(279,528)**
Forfeited during the year	**(305,227)**	**-**	**(16,062)**	**(501,269)**
Performance rights at 31 December 2018	**6,325,364**	**17,678**	**813,968**	**2,545,915**
	US$m	**US$m**	**US$m**	**US$m**
Fair value of rights granted during the year	**62**	**-**	**4**	**1**

	Number of performance rights			
	Employee plans		Executive plans	
	WEP	SWEP	STA	LTA
Year ended 31 December 2017				
Opening balance	5,512,903	38,270	881,921	2,951,208
Granted during the year	2,090,371	17,500	210,210	568,234
Vested during the year[1,2]	(1,595,207)	(26,310)	(129,641)	(114,406)
Forfeited during the year	(219,059)	(11,960)	(28,342)	(139,451)
Performance rights at 31 December 2017	5,789,008	17,500	934,148	3,265,585
	US$m	**US$m**	**US$m**	**US$m**
Fair value of rights granted during the year	43	-	5	8

1. For the purpose of valuation, the share price on grant date for the 2018 WEP allocations was US$24.36 (2017: US$22.77) and the average SWEP was US$24.09 (2017: US$23.38).
2. For the purpose of valuation, the share price on grant date for the 2018 STA and LTA allocations was US$24.45 (2017: US$22.49).

For more detail on these share plans and performance rights issued to KMPs, refer to the Remuneration Report on pages 82-85 and pages 92-94.

E.4 Related party transactions

Transactions with directors

There were no transactions with directors during the year other than those disclosed in Note E.3(b).

E.5 Auditor remuneration

The auditor of Woodside Petroleum Ltd is Ernst & Young (EY).

	2018 US$'000	2017 US$'000
(a) Amounts received or due and receivable for an audit or review of the financial statements of the entity and any other entity in the Group by:		
EY Australia	**1,643**	1,734
Other EY firms	**148**	182
	1,791	1,916
(b) Amounts received or due and receivable for non-audit services in relation to the entity or any other entity in the Group by:		
EY Australia for other assurance services	**333**	439
EY Australia for other advisory services	**237**	326
EY Australia for taxation services	**130**	164
Other EY firms for other assurance services	**163**	51
	863	980

E.6 Events after the end of the reporting period

Since the end of the financial year and to the date of this report, the following entities were incorporated:

- Woodside Energy Holdings II Pty Ltd was incorporated on 23 January 2019 - a wholly owned subsidiary incorporated in Australia.
- Woodside Power Pty Ltd was incorporated on 23 January 2019 - a wholly owned subsidiary incorporated in Australia.
- Woodside Power (Generation) Pty Ltd was incorporated on 23 January 2019 - a wholly owned subsidiary incorporated in Australia.

E.7 Joint arrangements

(a) Interest percentage in joint ventures

Entity	Principal activity	Group Interest % 2018	Group Interest % 2017
North West Shelf Gas Pty Ltd	Marketing services for ventures in the sale of gas to the domestic market.	**16.67**	16.67
North West Shelf Liaison Company Pty Ltd	Liaison for ventures in the sale of LNG to the Japanese market.	**16.67**	16.67
China Administration Company Pty Ltd	Marketing services for ventures in the sale of LNG to international markets.	**16.67**	16.67
North West Shelf Shipping Service Company Pty Ltd	LNG vessel fleet adviser.	**16.67**	16.67
North West Shelf Lifting Coordinator Pty Ltd	Coordinator for venturers for all equity liftings.	**16.67**	16.67

(b) Interest percentage in joint operations

	Group Interest % 2018	Group Interest % 2017
Producing and developing assets		
Oceania		
North West Shelf	**12.5 - 50.0**	12.5 - 50.0
Enfield and Vincent	**60.0**	60.0
Stybarrow	**50.0**	50.0
Balnaves	**65.0**	65.0
Pluto	**90.0**	90.0
Wheatstone	**13.0 - 65.0**	13.0 - 65.0
Exploration and evaluation assets		
Oceania		
Browse Basin	**30.6**	30.6
Carnarvon Basin[1,2]	**15.8 - 90.0**	15.8 - 90.0
Bonaparte Basin	**26.7 - 35.0**	26.7 - 35.0
New Zealand[3]	**-**	70.0
Africa		
Morocco[4]	**-**	25.0
Gabon[5]	**21.3 - 40.0**	21.3 - 40.0
Senegal	**35.0**	35.0
The Americas		
Peru	**35.0**	35.0
Kitimat	**50.0**	50.0
Asia		
Myanmar	**40.0 - 55.0**	40.0 - 55.0
Europe		
Ireland	**60.0 - 90.0**	60.0 - 90.0
Bulgaria[6]	**30.0**	-

1. Scarborough is included in the Carnarvon Basin.
2. One permit (WA-35-R) within the Carnarvon Basin was surrendered in 2018.
3. One permit (PEP-55794) within New Zealand was surrendered in 2018.
4. One permit (Rabat Deep I-VI) within Morocco was surrendered in 2018.
5. One permit (Permit Luna Muetse (E13)) within Gabon expired in 2018.
6. As at 31 December 2018, the 1-14 Khan Kubrat block farm-in has been approved by the Bulgarian government. This approval has mandated that the Energy Minister will sign an agreement that will transfer 30% of the block to Woodside. Final execution of this agreement is pending.

The principal activities of the joint operations above are exploration, development and production of hydrocarbons.

Key estimates and judgements

Accounting for interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, Woodside may obtain control, joint control or significant influence over the entity or arrangement. Judgement is applied when determining the relevant activities of a project and if joint control is held over them. Relevant activities include, but are not limited to, work program and budget approval, investment decision approval, voting rights in joint operating committees, amendments to permits and changes to joint arrangement participant holdings. Transactions which give Woodside control of a business are business combinations. If Woodside obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If Woodside has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then accounted for as an associate.

E.7 Joint arrangements (cont.)

Recognition and measurement

Joint arrangements are arrangements in which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation, and as such the Group recognises its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method.

Joint arrangements acquired which are deemed to be carrying on a business are accounted for applying the principles of AASB 3 *Business Combinations*. Joint arrangements which are not deemed to be carrying on a business are treated as asset acquisitions.

E.8 Parent entity information

	2018 US$m	2017 US$m
Woodside Petroleum Ltd:		
Current assets	**357**	345
Non-current assets	**9,839**	7,812
Non-current liabilities	**(680)**	(700)
Net assets	**9,516**	7,457
Issued and fully paid shares	**8,880**	6,919
Shares reserved for employee share plans	**(31)**	(35)
Employee benefits reserve	**121**	123
Foreign currency translation reserve	**296**	296
Retained earnings	**250**	154
Total shareholders' equity	**9,516**	7,457
Profit of parent entity	**1,005**	853
Total comprehensive income of parent entity	**1,002**	857

Guarantees

Woodside Petroleum Ltd and Woodside Energy Ltd (a subsidiary company) are parties to a Deed of Cross Guarantee as disclosed in Note E.9. The effect of the Deed is that Woodside Petroleum Ltd has guaranteed to pay any deficiency in the event of winding up of the subsidiary company under certain provisions of the *Corporations Act 2001*. The subsidiary company has also given a similar guarantee in the event that Woodside Petroleum Ltd is wound up.

Woodside Petroleum Ltd has guaranteed the discharge by a subsidiary company of its financial obligations under debt facilities disclosed in Note C.2. Woodside Petroleum Ltd has guaranteed certain obligations of subsidiaries to unrelated parties on behalf of their performance in contracts. No liabilities are expected to arise from these guarantees.

E.9 Subsidiaries

(a) Subsidiaries

Name of entity	Notes
Ultimate Parent Entity	
Woodside Petroleum Ltd	(1,2,3)
Subsidiaries	
Company name	
Woodside Energy Ltd	(2,3,4)
Woodside Browse Pty Ltd	(2,4)
Woodside Burrup Pty Ltd	(2,4)
Burrup Facilities Company Pty Ltd	(5)
Burrup Train 1 Pty Ltd	(5)
Pluto LNG Pty Ltd	(5)
Woodside Burrup Train 2A Pty Ltd	(2,4,9)
Woodside Burrup Train 2B Pty Ltd	(2,4,9)
Woodside Energy (LNG Fuels and Power) Pty Ltd	(2,4,9)
Woodside Energy (Domestic Gas) Pty Ltd	(2,4,9)
Woodside Energy (Algeria) Pty Ltd	(2,4)
Woodside Energy Australia Asia Holdings Pte Ltd ◢	(4)
Woodside Energy (Carbon Capture) Pty Ltd	(2,4,12)
Woodside Energy Holdings International Pty Ltd	(2,4)
Woodside Energy Mediterranean Pty Ltd	(2,4)
Woodside Energy International (Canada) Limited ♦	(4)
Woodside Energy (Canada LNG) Limited ♦	(4)
Woodside Energy (Canada PTP) Limited ♦	(4)
KM LNG Operating General Partnership ♦	(4,8)
KM LNG Operating Ltd ♦	(4)
Woodside Energy Holdings Pty Ltd	(2,4)
Woodside Energy Holdings (USA) Inc ▼	(4)
Woodside Energy (USA) Inc ▼	(4)
Gryphon Exploration Company ▼	(4)
Woodside Energy (Cameroon) SARL ■	(4)
Woodside Energy (Gabon) Pty Ltd	(2,4)
Woodside Energy (Indonesia) Pty Ltd	(2,4)
Woodside Energy (Indonesia II) Pty Ltd	(2,4)
Woodside Energy (Indonesia III) Pty Ltd	(2,4)
Woodside Energy (Ireland) Pty Ltd	(2,4)
Woodside Energy (Korea) Pte Ltd ◢	(4)
Woodside Energy (Korea II) Pte Ltd ◢	(4,10)
Woodside Energy (Myanmar) Pte Ltd ◢	(4)
Woodside Energy (Morocco) Pty Ltd	(2,4)
Woodside Energy (New Zealand) Limited ◤	(4)
Woodside Energy (New Zealand 55794) Limited ◤	(4)
Woodside Energy (Peru) Pty Ltd	(2,4)
Woodside Energy (Senegal) Pty Ltd	(2,4)
Woodside Energy (Tanzania) Limited ◘	(6)
Woodside Energy Holdings (South America) Pty Ltd	(2,4)
Woodside Energia (Brasil) Investimento em Exploracao de Petroleo Ltda ●	(7)
Woodside Energy Holdings (UK) Pty Ltd	(2,4)
Woodside Energy (UK) Limited ▲	(4)
Woodside Energy (Bulgaria) Limited ▲	(4,11)
Woodside Energy Holdings (Senegal) Limited ▲	(4)
Woodside Energy (Senegal) B.V. ⬢	(4)
Woodside Energy (France) SAS ◉	(4)
Woodside Energy Iberia S.A. ◖	(4)
Woodside Energy (N.A.) Ltd ▲	(4)
Woodside Energy (Julimar) Pty Ltd	(2,4)
Woodside Energy (Kenya) Pty Ltd	(2,4,12)
Woodside Energy (M.E.) Pty Ltd	(2,4,12)
Woodside Energy Middle East and Africa Pty Ltd	(2,4,12)
Woodside Energy (Norway) Pty Ltd	(2,4)
Woodside Energy (SL) Pty Ltd	(2,4,12)
Woodside Energy Technologies Pty Ltd	(2,4)
Woodside Energy Trading Singapore Pte Ltd ◢	(4)
WelCap Insurance Pte Ltd ◢	(4)
Woodside Energy Shipping Singapore Pte Ltd ◢	(4)
Woodside Guangdong Shipping (One) Pty Ltd	(2,4,12)
Woodside Guangdong Shipping (Two) Pty Ltd	(2,4,12)
Woodside West Africa Pty Ltd	(2,4,12)
Metasource Pty Ltd	(2,4)
Mermaid Sound Port and Marine Services Pty Ltd	(2,4)
Woodside Finance Limited	(2,4)
Woodside Petroleum (Timor Sea 19) Pty Ltd	(2,4)
Woodside Petroleum (Timor Sea 20) Pty Ltd	(2,4)
Woodside Petroleum Holdings Pty Ltd	(2,4)

1. Woodside Petroleum Ltd is the ultimate holding company and the head entity within the tax consolidated group.
2. These companies were members of the tax consolidated group at 31 December 2018.
3. Pursuant to ASIC Instrument 2016/785, relief has been granted to the controlled entity, Woodside Energy Ltd, from the *Corporations Act 2001* requirements for the preparation, audit and publication of accounts. As a condition of the Instrument, Woodside Petroleum Ltd and Woodside Energy Ltd are parties to a Deed of Cross Guarantee.
4. All subsidiaries are wholly owned except those referred to in Notes 5, 6, 7 and 8.
5. Kansai Electric Power Australia Pty Ltd and Tokyo Gas Pluto Pty Ltd each hold a 5% interest in the shares of these subsidiaries. These subsidiaries are controlled.
6. As at 31 December 2018, Woodside Energy Holdings Pty Ltd held a 99.99% interest in the shares of Woodside Energy (Tanzania) Limited and Woodside Energy Ltd held the remaining 0.01% interest.
7. As at 31 December 2018, Woodside Energy Holdings (South America) Pty Ltd held a 99.99% interest in the shares of Woodside Energia (Brasil) Investimento em Exploracao de Petroleo Ltda and Woodside Energy Ltd held the remaining 0.01% interest.
8. As at 31 December 2018, Woodside Energy International (Canada) Limited and Woodside Energy (Canada LNG) Limited were the general partners of the KM LNG Operating General Partnership holding a 99.99% and 0.01% partnership interest, respectively.
9. Woodside Energy (LNG Fuels and Power) Pty Ltd was incorporated on 22 May 2018, Woodside Energy (Domestic Gas) Pty Ltd was incorporated on 23 May 2018 and Woodside Burrup Train 2A Pty Ltd and Woodside Burrup Train 2B Pty Ltd were incorporated on 22 October 2018.
10. Woodside Energy (Korea II) Pte. Ltd. was incorporated on 23 January 2018.
11. Woodside Energy (Bulgaria) Limited was incorporated on 24 July 2018.
12. These subsidiaries are under external administration and will be wound up voluntarily.

All subsidiaries were incorporated in Australia unless identified with one of the following symbols:

● Brazil	⬢ The Netherlands	◘ Tanzania
■ Cameroon	◤ New Zealand	▲ England and Wales
♦ Canada	◢ Singapore	▼ USA
◉ France	◖ Spain	

Classification

Subsidiaries are all the entities over which the Group has the power over the investee such that the Group is able to direct the relevant activities, has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns.

E.9 Subsidiaries (cont.)

(b) Subsidiaries with material non-controlling interests

The Group has two Australian subsidiaries with material non-controlling interests (NCI).

Name of entity	Principal place of business	% held by NCI
Burrup Facilities Company Pty Ltd	Australia	10%
Burrup Train 1 Pty Ltd	Australia	10%

The NCI in both subsidiaries is 10% held by the same parties (refer to Note E.9(a) footnote 5 for details).

The summarised financial information (including consolidation adjustments but before intercompany eliminations) of subsidiaries with material NCI is as follows:

	2018 US$m	2017 US$m
Burrup Facilities Company Pty Ltd		
Current assets	**604**	617
Non-current assets	**5,277**	5,196
Current liabilities	**(84)**	(79)
Non-current liabilities	**(542)**	(515)
Net assets	**5,255**	5,219
Accumulated balance of NCI	**525**	522
Revenue	**1,190**	1,130
Profit	**602**	558
Profit allocated to NCI	**60**	56
Dividends paid to NCI	**(57)**	(51)
Operating	**876**	853
Investing	**(36)**	(15)
Financing	**(840)**	(838)
Net increase/(decrease) in cash and cash equivalents	**-**	-
Burrup Train 1 Pty Ltd		
Current assets	**563**	581
Non-current assets	**3,057**	3,021
Current liabilities	**(152)**	(158)
Non-current liabilities	**(383)**	(366)
Net assets	**3,085**	3,078
Accumulated balance of NCI	**308**	308
Revenue	**2,021**	1,921
Profit	**432**	398
Profit allocated to NCI	**43**	40
Dividends paid to NCI	**(43)**	(38)
Operating	**598**	572
Investing	**(2)**	(1)
Financing	**(596)**	(571)
Net increase/(decrease) in cash and cash equivalents	**-**	-

(c) Deed of Cross Guarantee and Closed Group

Woodside Petroleum Ltd and Woodside Energy Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the other. By entering into the Deed, the entities have been granted relief from the *Corporations Act 2001* requirements for the preparation, audit and publication of accounts, pursuant to ASIC Instrument 2016/785. The two entities represent a Closed Group for the purposes of the Instrument.

The consolidated income statement and statement of financial position of the members of the Closed Group are set out below:

	2018 US$m	Restated 2017 US$m
Closed Group Consolidated Income Statement and Statement of Retained Earnings		
Profit before tax	**191**	284
Taxes	**(54)**	(127)
Profit after tax	**137**	157
Retained earnings at the beginning of the financial year	**2,033**	2,702
Dividends	**(909)**	(826)
Retained earnings at the end of the financial year	**1,261**	2,033
Closed Group Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	**80**	94
Receivables	**258**	346
Inventories	**55**	63
Tax receivable	**-**	29
Other financial assets	**36**	70
Other assets	**15**	-
Non-current assets held for sale	**10**	-
Total current assets	**454**	602
Non-current assets		
Receivables	**15**	-
Other financial assets	**29,781**	28,371
Exploration and evaluation assets	**1,501**	1,001
Oil and gas properties	**4,063**	3,750
Other plant and equipment	**181**	140
Deferred tax assets	**23**	25
Total non-current assets	**35,564**	33,287
Total assets	**36,018**	33,889
Current liabilities		
Payables	**349**	429
Other financial liabilities	**27**	17
Other liabilities	**53**	38
Provisions	**117**	139
Total current liabilities	**546**	623
Non-current liabilities		
Payables	**23,017**	22,068
Deferred tax liabilities	**485**	415
Other financial liabilities	**14**	15
Other liabilities	**36**	52
Provisions	**944**	921
Total non-current liabilities	**24,496**	23,471
Total liabilities	**25,042**	24,094
Net assets	**10,976**	9,795
Equity		
Issued and fully paid shares	**8,880**	6,919
Shares held for employee share plan	**(31)**	(35)
Other reserves	**866**	878
Retained earnings	**1,261**	2,033
Total equity	**10,976**	9,795

E.10 Other accounting policies

(a) Summary of other significant accounting policies

Tax consolidation

The parent and its wholly owned Australian controlled entities have elected to enter a tax consolidation, with Woodside Petroleum Ltd as the head entity of the tax consolidated group. The members of the tax consolidated group are identified in Note E.9.

The tax expense/(benefit), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group, using the stand-alone approach.

Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the tax funding agreement, Woodside Petroleum Ltd and each of the entities in the tax consolidated group have agreed to pay or receive a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities, should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(b) New and amended accounting standards and interpretations adopted

The Group adopted AASB 15 as of 1 January 2018.

AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers.

The Group adopted the new standard using the full retrospective approach and applied the practical expedient per AASB 15.C5(b). The Group's new revenue accounting policy is detailed in Note A.1.

Revenue will be recognised using the sales method of accounting rather than the entitlements method. The sales method results in recording revenue when the products are delivered to customers, as opposed to the Group's percentage interest in production from a producing field. An opening adjustment of a US$14 million loss has been recognised in retained earnings as at 1 January 2017 and a US$45 million increase in profit has been recognised for the year ended 31 December 2017.

In the normal course of business, the Group enters into long-term sales contracts. Provisions are included in the contracts to renegotiate prices to align to current market conditions at a given point in time. Where the new pricing formula is not agreed by the time the contract enters a price review period, revenue is recognised at the amount to which the Group expects to be entitled. No opening adjustments were recognised.

The impact of AASB 15 adoption and representation of other financial assets is as follows:

Impact on equity (increase/(decrease)):

	Adjustment	
	31 December 2017 US$m	1 January 2017 US$m
Receivables	**(76)**	(99)
Other financial assets[1]	**74**	66
Payables[2]	**(46)**	(13)
Deferred tax liabilities	**13**	(6)
Retained earnings	**31**	(14)

1. Product receivables containing variable components held at fair value were previously presented within receivables at 31 December 2017. These are now presented as other financial assets in the statement of financial position.
2. Adjustment to payables relates to reversal of revenue entitlements.

Impact on the income statement and earnings per share (increase/(decrease)):

	Adjustment
	31 December 2017 US$m
Operating revenue	67
Other income	1
Other expenses	(4)
Income tax expenses	(19)
Profit for the year attributable to equity holders of the parent	45
Basic and diluted earnings per share (EPS) attributable to equity holders of the parent (US cents)[1]	5.4

1. EPS adjustment reflects the impact of AASB 15. It has not been adjusted for theoretical ex-rights price factor associated with the equity raising (refer to Note A.4).

(c) New and amended accounting standards and interpretations issued but not yet effective

AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. The depreciation of the right of use asset and interest on the lease liability will be recognised in the consolidated income statement.

Transition to AASB 16

The Group plans to adopt the modified retrospective approach on transition, where the lease liability is measured at the present value of future lease payments on the initial date of application, being 1 January 2019. The lease asset is measured as if AASB 16 had been applied from the commencement of the lease with any difference between the lease asset and liability recognised as an adjustment to opening retained earnings. Under this transition method, prior period comparative financial statements are not required to be restated and the cumulative impact of applying the standard is recognised in opening retained earnings on the initial date of application, being 1 January 2019. The Group has completed changes to the contracting process and the system implementation to ensure ongoing compliance with AASB 16.

The Group has completed an impact assessment of AASB 16 and estimates the following impact on its consolidated statement of financial position as at 31 December 2018:

Estimated Impact on Consolidated Statement of Financial Position[1]	US$m
Right of use assets	**1,029**
Right of use lease liabilities	**1,202**

1. The net effect of the lease liabilities and right of use assets, adjusted for deferred tax will be recognised against retained earnings.

The leases recognised by the Group under AASB 16 predominantly relate to LNG vessels and property.

On adoption of AASB 16, operating lease expense will no longer be recognised in gross profit, depreciation of right-of-use assets will be recognised in other costs and lease financing costs will be recognised in net financing costs.

DIRECTORS' DECLARATION

In accordance with a resolution of directors of Woodside Petroleum Ltd, we state that:

1. In the opinion of the directors:

   (a) the financial statements and notes thereto, and the disclosures included in the audited 2018 Remuneration Report, comply with Australian Accounting Standards and the *Corporations Act 2001*;

   (b) the financial statements and notes thereto give a true and fair view of the financial position of the Group as at 31 December 2018 and of the performance of the Group for the financial year ended 31 December 2018;

   (c) the financial statements and notes thereto also comply with International Financial Reporting Standards as disclosed in the 'About these statements' section within the notes to the 2018 Financial Statements;

   (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

   (e) there are reasonable grounds to believe that the members of the Closed Group identified in Note E.9 will be able to meet any obligations or liabilities which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 31 December 2018.

For and on behalf of the Board

Richard Goyder

R J Goyder, AO
Chairman
Perth, Western Australia
14 February 2019

P J Coleman
Chief Executive Officer and Managing Director
Perth, Western Australia
14 February 2019

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
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Independent auditor's report to the shareholders of Woodside Petroleum Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Woodside Petroleum Ltd (the Company), including its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year ended on that date.

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Impairment of non-current assets

Why significant	How our audit addressed the key audit matter
Australian Accounting Standards require the Group to assess whether there are any indicators that non-current assets may be impaired. If any indicator exists, the Group must estimate the recoverable amount of the asset. At year end, the Group concluded that there were no indicators of impairment or reversal of previous impairments for any of its Cash Generating Units (CGUs), apart from an impairment indicator in respect of LNG vessels classified as non-current assets held for sale at 31 December 2018. An impairment charge of $39 million was recognised during the year. In determining whether there was an indicator of impairment or impairment reversal, the Group considered whether there was a significant change in the external and internal factors as set out in the financial report in note B.4. The assessment of indicators of impairment and reversal of impairment is judgmental, and includes assessing a range of external and internal factors that could impact the recoverable amount of a CGU. Accordingly, this matter was considered to be a key audit matter.	We evaluated whether there had been significant changes in the external and internal factors considered by the Group in assessing whether indicators of impairment or reversal of impairment exist. This included assessing, in conjunction with our valuation specialists, any significant changes in discount rates and commodity prices and the impact this would have on the conclusions drawn by the Group based on the impairment assessments of previous years. Our assessment of commodity prices makes reference to market prices (where available), market research, market practice, market indices, market consensus and historical performance. We used the work of the Group's internal experts with respect to the hydrocarbon reserve assumptions used in the Group's assessment of movements in reserves in its impairment indicator considerations. This included understanding the reserve estimation processes carried out, the Group's internal certification process for technical and commercial experts who are responsible for reserves, the design of the Group's Petroleum Resources Management procedures and its alignment with the guidelines prepared by the Society of Petroleum Engineers. We also examined the competence and objectivity of the Group's experts, the scope and appropriateness of their work. We assessed whether key reserves economics assumptions were consistent with other operational information. We examined sales agreements utilised in determining the recoverable amount of non-current assets held for sale at 31 December 2018. We also focused on the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's assessment of indicators of impairment and reversal of impairment of non-current assets. These have been disclosed in Note B.4.

2. Accounting for petroleum resources rent tax (PRRT) assets

Why significant	How our audit addressed the key audit matter
The consolidated financial statements of the Group include deferred tax assets arising from PRRT and associated PRRT tax benefits. The determination of the quantum, likelihood and timing of the realisation of deferred tax assets arising from PRRT is highly judgemental and assessed on a basis consistent with the impairment trigger assessment set out above as well as other factors such as the long term bond rate applied to the augmentation of deductible expenditure. As such, this matter was considered to be a key audit matter. The Group's disclosures about PRRT are included in the summary of significant accounting policies in Note A.5.	We considered the application of the judgements and methodologies used by the Group to calculate the deferred tax assets arising from PRRT and estimate their utilisation in the future. In particular, we assessed those judgements and methodologies relating to the estimation of future PRRT assessable profits, the interpretation of PRRT legislation and the consistency in application of forecasted performance with other forecasts made, including analysis of impairment indicators.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 76 to 97 of the directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Woodside Petroleum Ltd for the year ended 31 December 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
14 February 2019

TH:CT:WOODSIDE:2018:017

SHAREHOLDER INFORMATION

SHAREHOLDER STATISTICS

As at 8 February 2019

Number of shareholdings

There were 210,652 shareholders. All issued shares carry voting rights on a one-for-one basis.

Distribution of shareholdings

Size of shareholding	Number of holders	Number of shares	% of issued capital
1–1,000	147,347	56,954,395	6.08
1,001–5,000	55,805	113,813,216	12.16
5,001–10,000	5,095	35,118,592	3.75
10,001–100,000	2,305	43,808,099	4.68
100,001–9,999,999,999	100	686,457,247	73.33
Total	**210,652**	**936,151,549**	**100.00**

Unmarketable parcels

There were 2,444 members holding less than a marketable parcel of shares in the company.

Twenty largest shareholders

	Shares held	% of issued capital
HSBC Custody Nominees (Australia) Limited	262,319,027	28.02
J P Morgan Nominees Australia Pty Limited	157,850,960	16.86
Citicorp Nominees Pty Limited	101,648,892	10.86
BNP Paribas Nominees Pty Ltd <Agency Lending Drp A/C>	50,606,887	5.41
National Nominees Limited	36,282,911	3.88
BNP Paribas Noms Pty Ltd <Drp>	13,843,456	1.48
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	7,998,328	0.85
HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	5,843,471	0.62
Pacific Custodians Pty Limited <Wpl Plans Ctrl A/C>	4,803,115	0.51
Citicorp Nominees Pty Limited <Citibank Ny Adr Dep A/C>	4,222,042	0.45
Australian Foundation Investment Company Limited	3,794,652	0.41
AMP Life Limited	2,884,675	0.31
Netwealth Investments Limited <Wrap Services A/C>	1,749,071	0.19
Argo Investments Limited	1,700,873	0.18
Navigator Australia Ltd <Mlc Investment Sett A/C>	1,411,500	0.15
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd Drp	1,361,847	0.15
Milton Corporation Limited	1,232,411	0.13
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	1,223,423	0.13
Pacific Custodians Pty Limited <Wpl 2013 Wep Tst A/C>	1,121,899	0.12
UBS Nominees Pty Ltd	1,121,152	0.12
Total	**663,020,592**	**70.82**

Substantial shareholders as disclosed in substantial shareholder notices given to the company are as follows:

Vanguard Group (Vanguard Group Inc. (USA) and subsidiaries)	53,551,153	5.72

Vanguard Group substantial shareholder notice was given on 15 June 2018. There has been no notice of a change of interest of the substantial shareholder since that date.

Blackrock Group (Blackrock Inc. and subsidiaries)	51,187,573	5.47

Blackrock Group's substantial shareholder notice was given on 20 November 2017. There has been no notice of a change of interest of the substantial shareholder since that date.

*Small differences are due to rounding.

Annual General Meeting

The 2019 Annual General Meeting (AGM) of Woodside Petroleum Ltd will be held at 2.00 pm (AWST) on Thursday, 2 May 2019, at the Perth Convention & Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia. Details of the business of the meeting will be provided in the AGM notice.

The AGM will be webcast live on the internet. An archive version of the webcast will be placed on the Woodside website to enable the proceedings to be viewed at a later time.

Refer to Woodside's website for copies of the Chairman's and CEO's speeches (www.woodside.com.au).

Share registry enquiries

Investors seeking information about their shareholdings should contact the company's share registry:

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace
Perth WA 6000

Postal address: GPO Box D182
Perth WA 6840

Telephone: 1300 558 507 (within Australia)
+61 3 9415 4632 (outside Australia)

Facsimile: +61 3 9473 2500

Email: web.queries@computershare.com.au
Website: investorcentre.com/wpl

The share registry can assist with queries on share transfers, dividend payments, the Dividend Reinvestment Plan, notification of tax file numbers and changes of name, address or bank account details.

Refer to the share registry website for details of shareholdings (www.investorcentre.com/wpl).

For security reasons, you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) when communicating with the share registry.

The share registry website allows shareholders to make changes to address and banking details online.

Dividend payments

Woodside declares its dividends in US dollars as this is our functional and presentation currency. Woodside pays its dividends in Australian dollars, unless a shareholder's registered address is in the United Kingdom (UK), where they are paid in UK pounds sterling, or in the United States of America (USA), where they are paid in US dollars.

Shareholders may have their dividends paid directly into any bank or building society account in Australia, the USA or the UK. Payments are electronically credited on the dividend payment date and confirmed by payment advice. To request direct crediting of dividend payments, please contact the share registry or visit the share registry website (www.investorcentre.com/wpl).

Shareholders must make an election to alter their dividend currency by the business day after the record date for the dividend.

Shareholders who reside outside the USA, the UK and Australia may elect to receive their dividend electronically in their local currency using the share registry's Global Wire Payment Service. For a list of currencies offered and how to subscribe to the service, please contact the share registry.

Refer to Woodside's website for the history of dividends paid by the company (www.woodside.com.au).

Change of address or banking details

Shareholders should immediately notify the share registry of any change to their address or banking arrangements for dividends electronically credited to a bank account.

Refer to the share registry website to change details (www.investorcentre.com/wpl).

Australian Securities Exchange listing

Woodside Petroleum Ltd securities are listed on the ASX under the code WPL.

American Depositary Receipts

Citbank (Citi) sponsors a level-one American Depositary Receipts (ADR) program in the USA. One Woodside share equals one ADR and trades over the counter under the symbol 'WOPEY'.

ADR holders should deal directly with Citi on all matters related to their ADRs.

Enquiries should be directed to:
Citibank Shareholder Services
PO Box 43077
Providence
Rhode Island 02940-3077

Contact information
USA Toll Free Number: 1-877-CITI-ADR

Number for international callers:
+1 781 575 4555

Facsimile: +1 201 324 3284
Email: citibank@shareholders-online.com

Investor Relations enquiries

Requests for specific information on the company can be directed to Investor Relations:

Investor Relations
Woodside Petroleum Ltd
Mia Yellagonga
11 Mount Street
Perth WA 6000

Postal address:
GPO Box D188
Perth WA 6840

Telephone: +61 8 9348 4000

Email: investor@woodside.com.au
Website: woodside.com.au

Key announcements 2018

February	Full-year 2017 results and briefing
	Scarborough acquistion
	A$2.5 billion equity raising
March	Assumed Scarborough operatorship
May	2018 Investor Briefing Day
June	Wheatstone train 2 commences LNG production
August	Half-year 2018 results and briefing pack
November	Long-term domestic gas supply to Perdaman
December	SNE field development phase 1 commences FEED activities
	Pluto LNG Train 2 enters FEED

Events calendar 2019

Key calendar dates for Woodside shareholders in 2019.

Please note dates are subject to review.

February	14	Full year 2018 results
	14	Annual Report 2018 released
	22	Ex-dividend date for final dividend
	25	Record date for final dividend
March	7	Sustainability Development Report 2018 released
	20	Payment date for final dividend
April	18	First quarter 2019 results
	30	Annual General Meeting Proxy returns close at 2.00 pm (AWST)
May	2	Annual General Meeting
June	30	Half year end
July	18	Second quarter 2019 results
August	15	Half year 2019 results
October	17	Third quarter 2019 results
November		2019 Investor Briefing Day
December	31	Year-end 2019

Unreasonable prejudice

As permitted by sections 299(3) and 299A(3) of the *Corporations Act 2001*, we have omitted certain information from this operating and financial review in relation to our business strategy, future prospects and likely developments in our operations and the expected results of those operations in future financial years. We have done this on the basis that such information, if disclosed, would be likely to result in unreasonable prejudice to Woodside (for example, because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage). The omitted information relates to our internal budgets, forecasts and estimates, details of our business strategy, and LNG contractual pricing.

Forward-looking statements

This report contains forward-looking statements, including statements of current intention, statements of opinion and expectations regarding Woodside's present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and may be affected by a variety of known and unknown risks, variables and changes in underlying assumptions or strategy that could cause Woodside's actual results or performance to differ materially from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of Woodside.

Further information on some important factors that could cause actual results or performance to differ materially from those projected in such statements is contained in the 'Risk' section on pages 60–62. Woodside makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. The forward-looking statements in this report reflect expectations held at the date of this report. Except as required by applicable law or the Australian Securities Exchange (ASX) Listing Rules, Woodside disclaims any obligation or undertaking to publicly update any forward-looking statements, or discussion of future financial prospects, whether as a result of new information or of future events.

Business directory

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Asset facts

PRODUCING FACILITIES

Australia[1]

North West Shelf	Karratha Gas Plant	North Rankin Complex	Goodwyn A Platform	Angel Platform
Role	Operator	Operator	Operator	Operator
Equity	16.67%	16.67%	16.67%	16.67%
Product	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG

Pluto LNG	Pluto LNG Platform	Pluto LNG Plant	Australia Oil	Ngujima-Yin FPSO	Okha FPSO	**Wheatstone LNG**
Role	Operator	Operator	Role	Operator	Operator	Non-operator
Equity	90%	90%	Equity	60%	33.33%	13%
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate	Product	Oil	Condensate and oil	LNG, pipeline natural gas and condensate

International

Canada	Kitimat LNG
Role	Non-operator
Equity	50%
Product	Pipeline natural gas

DEVELOPMENTS

Australia[1]

	Greater Enfield Project	Wheatstone LNG
Role	Operator	Non-operator
Equity	60%	13%
Product	Oil	LNG, pipeline natural gas and condensate

	Julimar-Brunello Project Phase 2	Greater Western Flank Phase 2	Scarborough/ Thebe	Browse	Sunrise LNG
Role	Operator	Operator	Operator and non-operator	Operator	Operator
Equity	65%	16.67%	50%–75%	30.60%	33.44%
Product	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate			

International

Canada	Kitimat LNG	Senegal	SNE Phase 1
Role	Non-operator	Role	Operator
Equity	50%	Equity	35%

EXPLORATION

Asia-Pacific

Myanmar	AD-5 and A-7	AD-7 and A-6	AD-2 and A-4	AD-1, AD-6 and AD-8
Role	Operator	Joint operator	Non-operator	Joint operator
Equity	55% and 45%	40%	45%	50%
Product	Gas prone basin	Gas prone basin	Gas prone basin	Gas prone basin

Europe

Bulgaria	1-14 Khan Kubrat[2]
Role	Non-operator
Equity	30%
Product	Oil or gas prone basin

Atlantic margins

Senegal	Rufisque, Sangomar and Sangomar Deep	Ireland	FEL 5/13, FEL 11/18, FEL 3/14[3] and FEL 5/14[3]	Morocco	Rabat Deep I-VI
Role	Non-operator	Role	Operator	Role	Non-operator
Equity	35%	Equity	60%–90%	Equity	25%
Product	Oil prone basin	Product	Oil or gas prone basin	Product	Oil prone basin

Sub-Saharan Africa

Gabon	Doukou Dak (F15), Diaba Licence and Likuale (F14)[4]
Role	Non-operator
Equity	21.25%–40%
Product	Oil prone basin

Latin America

Peru	Block 108
Role	Non-operator
Equity	35%
Product	Oil prone basin

1. For further information on Woodside's Australian titles, please refer to the titles register website (neats.nopta.gov.au).
2. The transaction remains subject to satisfaction of conditions precedent.
3. The first phase ended 31 August 2018 and Woodside elected to exit, subject to receipt of Ministerial approvals which are pending.
4. Woodside is currently exiting the F14 transaction.


EXIT
EXIT

Glossary, units of measure and conversion factors

Glossary

$, $m	US dollars unless otherwise stated, millions of dollars
1P	Proved reserves
2C	Best Estimate of Contingent resources
2P	Proved plus Probable reserves
Acquisition costs	2018 acquisition expenditure divided by contingent resources (2C) added through 2018 acquisition activity
AGM	Annual General Meeting
APPEA	Australian Petroleum Production & Exploration Association
Appraisal well	A well drilled to follow up a discovery and evaluate its commercial potential
ASX	Australian Securities Exchange
AUD	Australian dollars
Average unit cash cost of sales	Average unit cash cost of sales includes production costs, royalty and excise, shipping and direct sales costs, carbon costs and insurance; excludes exploration and evaluation, general administrative and other costs, depreciation and amortisation, PRRT and income tax
BJV	Browse Joint Venture
Brent	Intercontinental Exchange (ICE) Brent Crude deliverable futures contract (oil price)
Cash margin	Gross profit net of other revenue, oil and gas properties depreciation and amortisation, inventory movement, trading costs and other hydocarbon costs, divided by sales revenue
CDP	Carbon Disclosure Project
CNG	Compressed natural gas
Condensate	Hydrocarbons that are gaseous in a reservoir but that condense to form liquids as they rise to the surface
cps	Cents per share
CWLH	Cossack, Wanaea, Lambert and Hermes
DBNGP	Dampier to Bunbury Natural Gas Pipeline
DRP	Dividend Reinvestment Plan
EBIT	EBIT is calculated as a profit before income tax, PRRT and net finance costs
EBITDA	EBITDA is calculated as a profit before income tax, PRRT, net finance costs and depreciation and amortisation
EBITDAX	EBITDA is calculated as a profit before income tax, PRRT, net finance costs, depreciation and amortisation and exploration and evaluation expense
EEP	Employee equity plan
EPS	Earnings per share
Equity lifted LNG	The proportion of LNG which Woodside is entitled to lift and sell, in its own right, as a result of its participating interest in the relevant project
Farm-in	Where one company acquires an interest in an exploration permit or production licence by paying some of the past or future costs of another company that is relinquishing its interest
FEED	Front-end engineering design. Preliminary design and cost and schedule confirmation before FID
FEL	Frontier Exploration Licence
FID	Final investment decision
First half, second half	Halves of the calendar year (i.e. H1 is 1 January to 30 June, H2 is 1 July to 31 December)
Flaring	The controlled burning of gas found in oil and gas reservoirs
FLNG	Floating liquefied natural gas
FPSO	Floating production storage and offloading
FPU	Floating production unit
Free cash flow	Cash flow from operating activities less cash flow from investing activities
Gearing	Net debt divided by net debt and equity attributable to the equity holders of the parent
Gross margin	Gross profit divided by operating revenue. Gross profit excludes income tax, PRRT, net finance costs, other income and other expenses (refer to section A.1 of the Financial Statements for data)
GSPA	Gas sale and purchase agreement
GWF	Greater Western Flank
H1, H2	Halves of the calendar year (H1 is 1 January to 30 June and H2 is 1 July to 31 December)
HSE	Health, safety and environment
HSEQ	Health, safety, environment and quality
Infill well	Well drilled for the purpose of increasing production
ISO	International Organisation for Standardisation
JCC	The Japan Customs-cleared Crude is the average price of customs-cleared crude oil imports into Japan as reported in customs statistics (also known as 'Japanese Crude Cocktail') and is used as a reference price for long-term supply LNG contracts
JV	Joint venture
KGP	Karratha Gas Plant
LHS	Left hand side
LNG	Liquefied natural gas
LOPC	Loss of primary containment
LPG	Liquefied petroleum gas
LTIF	Lost time injury frequency
MOU	Memorandum of understanding
Net debt	Total debt less cash and cash equivalents
NOJV	Non-operating joint venture
NPAT	Net profit after tax
NT	Northern Territory
NWS	North West Shelf
PEP	Petroleum exploration permit
PRRT	Petroleum Resources Rent Tax
PSC	Production sharing contract
PSE	Process safety event
Q1, Q2, Q3, Q4	Quarters of the calendar year (Q1 is 1 January to 31 March, Q2 is 1 April to 30 June, Q3 is 1 July to 30 September, Q4 is 1 October to 31 December)
RAP	Woodside's Reconciliation Action Plan
Return on equity	Return on shareholder funds is calculated as NPAT (excluding non-controlling interests) divided by equity attributable to the equity holders of the parent
RFSU	Ready for start-up
RHS	Right hand side
ROACE	Return on average capital employed is calculated as EBIT divided by average non-current liabilities and average equity attributable to equity holders of the parent
RSSD	Rufisque, Sangomar, Sangomar Deep Offshore
SNE	The oil field offshore Senegal in the Sangomar Deep Block
SPA	Sale and purchase agreement
Spudded	Commenced well-drilling process
Tier 1 PSE	A typical Tier 1 PSE is loss of containment of hydrocarbons greater than 500 kg (in any one-hour period)
Tier 2 PSE	A typical Tier 2 PSE is loss of containment of hydrocarbons greater than 50 kg but less than 500 kg (in any one-hour period)
TRIR	Total recordable injury rate. The number of recordable injuries (fatalities + lost workday cases + restricted workday cases + medical treatment cases) per 1,000,000 hours worked
TSR	Total shareholder return
Unit production costs	Production costs ($ million) divided by production volume (MMboe)
USA	United States of America
USD	US dollars
WA	Western Australia

Units of measure

bbl	barrel
bbl/d	barrels per day
Bcf	billion cubic feet
boe	barrel of oil equivalent
CO_2-e	carbon dioxide equivalent
kPa	thousands of pascals
kt	thousands of tonnes
mmscf	million standard cubic feet
MMbbl	million barrels
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
mmscf/d	million standard cubic feet per day
MPa	millions of Pascals
Mtpa	millions of tonnes per annum
psi	pounds per square inch
t	tonnes
Tcf	trillion cubic feet
TJ	terajoules

Conversion factors

Product	Factor	Conversion factors[1]
Pipeline natural gas	1 TJ	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
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.*

Index

Summary charts

Product view

Investment

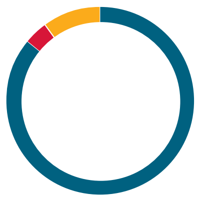
	2018	2017
● Gas and condensate*	**51%**	52%
● Oil*	**27%**	24%
● Exploration and other	**22%**	24%

*Indicative only as some assets produce oil and gas.

Our investment expenditure was primarily directed at Wheatstone LNG, the Greater Enfield and NWS subsea tieback projects, and exploration.

Production

	2018	2017
● Natural gas*	**86%**	83%
● Oil	**4%**	8%
● Condensate	**10%**	9%

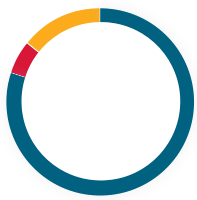


* Includes LNG, LPG and pipeline gas.

The majority of our production is from natural gas produced through the Pluto LNG and NWS facilities.

Sales revenue

	2018	2017
● Natural gas*	**80%**	78%
● Oil	**6%**	11%
● Condensate	**14%**	11%

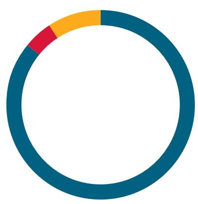


* Includes LNG, LPG and pipeline gas.

Gas, largely sold as LNG, continues to provide the majority of our sales revenue.

Reserves (Proved plus Probable)

	2018	2017
● Dry gas	**86%**	86%
● Oil	**5%**	5%
● Condensate	**9%**	9%

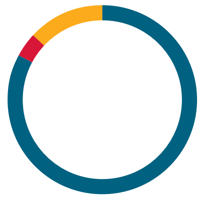


Gas represents the largest portion of Woodside's Proved plus Probable reserves.

Regional view

Investment

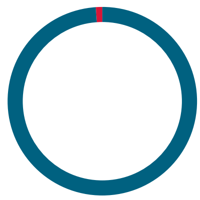
	2018	2017
● Australia	**83%**	76%
● Canada	**4%**	4%
● Rest of world	**13%**	20%



The majority of our 2017 investment was in Australia.

Production

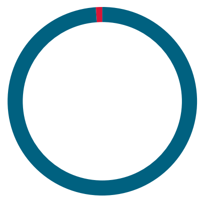
	2018	2017
● Australia	**99%**	98%
● Canada	**1%**	2%
● Rest of world	**0%**	0%



Australian assets continue to provide the majority of Woodside's production volumes.

Sales revenue

	2018	2017
● Australia	**>99%**	99%
● Canada	**<1%**	<1%
● Rest of world	**0%**	0%

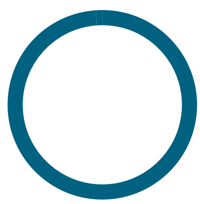


* Includes LNG, LPG and pipeline gas.

The majority of our revenue is currently derived from Australia.

Reserves (Proved plus Probable)

	2018	2017
● Australia	**100%**	99%
● Canada	**0%**	1%
● Rest of world	**0%**	0%



The majority of Woodside's Proved plus Probable reserves are located in Australia.

Ten-year comparative data summary

		2018	2017[6]	2016	2015	2014	2013	2012	2011	2010	2009
Profit and Loss (USDm)[1,6]	Operating Revenues										
	Australia Pipeline Gas	**84**	142	292	295	376	366	367	375	309	378
	Australia LNG	**3,761**	2,674	2,751	3,095	4,563	3,347	2,834	1,509	1,310	769
	Australia LPG	**25**	43	34	34	80	88	125	127	115	94
	Australia Condensate	**651**	422	413	421	901	1,000	903	860	708	571
	Australia Oil	**301**	391	302	650	1,133	896	1,918	1,795	1,579	1,496
	Australia LNG Processing Revenue	**202**	192	202	180	198	150	125	-	-	-
	Australia Trading Revenue	**210**	53	70	354	161	-	-	-	-	-
	Other Hydrocarbon Revenue	**1**	47	-	-	-	-	-	-	-	-
	Other International	**5**	11	11	1	23	79	76	136	172	179
	Total	**5,240**	**3,975**	**4,075**	**5,030**	**7,435**	**5,926**	**6,348**	**4,802**	**4,193**	**3,487**
	EBITDAX	**4,041**	3,095	3,004	3,443	5,853	4,460	5,528	3,423	3,431	3,427
	EBITDA[2]	**3,814**	2,918	2,734	3,063	5,568	4,188	5,162	2,864	3,126	3,209
	EBIT	**2,278**	1,714	1,388	441	3,672	2,538	3,795	2,212	2,256	2,303
	Exploration and Evaluation	**227**	177	270	380	285	272	366	559	305	218
	Depreciation and Amortisation	**1,451**	1,188	1,320	1,517	1,441	1,218	1,184	627	749	752
	Amortisation of Licence Acquisition Costs	**46**	16	26	22	21	45	26	28	24	35
	Impairment/(Impairment Reversal)	**39**	-	-	1,083	434	387	157	(3)	97	119
	Net Finance Costs	**183**	84	48	85	163	179	137	26	(18)	12
	Tax Expense	**628**	465	367	243	993	545	614	677	697	823
	Non-controlling Interest	**103**	96	105	87	102	65	61	2	2	(6)
	Reported NPAT	**1,364**	1,069	868	26	2,414	1,749	2,983	1,507	1,575	1,474
	Reported EPS (cents)[3]	**148**	123	104	3	293	213	366	190	204	210
	DPS (cents)	**144**	98	83	109	255	249	130	110	105	95
Balance Sheet (USDm)[1,6]	Total Assets	**27,088**	25,399	24,753	23,839	24,082	23,770	24,810	23,231	20,196	17,753
	Debt	**4,071**	5,065	4,973	4,441	2,586	3,764	4,340	5,102	4,915	4,939
	Net Debt	**2,397**	4,747	4,688	4,319	(682)	1,541	1,918	5,061	3,952	3,732
	Shareholder Equity	**17,489**	15,081	14,839	14,226	15,876	15,225	15,148	12,658	11,091	8,812
Cash Flow (USDm) and Capital Expenditure (USDm)[1]	Cash flow from Operations	**3,296**	2,400	2,587	2,475	4,785	3,330	3,475	2,242	2,104	1,483
	Cash flow from Investing	**(1,772)**	(1,568)	(2,473)	(5,555)	(617)	(1,059)	161	(3,533)	(2,941)	(4,708)
	Cash flow from Financing	**(159)**	(805)	51	(58)	(3,119)	(2,470)	(1,252)	362	608	4,207
	Capital Expenditure										
	Exploration and Evaluation	**728**	328	965	1,305	261	166	383	778	703	273
	Oil and Gas Properties and Property, Plant and Equipment	**993**	1,039	1,214	4,309	425	420	1,145	2,651	2,933	3,992
	ROACE[4] (%)	**9.3**	7.4	6.2	2.0	17.5	12.0	18.3	11.8	13.5	19.0
	Return on Equity (%)	**7.8**	7.1	5.8	0.2	15.2	11.5	19.7	11.9	14.2	16.7
	Gearing (%)	**12.1**	23.9	24.0	23.3	(4.5)	9.2	11.2	28.6	26.3	29.8
Volumes[6]	Sales (million boe)										
	Australia Pipeline Gas	**4.6**	6.3	12.9	13.2	13.3	14.0	13.9	14.0	14.8	18.4
	Australia LNG	**69.6**	61.2	63.6	57.6	58.3	52.4	42.6	22.4	22.7	21.3
	Australia LPG	**0.4**	0.7	0.7	0.7	0.8	0.9	1.1	1.1	1.3	1.5
	Australia Condensate	**9.2**	7.7	9.3	8.5	9.4	9.5	8.6	7.8	9.1	9.7
	Australia Oil	**4.2**	6.9	6.9	12.5	11.2	8.0	16.8	15.7	19.8	24.3
	Other International	**1.2**	1.3	1.6	0.2	0.2	0.9	0.8	2.9	4.5	5.5
	Total (million boe)	**89.2**	**84.1**	**95.0**	**92.7**	**93.2**	**85.7**	**83.8**	**63.9**	**72.2**	**80.7**
	Production (million boe)										
	Australia Pipeline Gas	**4.6**	6.0	12.9	13.1	13.3	13.9	13.8	14.0	14.8	18.4
	Australia LNG	**71.9**	61.7	63.7	57.5	60.3	53.6	43.9	22.6	23.2	21.5
	Australia LPG	**0.6**	0.6	0.7	0.7	0.8	0.9	1.1	1.2	1.4	1.5
	Australia Condensate	**9.3**	8.0	9.3	8.4	9.1	9.5	9.3	7.9	9.1	9.5
	Australia Oil	**3.8**	6.8	6.7	12.3	11.4	8.2	16.0	16.0	19.7	24.5
	Other International	**1.2**	1.3	1.6	0.2	0.2	0.9	0.8	2.9	4.5	5.5
	Total (million boe)	**91.4**	**84.4**	**94.9**	**92.2**	**95.1**	**87.0**	**84.9**	**64.6**	**72.7**	**80.9**
Other ASX Data	Reserves (Proved plus Probable) Gas (Tcf)	6.05	6.54	7.09	7.59	6.65	7.09	7.51	7.80	8.02	7.79
	Reserves (Proved plus Probable) Condensate (MMbbl)	108.2	117.0	124.2	133.5	117.1	125.2	130.9	138.7	154.7	147.8
	Reserves (Proved plus Probable) Oil (MMbbl)	67.7	69.9	74.4	42.6	54.1	67.0	95.9	108.5	117.5	136.1
	Other										
	Employees	3,662	3,597	3,511	3,456	3,803	3,896	3,997	3,856	3,650	3,219
	Shares High (A$)	39.00	33.97	31.88	38.33	44.23	39.54	38.16	50.85	49.28	53.87
	Low (A$)	28.45	28.16	23.94	26.20	33.71	33.29	30.09	29.76	40.56	31.19
	Close (A$)	31.32	33.08	31.16	28.72	38.01	38.90	33.88	30.62	42.56	47.20
	Number (000's)	936,152	842,445	842,445	823,911	823,911	823,911	823,911	805,672	783,402	748,599
	Number of Shareholders	209,753	209,383	214,350	225,138	227,798	217,383	208,277	205,868	201,134	175,257
	Market Capitalisation (USD equivalent at reporting date)	20,681	21,762	18,922	17,250	25,664	28,579	28,983	25,287	33,745	31,567
	Market Capitalisation (AUD equivalent at reporting date)	29,320	27,868	26,251	23,663	31,317	32,050	27,914	24,670	33,342	35,334
	Finding Costs ($/boe) (3 year average)[5]	**29.90**	26.21	39.06	107.45	44.09	30.43	14.09	12.67	6.12	5.71
	Reported Effective Income Tax Rate (%)	**31.7**	34.0	35.9	49.8	30.1	29.8	27.2	30.5	25.2	33.7
	Net Debt/Total Market Capitalisation (%)	**11.6**	21.8	24.8	25.0	(2.7)	5.4	6.6	20.0	11.6	11.8

1. Comparative financial information prior to 2010 has been converted on a consistent basis in accordance with Note 1(o) to the 2010 Financial Report. Cash flow and capital expenditure have been converted using a consistent approach adopted on a conversion of expenses.
2. The calculation for EBITDA has been updated to exclude impairment and amortisation of license acquisition costs. 2009 to 2013 EBITDA numbers have been restated to reflect ths change in calculation. EBIT is calculated as a profit before income tax, PRRT and net finance costs.
3. Earnings per share has been calculated using the following weighted average number of shares (2018: 921,165,018; 2017: 866,201,877; 2016: 835,011,896; 2015: 822,943,960; 2014: 822,771,118; 2013:822,983,715; 2012: 814,751,356; 2011: 791,668,973; 2010: 773,388,154; 2009: 703,310,697).
4. The calculation for ROACE has been revised in 2014 to use EBIT as the numerator, in addition to a change in the composition of capital employed. ROACE for 2009 to 2013 has been restated to include this change.
5. Finding cost methodology is in accordance with the FAS69/SEC industry standard.
6. 2017 has been restated for the restrospective application of AASB 15 *Revenue from Contracts with Customers* (AASB 15). Comparative financial information prior to 2016 has not been restated for AASB 15.

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