

# ASX Announcement

Wednesday, 18 August 2021

ASX: WPL  
OTC: WOPEY

## WOODSIDE HALF-YEAR 2021 RESULTS

Woodside recorded a half-year reported net profit after tax (NPAT) of US\$317 million. Underlying NPAT was US\$354 million, up 17% on the corresponding period in 2020. Operating revenue rose 31% year-on-year to \$2,504 million primarily due to higher realised prices.

The directors have declared an interim dividend of 30 US cents per share (cps), representing an approximately 80% payout ratio of underlying NPAT.

Woodside CEO Meg O'Neill said the result reflected the strong rebound in market conditions following the challenges and uncertainty brought on by COVID-19 in 2020.

"Our revenue was buoyed by higher realised prices driven by the recovery in demand for LNG and oil. Sales volumes increased by 6% to 53.9 million barrels of oil equivalent for the half, as we increased trading activity in response to favourable market conditions.

"Woodside achieved significant progress towards the targeted final investment decision this year for the Scarborough and Pluto Train 2 developments while executing the Sangomar oil project and achieving solid increases in revenue and profit from its low-cost operations.

"Technical work to support execution readiness of the Scarborough and Pluto Train 2 developments is complete, commercial agreements are approaching finalisation and most regulatory approvals have been secured.

"We completed the Scarborough cost update which has incorporated value-accretive scope changes to deliver an approximately 20% increase in offshore processing capacity and provides cost certainty ahead of targeted FID.

"We have launched the sell-down process for up to 49% of Pluto Train 2 and are testing the market for opportunities to reduce Woodside's interest in the Scarborough resource.

"The Scarborough development is globally competitive and has the potential to deliver significant value to shareholders while supporting the world's transition to lower-carbon energy.

"Work on our Sangomar offshore oil project continued on schedule. Support facilities in Dakar have been commissioned and a significant milestone was reached in July with the start of the 23-well development drilling campaign. We remain on track to deliver targeted first oil in 2023.

"We have commenced the formal process to sell down our equity in Sangomar.

"During the half Woodside generated \$1,318 million of cash flow from operating activities, delivered positive free cash flow of \$311 million and our credit ratings of Baa1 and BBB+ were both reaffirmed by Moody's and S&P Global respectively," she said.

### Financial headlines for H1 2021

- Net profit after tax of \$317 million.
- Underlying net profit after tax of \$354 million.
- Positive free cash flow of \$311 million.
- Liquidity of \$6,038 million.
- Declared an interim dividend of 30 US cents per share.
- Strong investment grade credit ratings of Baa1 and BBB+ were reaffirmed by Moody's and S&P Global respectively.

### Key business activities

#### Operational performance

- Achieved strong production performance from Pluto LNG and Wheatstone.
- Finalised arrangements with the Western Australian Government to process third-party gas from the Pluto fields and the Waitsia project through KGP.
- Achieved record premiums to Dated Brent for two cargoes; a Vincent crude cargo, and a Wheatstone condensate cargo.

#### Executing a clear plan

- Completed the cost update in August 2021 for the Scarborough development, in preparation for the targeted FID later this year.
- Launched sell-down processes for Scarborough, Pluto Train 2 and Sangomar.
- Commenced the drilling campaign for the Sangomar Field Development Phase 1 in July 2021.
- Completed the acquisition of FAR's interest in the Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore (RSSD) joint venture.

### Half-year results teleconference

A teleconference providing an overview of the half-year 2021 results and a question and answer session will be hosted by Meg O'Neill and Woodside CFO Sherry Duhe at 7.00am AWST (9.00am AEST) on Wednesday, 18 August 2021.

We recommend participants pre-register 5 to 10 minutes prior to the conference call via the following link:

<https://s1.c-conf.com/diamondpass/10014495-vdi842.html>

Following pre-registration, participants will receive the teleconference details and a unique access passcode.

The half-year results briefing pack follows this announcement and will be referred to during the conference call.

---

#### Contacts: Investors

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

#### Media

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

*This ASX announcement was approved and authorised for release by Woodside's Disclosure Committee.*



# HALF-YEAR RESULTS BRIEFING 2021

18 AUGUST 2021

2021





# Disclaimer and important notice

## Disclaimer and risks

- This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses.
- It is believed that the expectations reflected in these statements are reasonable as at the date of this presentation but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, changes in accounting standards, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.
- Readers are cautioned not to place undue reliance on these forward looking statements. No representation is made or will be made that any forward looking statements will be achieved or will prove to be correct. We do not undertake to update or revise any forward looking statement, whether as a result of new information, future events or otherwise.
- This presentation does not include any express or implied prices at which Woodside will buy or sell financial products.

## Notes to petroleum resources estimates

1. Unless otherwise stated, all petroleum resource estimates are quoted as at the balance date (i.e. 31 December) of the Reserves Statement in Woodside's most recent Annual Report released to ASX and available at <https://www.woodside.com.au/news-and-media/announcements>, net Woodside share at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius). Woodside is not aware of any new information or data that materially affects the information included in the Reserves Statement. All the material assumptions and technical parameters underpinning the estimates in the Reserves Statement continue to apply and have not materially changed.
2. The Reserves and Resource Statement dated 31 December 2020 has been subsequently updated by ASX announcements dated 15 July 2021 and 18 August 2021.
3. Woodside reports reserves net of the fuel and flare required for production, processing and

transportation up to a reference point. For offshore oil projects the reference point is defined as the outlet of the floating production storage and offloading (FPSO) facility, while for the onshore gas projects the reference point is defined as the inlet to the downstream (onshore) processing facility.

4. Woodside uses both deterministic and probabilistic methods for estimation of petroleum resources at the field and project levels. Unless otherwise stated, all petroleum estimates reported at the company or region level are aggregated by arithmetic summation by category. Note that the aggregated Proved level may be a very conservative estimate due to the portfolio effects of arithmetic summation.
5. 'MMboe' means millions ( $10^6$ ) of barrels of oil equivalent. Dry gas volumes, defined as 'C4 minus' hydrocarbon components and non-hydrocarbon volumes that are present in sales product, are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5.7 Bcf of dry gas per 1 MMboe. Volumes of oil and condensate, defined as 'C5 plus' petroleum components, are converted from MMbbl to MMboe on a 1:1 ratio.
6. The estimates of petroleum resources are based on and fairly represent information and supporting documentation prepared under the supervision of Mr Jason Greenwald, Woodside's Vice President Reservoir Management, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Greenwald's qualifications include a Bachelor of Science (Chemical Engineering) from Rice University, Houston, Texas, and more than 20 years of relevant experience. The estimates have been approved by Mr Ian Sylvester, Woodside's Vice President Corporate Reserves.

## Other important information

- All references to dollars, cents or \$ in this presentation are to US currency, unless otherwise stated.
- References to "Woodside" may be references to Woodside Petroleum Ltd or its applicable subsidiaries.

**Cover page image:** The Woodside-operated facilities on the Burrup Peninsula and surrounding landscape.



## Financial overview

**\$317** million

**Net profit  
after tax**

▲ 108%

**\$354** million

**Underlying  
net profit  
after tax**

▲ 17%

**\$1,318** million

**Operating  
cash flow**

▲ 19%

**\$311** million

**Free cash  
flow**

▲ 18%

**30** US cents  
per  
share

**Interim  
dividend**

▲ 15%



## Operational overview

46.3 MMboe

Half-year  
production

▼ 8%

53.9 MMboe

Half-year  
sales volumes

▲ 6%

44.6 per boe

Average  
realised price

▲ 24%

\$984 million

Gross profit

▲ 618%

0 Tier 1 and  
Tier 2

Process safety  
events



# Operational performance

## PLUTO LNG

- Ongoing high production
- Achieved highest daily production rate in June
- Delivered efficiency improvements and emissions reductions
- Commenced installation of subsea equipment for Pyxis Hub

## NWS PROJECT

- On track for 15% reduction in 2021 operating cash costs
- Commenced construction activities on GWF-3
- Finalised arrangements to process third-party gas
- Completed LNG 4 and Goodwyn A Platform turnarounds in July

## WHEATSTONE

- Achieved solid production through optimisation of production wells
- Commenced installation of subsea equipment for Julimar-Brunello Phase 2

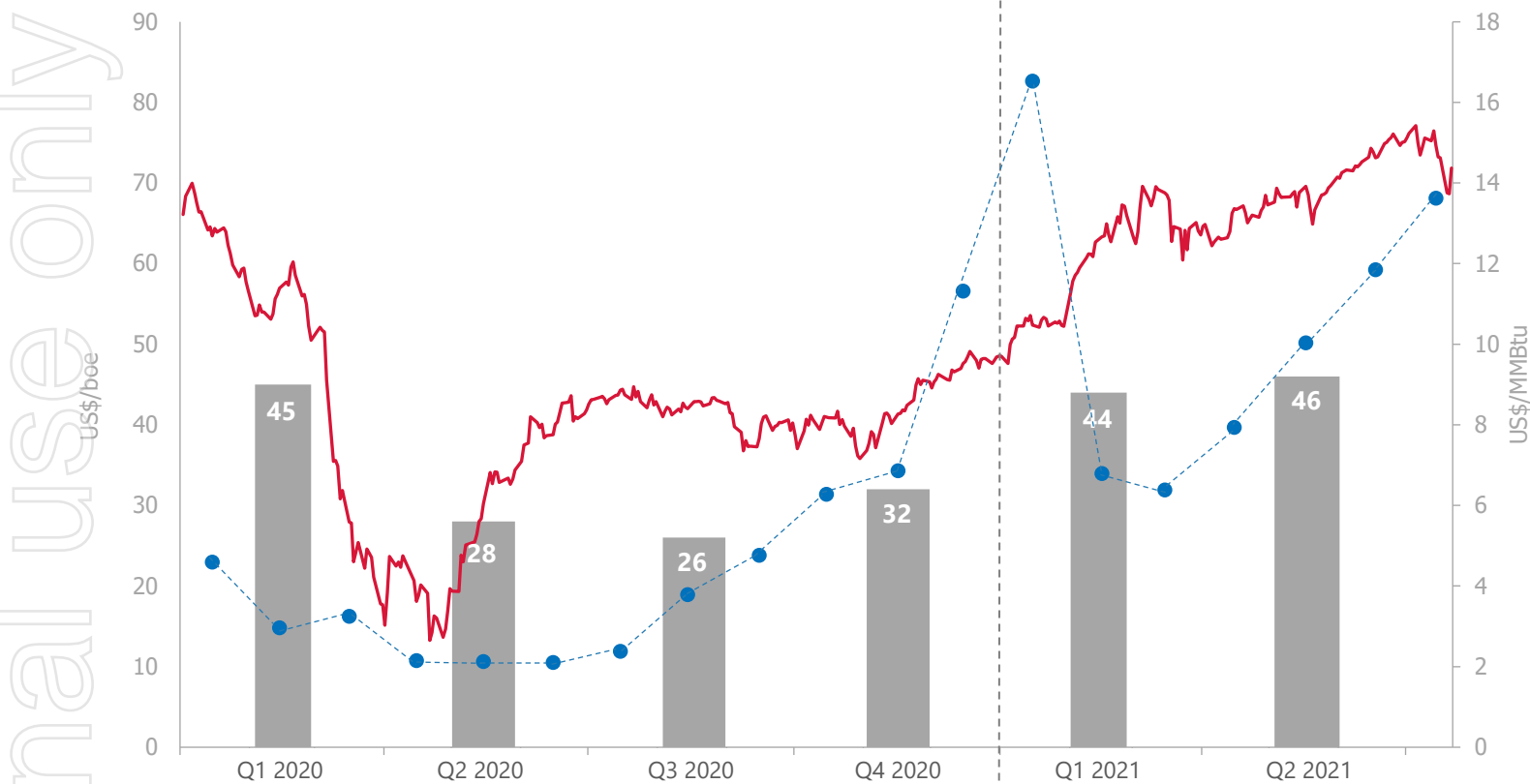
## AUSTRALIA OIL

- Lower production from Ngujima-Yin FPSO due to reliability and weather impacts
- Achieved record price premium to Dated Brent from Ngujima-Yin FPSO

**SAFE | RELIABLE | EFFICIENT**



## Sustained price recovery



— Dated Brent oil price (LHS)  
—•— Average LNG spot price (JKM, RHS)  
■ Woodside average realised price (LHS)

**Continuing to see strong oil demand recovery in 2021**

**Improved oil price supports investment**

**Increased trading activity supported by favourable market conditions**

# Transforming operations to maintain low cost

Targeting 30% cost reduction for operated assets over 3 years

## Risk based maintenance

Doing the right maintenance at the right time

## Condition based maintenance

Sensors to generate work orders and permits

## Maintenance planning

Dynamic tools to reduce preparation and lead time

## Permit automation

Automated permit generation for routine tasks

## Inventory optimisation

Based on equipment criticality and history

## Maintenance cost management

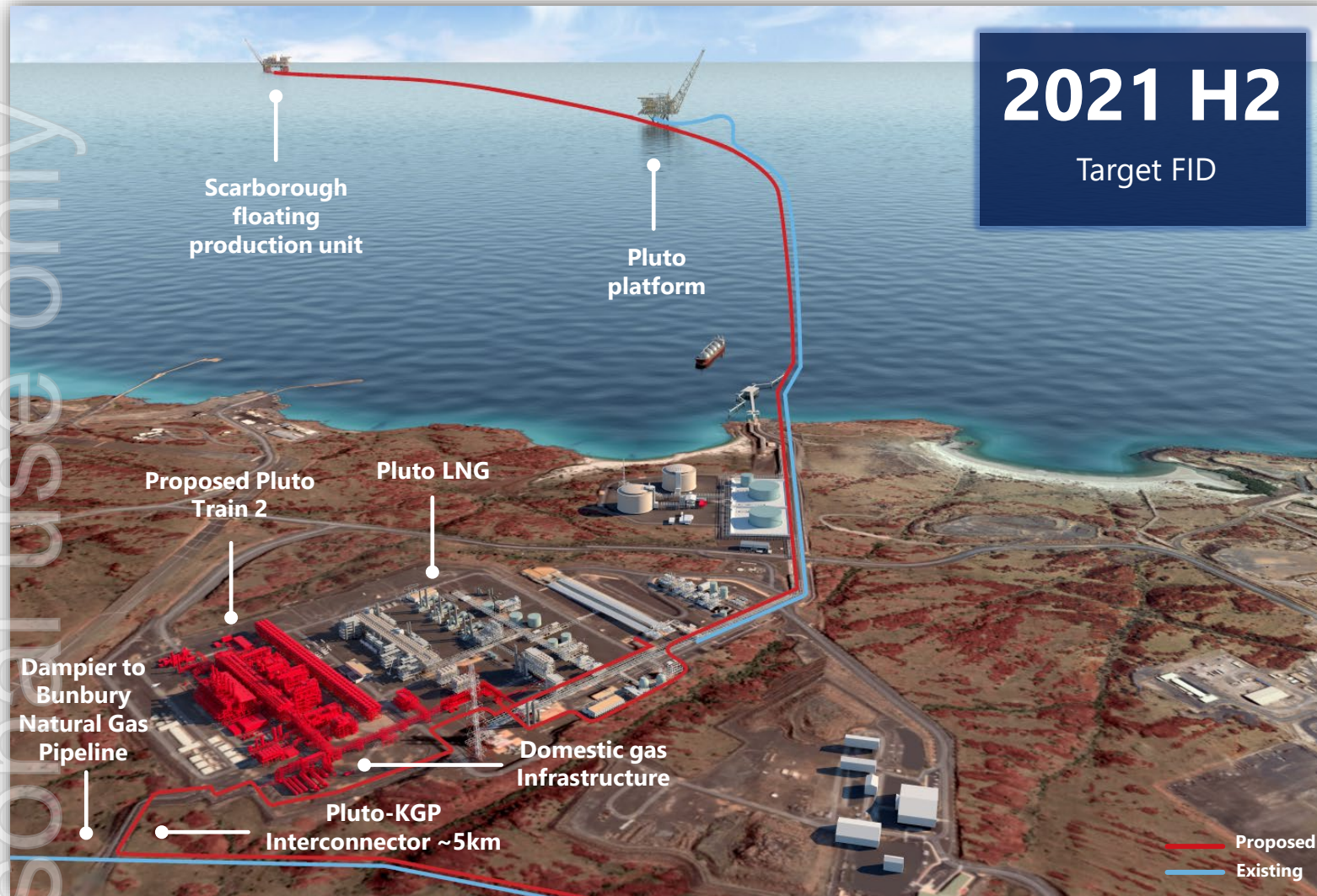
Cost data for additional insight

Rationale:

**Maintain cost competitiveness in a commoditised market**

**Capture tolling opportunity at NWS**

# Scarborough development momentum for FID



**2021 H2**

Target FID

**11.1** Tcf  
resource size, 100%

**> 12 %**  
internal rate of return<sup>1</sup>

**~\$6.8** per MMBtu  
globally competitive cost  
of supply<sup>2</sup>

**~0.1 %**  
CO<sub>2</sub> in reservoir

Conceptual image, not to scale. All dates are Woodside targets (unless otherwise indicated). Developments and dates are subject to joint venture approvals, regulatory approvals, appropriate market conditions and relevant commercial arrangements.

1. US\$65/bbl (real terms 2022) Brent oil price. Integrated Scarborough and Pluto.

2. Woodside integrated LNG DES North Asia. At 10% discount rate.



# Scarborough development ready for execution

## TECHNICAL WORK COMPLETE

**Design concept finalised** for Pluto Train 1 modifications

**Execution planning** and **schedule optimised** for Scarborough and Pluto Train 2

## REGULATORY APPROVALS

**Update approved** to Pluto Greenhouse Gas Abatement Program

**Scarborough Nearshore** environmental approval granted in August 2021

## COST CERTAINTY

**Cost estimate updated** to \$12.0 billion (100%)

Contract strategy reduces cost risk

## EQUITY SELL-DOWN LAUNCHED

Pluto Train 2 **targeting a sell-down of up to 49%**

Testing the market for **value-accretive** sell-down of the Scarborough resource

# Sangomar project on schedule for first oil in 2023



Ocean BlackRhino drillship

## DRILLING

- 23-well **drilling campaign commenced** in July 2021



Logistics supply base

## LOGISTICS

- **Logistics base established** and operational at the Port of Dakar
- Fleet of helicopters and **supply vessels mobilised** and supporting drilling campaign



VLCC bow removed

## FPSO CONVERSION

- Tanker **conversion continues**
- Topside **module construction commenced**
- **Turret and mooring system construction underway**



Coated pipe loadout for spooling

## SUBSEA EQUIPMENT

- **Fabrication progressing** across multiple locations
- **Xmas trees and wellheads delivered** in country on schedule
- **Flowlines shipped to Norway** for spooling onto pipelay vessel



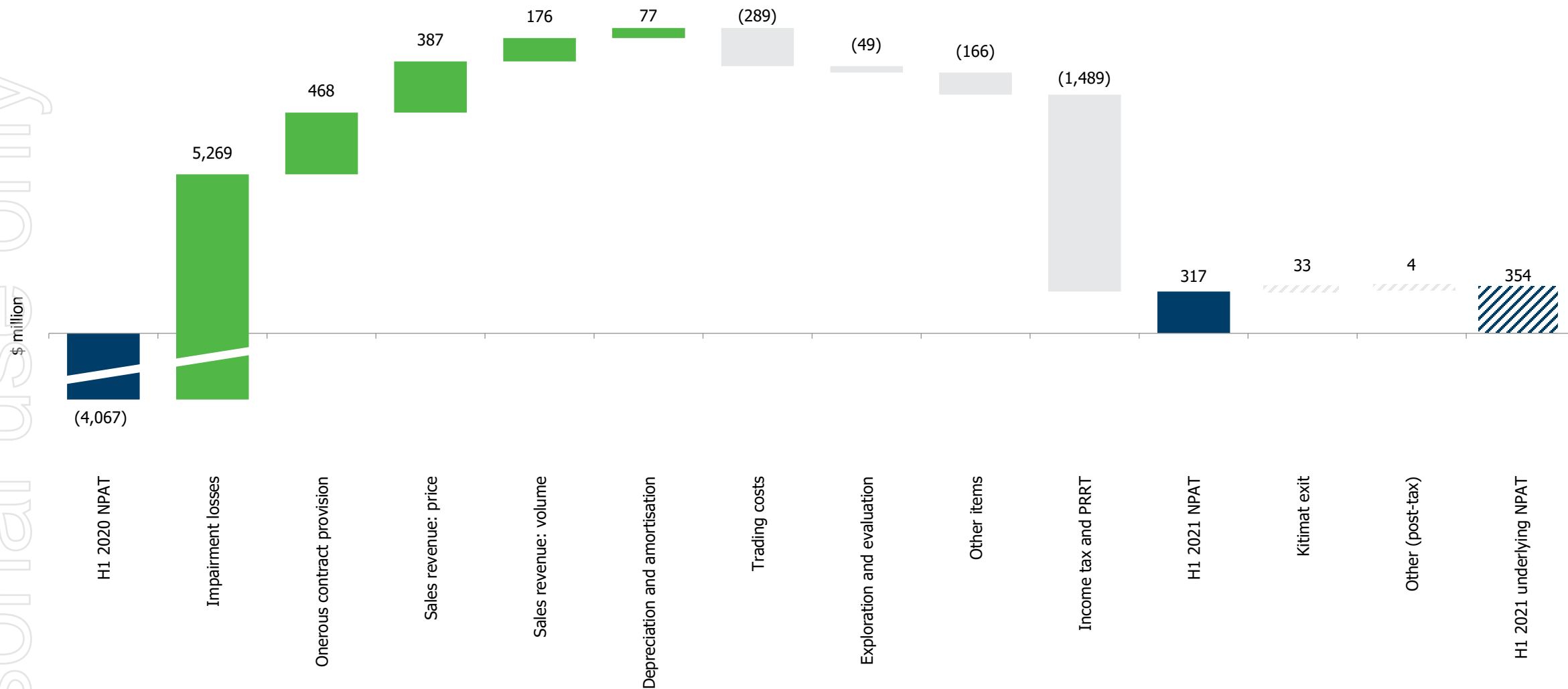
# FINANCIAL UPDATE

**Sherry Duhe**

Executive Vice President and CFO



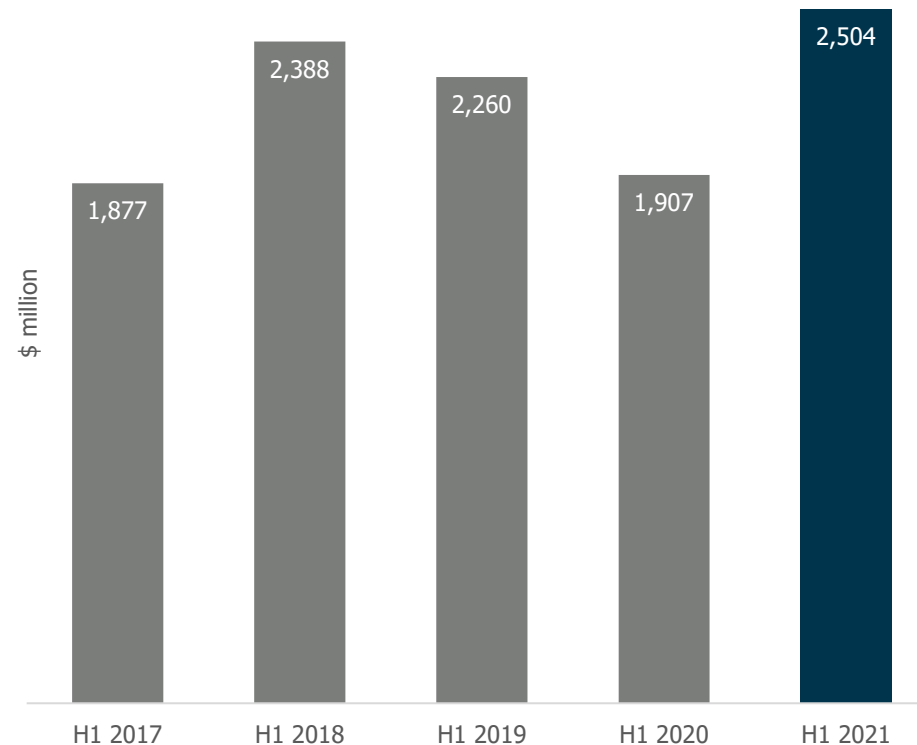
# Net profit after tax reconciliation



## Operating revenue

- Operating revenue increased by 31%
- Impact of higher realised prices and increased trading activity
- Higher shipping and other revenue driven by an increase in shipping sub-chartering

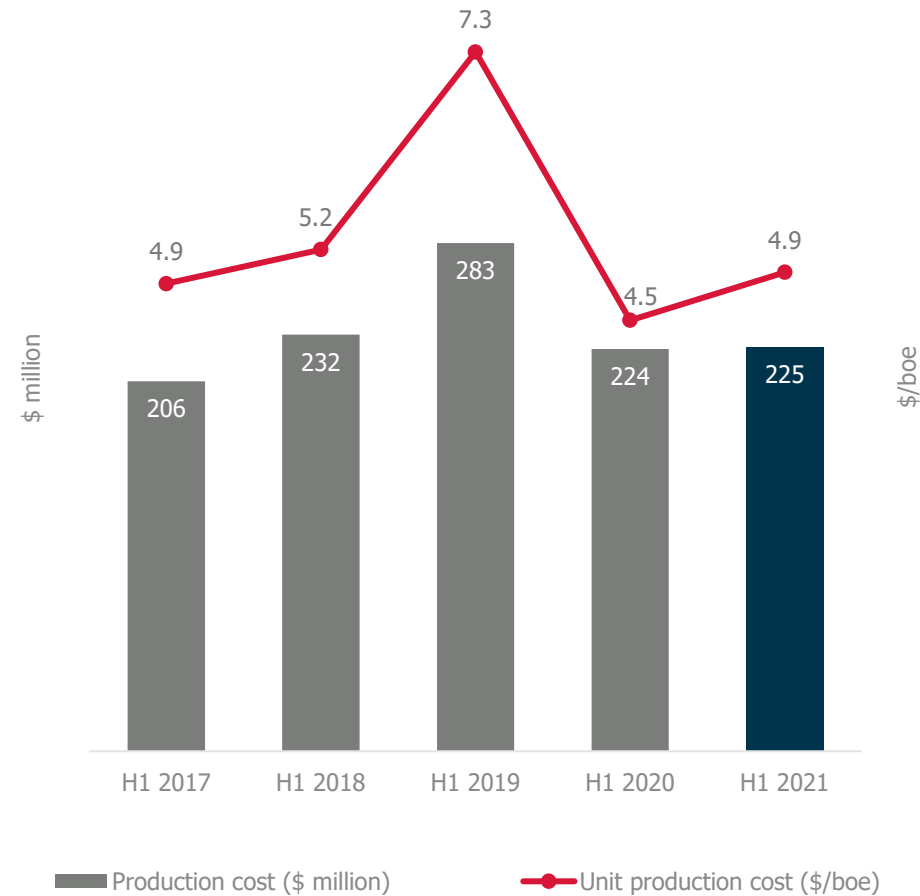
Operating revenue



## Operational cost performance

- Production cost flat
- Unit production cost impacted by:
  - Lower NWS production
  - Planned maintenance activities
  - Lower oil production due to reliability and weather events

### Production cost

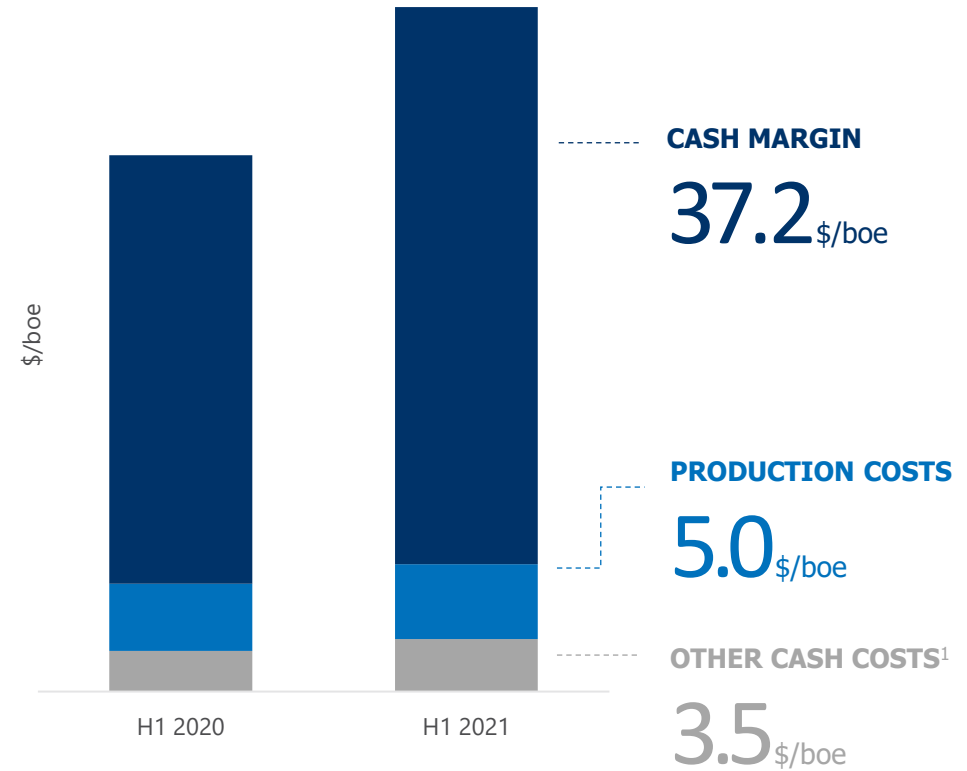




## Ongoing high cash margin

- Cash margin increased by \$8.6/boe and maintained above 80%
- Impact of higher realised prices

Cash margin

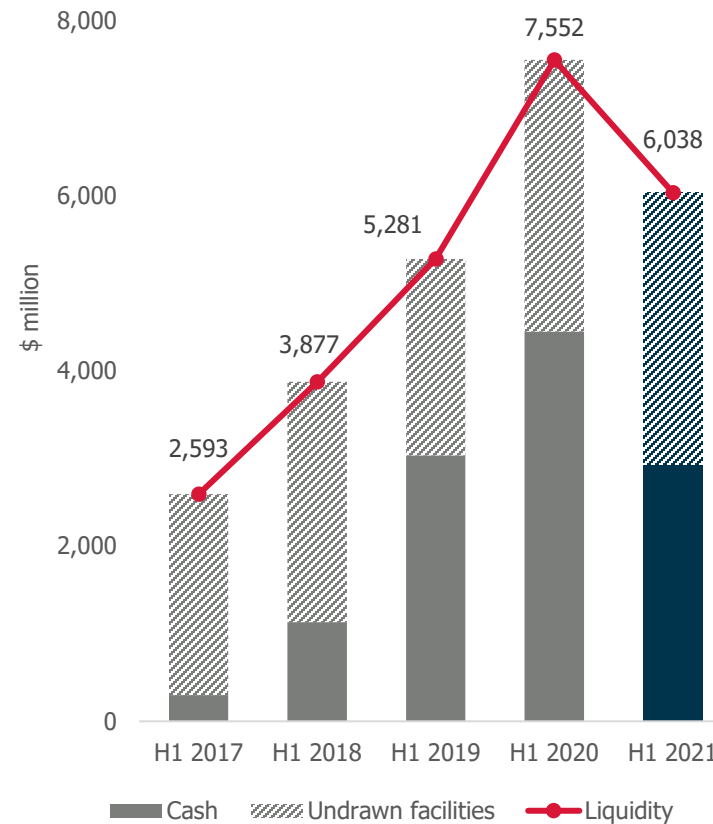


1. Other cash costs include royalties and excise, insurance and shipping costs.

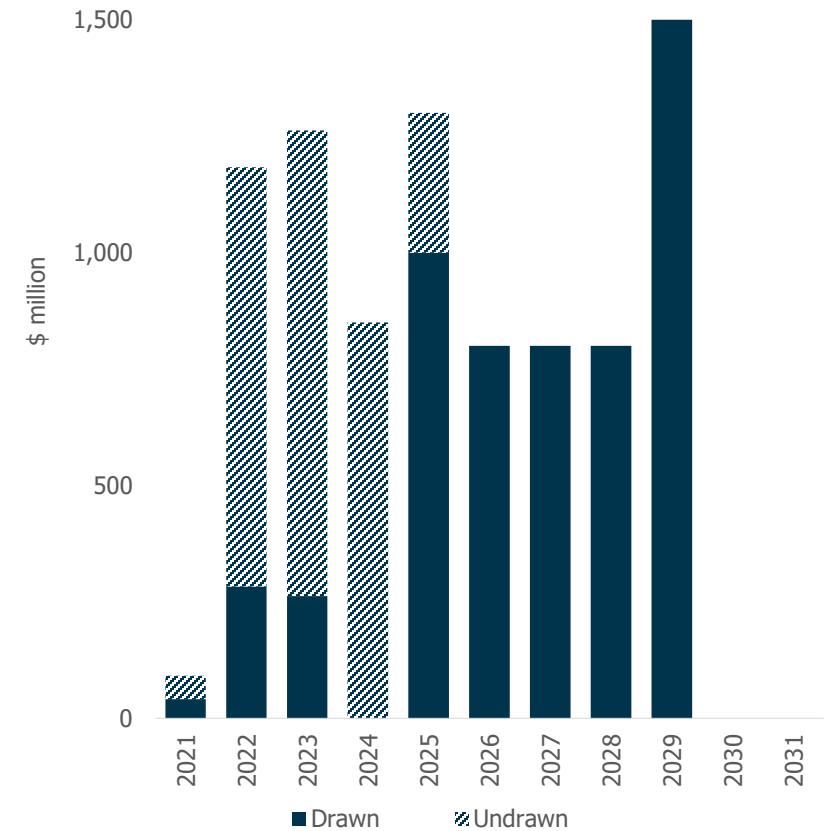
# Maintaining strong balance sheet

- Gearing decreased to 23.3% (from 24.4% year-end 2020)
- Target gearing range is 15-35%
- Low portfolio cost of debt (<3%)
- Target liquidity cover of ~12-18 months
- Credit ratings reaffirmed

### Continuing strong liquidity



### Balanced debt maturity profile



# Hedging and trading activities

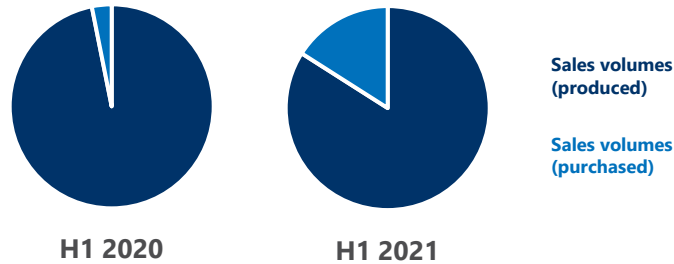
## CORPUS CHRISTI HEDGING AND SALES

**~85 %** Corpus Christi 2022 volumes are hedged or sold at fixed price<sup>1</sup>

**~25 %** Corpus Christi 2023 volumes are hedged<sup>1</sup>

- 2022 and 2023 hedging has been undertaken to manage price risk associated with Corpus Christi volumes
- Hedging activity complements existing sales of approximately 50% of 2022 volumes

## TRADING AND OPTIMISATION



- Activity includes the buying and selling of third-party cargoes
- Enables optimisation and flexibility of Woodside's existing portfolio
- Margins of up to 5% for third-party activities and optimisation (excluding Corpus Christi)
- Full year trading costs including Corpus Christi expected to be \$1.1 – 1.3 billion
- Sale of third-party cargoes including Corpus Christi is presented in LNG revenue

## PRODUCED HYDROCARBONS HEDGING

up to **20 %**

**oil-linked exposure hedged in any one year**

- Regular review of the appropriate level of hedging to protect against downside pricing risk
- 2 MMboe of 2021 production hedged at an average price of \$73.68 per barrel
- Approximately 6 MMboe of 2022 production hedged at an average price of \$71.72 per barrel

1. As at 16 August 2021.



# 2021 guidance

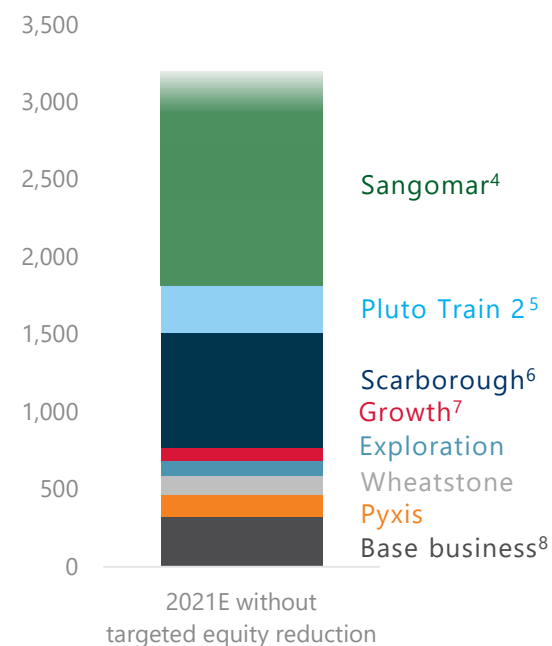
## Full-year 2021 line item guidance

		Guidance range (\$ million)
Other cost of sales	Production costs	450 – 550
	Trading costs <sup>1</sup>	1,100 – 1,300
Other expenses	General, administrative and other costs	150 – 250

## Other guidance

	Previous	Current
Production volume (MMboe) <sup>2</sup>	90 – 95	90 – 93
Uncontracted production <sup>3</sup>	10 – 15%	No change

## Investment expenditure unchanged \$2,900 – 3,200 million



1. Incorporates Corpus Christi and third-party purchased volumes. Third-party trading volumes is approximately \$800 million. Does not include the onerous contract provision movement.

2. Production guidance from produced hydrocarbons only. Does not include purchased hydrocarbons.

3. Subject to contractual flexibility and production outcomes.

4. Sangomar 2021E represents 82% participating interest.

5. Pluto Train 2 2021E represents 100% participating interest.

6. Scarborough includes \$450 million due to ExxonMobil and BHP on a positive FID to develop the Scarborough field.

7. Growth includes Pluto-KGP Interconnector, Browse and other spend.

8. Base business includes Pluto LNG, NWS Project, Australia Oil and Corporate.



# SUMMARY

**Meg O'Neill**  
CEO and Managing Director



# Energy transition - implementing a lower-carbon future

## EMISSIONS REDUCTION TARGETS<sup>1</sup>

**15%**  
by 2025

**30%**  
by 2030

**Net zero**  
aspiration by  
2050

## NEW ENERGY

Hydrogen

Ammonia

## TRANSPARENCY

Vote on climate reporting  
at 2022 AGM

## RENEWABLE POWER

Burrup solar import

## CARBON BUSINESS

Building a diverse  
portfolio of offsets

## CARBON CAPTURE AND STORAGE

Screening for  
suitable  
reservoirs

Investigating  
CCUS options

**Avoid emissions | Reduce emissions | Offset emissions**

<sup>1</sup> Baseline is set as the gross average equity Scope 1 and 2 emissions over 2016-2020 and may be adjusted (up or down) for potential equity changes in producing or sanctioned assets, with an FID prior to 2021.

# Priorities for 2021

## DISCIPLINED EXPENDITURE

1

Cost and efficiency transformation

## CREATE AND PROTECT VALUE

2

Achieve targeted Scarborough FID in H2 2021

3

Deliver Sangomar Phase 1

4

## BUILD OUR SUSTAINABLE FUTURE

Deliver value through the energy transition

Customer focused | Low cost | Low carbon

Progress the merger of Woodside and BHP's petroleum business



ersonal use only

# ANNEXURE



# Realised price

Products	H1 2021 (\$/boe)	H1 2020 (\$/boe)	Variance (%)	Revenue impact (\$ million)
LNG <sup>1</sup>	41	37	11	140
Domestic gas	17	14	20	7
Condensate	68	38	81	120
Oil	74	39	88	120
LPG	60	-	-	-
<b>Volume-weighted average</b>	<b>45</b>	36	24	387
Average Dated Brent	65	40	62	
Average 3-month lagged JCC	50	67	(25)	

1. Includes an amount recognised in other income reflecting the arrangements governing Wheatstone LNG sales.

# Corporate performance

		H1 2021	H1 2020
Production volume	MMboe	<b>46.3</b>	50.1
Operating revenue	\$ million	<b>2,504</b>	1,907
EBITDA <sup>1</sup>	\$ million	<b>1,496</b>	974
EBIT	\$ million	<b>621</b>	(5,242)
Net finance costs	\$ million	<b>(118)</b>	(124)
Tax (benefit)/expense	\$ million	<b>(161)</b>	1,328
Non-controlling interest	\$ million	<b>25</b>	29
NPAT	\$ million	<b>317</b>	(4,067)

1. H1 2020 EBITDA has been restated to exclude impairment losses.

## 2021 half-year segment performance

		NWS	Pluto	Australia Oil	Wheatstone
Production volume	MMboe	13.2	21.8	3.9	7.4
Operating revenue	\$ million	557	1,027	301	295
EBITDA	\$ million	417	843	207	252
EBIT	\$ million	308	362	97	134
Cash margin	%	72%	86%	80%	83%
Gross margin	%	53%	36%	47%	45%



**Head Office:**

Woodside Petroleum Ltd  
Mia Yellagonga  
11 Mount Street  
Perth WA 6000

**Postal Address:**

GPO Box D188  
Perth WA 6840  
Australia  
T: +61 8 9348 4000  
F: +61 8 9214 2777  
E: [companyinfo@woodside.com.au](mailto:companyinfo@woodside.com.au)

**Woodside Petroleum Ltd**

ABN 55 004 898 962

**[woodside.com.au](http://woodside.com.au)**

