

ASX Announcement

Friday, 23 April 2010

FIRST QUARTER REPORT FOR PERIOD ENDED 31 March 2010

Comparative performance at a glance					
Previous quarter		Q1 2010	Q4 2009	Difference	Change %
Production	<i>MMboe</i>	19.2	20.2	(1.0)	(5%)
Sales	<i>MMboe</i>	18.7	20.6	(1.9)	(9%)
Revenue	<i>US\$ million</i>	1,028	1,144	(116)	(10%)
Corresponding quarter, prior year		Q1 2010	Q1 2009	Difference	Change %
Production	<i>MMboe</i>	19.2	20.6	(1.4)	(7%)
Sales	<i>MMboe</i>	18.7	20.6	(1.9)	(9%)
Revenue	<i>US\$ million</i>	1,028	718	310	43%

Production volumes down 5% compared to Q4 2009

- Production volumes were down by 5% compared to the previous quarter and down 7% relative to the comparable quarter in 2009 as a result of a 46 day planned maintenance outage at Stybarrow, the sale of our Otway assets prior to the end of the reporting period, and natural decline in oil production from the Stybarrow, Enfield, and Neptune assets. This was partially offset by record quarterly LNG production from the North West Shelf Venture.

Sales revenues down 10% compared to Q4 2009

- The reduction in sales revenue compared to the previous quarter reflects the decrease in sales volumes attributed to a 46 day planned maintenance outage at Stybarrow, the sale of our Otway assets prior to the end of the reporting period, and natural decline in oil production from the Stybarrow, Enfield, and Neptune assets.
- Compared to the corresponding period in 2009, sales revenue was up 43% largely as a result of improved commodity prices.

Activities

- Pluto – LNG 1 on schedule and final cost remains as previously advised on 20 November 2009.
- Pluto expansion – Work continues on schedule for Front-End Engineering and Design (FEED) on Train 2 and Train 3. The exploration drilling campaign to support Pluto expansion continues to have success with gas found at Noblige and Larsen during the quarter.
- Browse – The Joint Venture selected the Browse LNG Precinct at James Price Point, 60km north of Broome, as the location to process gas from the Venture's Browse Basin gas fields, satisfying a major condition of the Browse retention leases. In addition the Browse LNG development moved into the Basis of Design phase with the award of contracts for the onshore and offshore components of the development.
- Sunrise – The Joint Venture is completing its final diligence in support of concept selection for the development of the Greater Sunrise fields.
- North Rankin Redevelopment project – Work continues on schedule and budget.
- North West Shelf Oil FPSO Replacement Project – Work continues on schedule and budget. Subsea infrastructure replacement is on target to commence in Q4 2010 and FPSO startup by end Q1 2011.

Production Summary

The Company's share of production and sales for the quarter ended 31 March 2010

		Q1 2010	Q4 2009	Q1 2009	Year to date 2010	Year to date 2009
NWS PIPELINE NATURAL GAS ¹	Production(TJ)	21,160	21,288	22,197	21,160	22,197
	Sales (TJ)	21,160	21,288	22,197	21,160	22,197
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	661,875	640,986	559,106	661,875	559,106
	Sales Delivered (t)	644,715	614,028	575,801	644,715	575,801
	Cargoes Delivered	66	63	60	66	60
NWS CONDENSATE	Production (bbl)	2,342,277	2,472,641	2,199,924	2,342,277	2,199,924
	Sales (bbl)	2,249,191	2,503,464	2,328,109	2,249,191	2,328,109
NWS OIL	Production (bbl)	1,218,462	1,114,571	1,165,579	1,218,462	1,165,579
	Sales (bbl)	1,309,415	1,082,959	1,297,799	1,309,415	1,297,799
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	40,299	40,399	34,973	40,299	34,973
	Sales (t)	42,611	42,281	33,678	42,611	33,678
LAMINARIA-CORALLINA OIL	Production (bbl)	692,971	995,381	528,807	692,971	528,807
	Sales (bbl)	563,989	1,350,632	575,323	563,989	575,323
MUTINEER-EXETER OIL	Production (bbl)	30,723	64,677	80,452	30,723	80,452
	Sales (bbl)	0	102,329	49,629	0	49,629
ENFIELD OIL	Production (bbl)	1,703,971	1,997,911	1,960,775	1,703,971	1,960,775
	Sales (bbl)	1,901,992	1,815,757	1,726,664	1,901,992	1,726,664
STYBARROW OIL	Production (bbl)	411,808	968,527	1,858,719	411,808	1,858,719
	Sales (bbl)	373,972	1,029,400	1,686,513	373,972	1,686,513
VINCENT OIL	Production (bbl)	1,061,571	751,741	1,495,432	1,061,571	1,495,432
	Sales (bbl)	705,820	1,055,735	1,457,939	705,820	1,457,939
OTWAY PIPELINE NATURAL GAS	Production (TJ)	4,974	5,571	5,209	4,974	5,209
	Sales (TJ)	4,970	5,574	5,209	4,970	5,209
OTWAY CONDENSATE	Production (bbl)	58,161	66,242	62,755	58,161	62,755
	Sales (bbl)	58,287	63,105	56,790	58,287	56,790
OTWAY LPG	Production (t)	7,018	8,379	7,339	7,018	7,339
	Sales (t)	7,229	8,228	7,113	7,229	7,113
OHANET CONDENSATE ENTITLEMENT (RSC) ²	Production (bbl)	327,087	350,971	335,974	327,087	335,974
	Sales (bbl)	327,087	350,971	335,974	327,087	335,974
OHANET LPG ENTITLEMENT (RSC) ²	Production (t)	26,633	28,578	27,356	26,633	27,356
	Sales (t)	26,633	28,578	27,356	26,633	27,356
GULF OF MEXICO PIPELINE NATURAL GAS ³	Production (MMBtu)	1,782,445	2,146,295	2,854,795	1,782,445	2,854,795
	Sales (MMBtu)	1,782,445	2,146,295	2,854,795	1,782,445	2,854,795
GULF OF MEXICO CONDENSATE ³	Production (bbl)	14,933	18,860	26,358	14,933	26,358
	Sales (bbl)	14,933	18,860	26,358	14,933	26,358
GULF OF MEXICO OIL ³	Production (bbl)	279,417	309,082	408,220	279,417	408,220
	Sales (bbl)	279,417	309,082	408,220	279,417	408,220
Total	Production (boe) #	19,224,022	20,216,449	20,648,332	19,224,022	20,648,332
	Sales (boe) #	18,733,928	20,562,727	20,610,879	18,733,928	20,610,879

1 Woodside's equity share is 50% of the first 414 TJ per day and 16.67% for all gas produced above this amount.

2 Risk Sharing Contract (RSC) derived volumes have been calculated using the 10 year oil price at the time of initial production.

3 Gulf of Mexico production and sales volumes are net of royalties.

Conversion Factors (see page 8).

Sales Revenue and Expenditure

The Company's share of sales revenue and exploration, evaluation and capital expenditure for the quarter

<i>Amounts in US\$ million¹</i>		Q1 2010	Q4 2009	Q1 2009	Year to date 2010	Year to date 2009
Sales Revenue						
NWS and Otway	Pipeline Natural Gas	83.3	166.7 ⁶	58.7	83.3	58.7
NWS	LNG	314.5 ⁷	226.7	208.4	314.5	208.4
	Condensate	166.1	180.3	87.1	166.1	87.1
	Oil	100.9	83.1	61.5	100.9	61.5
	LPG	31.0	24.3	14.0	31.0	14.0
Laminaria-Corallina	Oil	44.4	97.5	17.6	44.4	17.6
Mutineer-Exeter	Oil	2.1	12.3	1.7	2.1	1.7
Enfield	Oil ²	150.4	138.1	78.1	150.4	78.1
Stybarrow	Oil ²	30.0	78.2	75.3	30.0	75.3
Vincent	Oil ²	54.4	79.3	50.1	54.4	50.1
Otway	Condensate	3.5	3.7	2.4	3.5	2.4
	LPG	5.4	5.5	3.3	5.4	3.3
Ohanet	Condensate	7.9	8.4	8.1	7.9	8.1
	LPG	5.2	5.7	5.4	5.2	5.4
Gulf of Mexico	Pipeline Natural Gas ³	10.8	11.6	13.5	10.8	13.5
	Condensate ³	1.1	1.4	1.0	1.1	1.0
	Oil ³	20.9	21.9	14.2	20.9	14.2
Crude Oil Hedging	Gain / (Loss) ²	(3.7)	(0.8)	17.6	(3.7)	17.6
	Total	1,028.2	1,143.9	718.0	1,028.2	718.0
Exploration and Evaluation Expense						
	Exploration Expensed	35.4	103.2	66.9	35.4	66.9
	Permit Amortisation	5.3	6.3	11.1	5.3	11.1
	Evaluation Expensed	0.7	1.3	0.9	0.7	0.9
	Total	41.4	110.8	78.9	41.4	78.9
Capital Expenditure						
	Exploration Capitalised ^{4,5}	68.2	14.5	20.1	68.2	20.1
	Evaluation Capitalised ⁵	54.3	57.8	40.3	54.3	40.3
	Oil and Gas Properties ⁵	829.9	886.9	765.7	829.9	765.7
	Other Property, Plant and Equipment	0.1	1.5	1.2	0.1	1.2
	Total	952.5	960.7	827.3	952.5	827.3

1 From 1 January 2010, Woodside elected to adopt US dollars (US\$) as the functional currency of the company and other key entities in the Woodside group. The comparative financial information for sales revenue were translated at spot rates ruling on the dates of the transactions. Exploration and evaluation expense and capital expenditure were translated at monthly average rates during the period.

2 The Greater Exmouth area Zero Cost Collars (established at the time of the Vincent project FID) commenced settling from June 2008.

3 Gulf of Mexico revenue is reported net of royalties.

4 Exploration Capitalised represents expenditure on successful and pending wells, plus permit acquisition costs during the period and is net of well costs reclassified to expense on finalisation of well results.

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

6 NWS & Otway Pipeline Gas revenue includes the revenue from a negotiated confidential settlement between the North West Shelf Domestic Gas Joint Venture and Alinta Sales Pty Ltd following the conclusion of the arbitration process determining the gas price applicable in respect of the Alinta Gas Supply Agreement.

7 NWS LNG revenue includes the revenue from the settlement of some LNG price negotiations which are held commercial in confidence.

Production Activities

Field	Woodside share		Full field		Remarks
	Q1 2010	Q4 2009	Q1 2010	Q4 2009	
Australia NWS - Average daily production					
Pipeline gas (TJ)	235	231	583	560	Gas demand at normal seasonal rates.
LNG (t)	7,354	6,967	45,805	44,159	Higher LNG production was achieved for the quarter due to excellent onshore and offshore facility availability throughout the period. Cyclone activity in the Pilbara coastal region was low and did not impact facility production. During Q2, LNG3 & LNG5 will be shut-down for planned maintenance. It is anticipated that shutdowns will be approximately 22 and 14 days respectively.
Condensate (bbl)	26,025	26,877	125,925	131,544	Condensate production rates were lower due to a shut-in of the Echo Yodel field as a result of an electrical fault.
Oil (bbl)	13,538	12,115	40,615	36,345	Production benefited throughout the quarter from high facility reliability, lack of weather downtime and production optimisation efforts mitigating natural field decline. The Wanaea 11a well, completed in late Q4 2009, was on-line for the entire quarter. At the end of the quarter, field production was approximately 43,000 bbl/day (Woodside share 14,333 bbl/day).
LPG (t)	448	439	2,771	2,755	Improved production rates and high availability of LNG and pipeline gas facilities contributed to higher LPG production for the quarter.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	7,700	10,819	11,712	16,348	Production was lower than the previous quarter due to natural decline of the Corallina-2 sidetrack. At the end of the quarter, production was approximately 12,000 bbl/day (Woodside share 8,000 bbl/day).
Mutineer-Exeter Oil (bbl)	341	703	4,163	8,573	Production was lower than the previous quarter due to the field being shutdown in February as a result of a subsea electrical fault. Production resumed in early March. At the end of the quarter the field was producing approximately 8,500 bbl/day (Woodside share 700 bbl/day).
Enfield Oil (bbl)	18,933	21,716	31,555	36,194	Production decreased from the previous quarter due to natural reservoir decline. At the end of the quarter the field was producing approximately 29,000 bbl/day (Woodside share 17,400 bbl/day). A repair of the gas lift riser was successfully completed and gas lift resumed early April. This resulted in production increasing to just over 40,000 bbl/day (Woodside share 24,000 bbl/day)
Stybarrow Oil (bbl)	4,576	10,527	9,151	21,055	Production was lower than the previous quarter due to natural reservoir decline and the FPSO being offline for 46 days for a planned swivel replacement. At the end of the quarter the field was producing approximately 21,250 bbl/day (Woodside share 10,620 bbl/day).
Vincent Oil (bbl)	11,795	8,171	19,659	13,618	Production was higher than the previous quarter due to higher facility uptime, the reinstatement of a production well following repairs and the commencement of production from the first of two infill wells. A further infill well is due to be brought online in Q2. Reinstatement of gas compression is ongoing and the associated production outage has been deferred to late 2010 / early 2011. At the end of the quarter the field was producing approximately 30,000 bbl/day (Woodside share 18,000 bbl/day).
Otway Pipeline Gas (TJ)	66	61	129	118	Stable production continued, with higher overall production rates than the previous quarter, in line with increased seasonal demand. Sale of Woodside's interests in Otway assets was completed on 16 March.
Condensate (bbl)	775	720	1,504	1,397	
LPG (t)	94	91	182	177	
Africa					
	Q1 2010	Q4 2009			
Algeria – Ohanet	US\$13.1 million	US\$14.0 million	Woodside's share of the revenue entitlement received by the Ohanet Joint Venture was US\$13.1 million for the three months from January to March 2010 which equates to 327,087 bbl of condensate and 26,633 tonnes of LPG. These derived volumes were calculated using the 10 year oil price at the time of initial production.		
United States - Woodside share average daily production					
	Q1 2010	Q4 2009			
Gulf of Mexico Gas (GOM) (MMBtu)	19,805	23,329	Gas and condensate production was lower due to natural field decline.		
Condensate (bbl)	166	205	Woodside's net production at the end of the quarter was approximately 20,500 MMBTU of gas per day and 165 bbl/day of condensate.		
Gulf of Mexico Oil (GOM) (bbl)	3,105	3,360	Oil production was lower due to natural field decline. At the end of the quarter, Neptune was producing approximately 12,000 bbl/day (Woodside share 2,100 bbl/day) and Powerplay was producing approximately 5,700 bbl/day (Woodside share 930 bbl/day). Woodside's net oil production at the end of the quarter was approximately 3,115 bbl/day.		

Development Activities

Australia

North West Shelf

- **North Rankin Redevelopment Project:** The NRB substructure fabrication continues on schedule in Indonesia with the topsides fabrication on schedule in Korea. Modifications are continuing on North Rankin A for process tie-ins and the bridge-link to NRB. The project is scheduled for completion in 2013.
- **North West Shelf Oil Redevelopment Project:** FPSO Okha construction activities continue in Singapore. Topside module fabrication is nearing completion with integration and completions activities scheduled at Keppel shipyard for the remainder of 2010. The contract for refurbishment of existing NWS oil subsea infrastructure has been placed and installation works will commence offshore during Q4 2010. The Okha is on target for start-up by end Q1 2011.

Pluto LNG Project

The Pluto LNG Project is almost 87% complete at end March 2010.

Approximately half of the workers at the Pluto LNG Park near Karratha engaged in an unlawful eight-day strike in January. Pluto contractors commenced Federal Court action against their employees who took this action despite Orders from Fair Work Australia to return to work. Woodside has commenced its own Federal Court action against the CFMEU and its Assistant State Secretary, Joe McDonald in respect to an unlawful 2 day stoppage in December 2009. Both stoppages have highlighted the need for the Federal Government to maintain effective legislative mechanisms to respond to illegal industrial action.

Despite this strike, the foundation project remains on schedule for first gas from the Pluto field by end 2010 and first LNG in early 2011 contingent on a productive industrial relations environment.

Fabrication of the modules for the Pluto LNG plant was completed during the quarter with the nitrogen removal unit, the final of the total 264 modules for the onshore LNG plant, departing Thailand on 4 April 2010.

The onshore commissioning team mobilised to Karratha in January 2010 in preparation for commissioning the early utility systems.

Hook up and commissioning work on the Pluto offshore platform continued during Q1 2010. Rock dumping over sections of the offshore pipeline between the platform and onshore site is under way and due for completion in April 2010.

The fifth and final Pluto production well is scheduled to be completed in the second half of 2010.

Pluto Expansion

The front end engineering design studies for Pluto Train 2 and Train 3 are progressing to plan.

Gas supply for expansion continues to be focused on equity gas with the first four of six wells in the Pluto exploration campaign finding gas. During the quarter, gas was discovered at Noblige and gas intersected at Larsen. High pressure gas influx above Larsen's primary target zone prevented the well being deepened to the main objective.

As a result of mechanical issues with the Maersk Discoverer, which have now been resolved, top hole sections only have been drilled at Larsen Deep and Camus. Subsequent to the end of the quarter these top holes were followed by the Hine exploration well which failed to encounter hydrocarbons. The bottom hole sections for Larsen Deep and Camus will be drilled later this year.

The Ocean America drilling rig is in transit from the Gulf of Mexico and expected to arrive in mid to late May to complement the Maersk Discoverer in progressing Woodside's significant Carnarvon Basin exploration program.

A final investment decision on Pluto Train 2 and Train 3 is targeted by end 2010 and 2011 respectively based on projections of exploration success.

Browse

During the quarter the Browse Joint Venture selected the Western Australian Government's Browse LNG Precinct at James Price Point, 60km north of Broome, as the location to process gas from the Venture's Browse Basin gas fields. This decision satisfied one of the conditions for the retention leases over WA-28-R, WA-29-R, WA-30-R, WA-31-R, WA-32-R, TR/5 and R 2, that a development concept had to be selected within 120 days of 2 December 2009.

Following completion of the development concept phase the Browse LNG Development moved into the Basis of Design phase. The Basis of Design phase determines the major design parameters which would enable the optimal development of the offshore gas fields and the onshore facilities south of James Price Point.

Dual contracts for the Basis of Design were awarded to Bechtel Oil, Gas and Chemical Inc. – Bechtel Australia Pty Ltd and Kellogg Brown & Root Pty Ltd for the onshore component. Contracts for the offshore components were awarded to a joint venture of WorleyParsons Services Pty Ltd and Granherne Pty Ltd (known as Select Granherne) for the facilities scope, and to J P Kenny Pty Ltd for the subsea and pipelines scope.

Sunrise

The Joint Venture is completing its final diligence in support of concept selection for the development of the Greater Sunrise fields. Woodside will submit its preliminary Field Development Plan to the Australian and Joint Petroleum Development Area regulators in Q2 soon after announcing its development concept.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q1 2010

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth ¹ (metres)	Total Well Depth ² (metres)	Remarks
AUSTRALIA							
Noblige-1	Greater Pluto, WA-404-P	Gas	50.00	05/01/2010	1,312	4,581	Gas Discovery
Larsen-1	Greater Pluto, WA-404-P	Gas	50.00	27/12/2009	1,247	4,602	Gas Encountered. Well control operations completed
Larsen Deep-1	Greater Pluto, WA-404-P	Gas	50.00	19/03/2010	1,243	4,970 ³	Top hole drilled ⁴
Camus-1	Greater Pluto, WA-404-P	Gas	50.00	27/03/2010	1,380	3,868 ³	Top hole drilled ⁴
LATIN AMERICA							
Panoramix-2 ⁵	Brazil, Santos Basin	Oil - Gas	12.50	07/03/2010	156	4,600 ³	Appraisal, currently drilling

Notes:

- 1 Water depth measured at lowest astronomical tide (LAT).
- 2 Reported depths referenced to the rig rotary table.
- 3 Proposed total depth.
- 4 Due to a temporary mechanical issue with the Maersk Discoverer, only the top hole section could be drilled in this quarter. The hole has been suspended to allow re-entry and the drilling of the bottom hole sections later this year.
- 5 Not operated by Woodside.

Exploration or appraisal wells planned to commence in Q2 2010

Well Name	Basin / Area	Target	Woodside's Interest (%)	Water Depth ¹ (metres)	Proposed Total Depth ² (metres)	Remarks
AUSTRALIA						
Hine-1	Greater Pluto, WA-404-P	Gas	50.00	1,623	3,810	Exploration, spudded on 01/04/2010. Dry hole
Dalia South-1	Greater Pluto, WA-348-P	Gas	100.00	1,280	3,294	Exploration
Claudius-1	Outer Exmouth, WA-434-P	Gas	100.00	1,700	3,000	Exploration
Larsen Deep-1 ³	Greater Pluto, WA-404-P	Gas	50.00	1,243	4,970	Exploration
UNITED STATES						
Innsbruck ⁴	GoM, MC-993	Oil	15.00	1,918	8,944	Exploration, spudded on 01/04/2010

Notes:

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

2 Reported depths referenced to the rig rotary table.

3 Due to a temporary mechanical issue with the Maersk Discoverer, only the top hole section could be drilled in Q1 2010.

4 Not operated by Woodside.

Geophysical surveys conducted during Q1 2010

Location	Survey name	Type	2 D (line km full fold) 3D (km ² full fold) 4D (km ² full fold)
AUSTRALIA			
WA-434-P	Claudius 3D MSS	3D	801 km in Q1 of total 3,746 km survey (completed)

Permits and Licences

Key changes to permit and licence holdings during the quarter are noted below (some transactions may be subject to government and regulatory approval).

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
LIBYA				
Offshore	Areas 35, 36, 52 & 53	(55.00)	0.00	Permit Expiry
UNITED STATES				
GoM	G27750/EB 156	(25.00)	0.00	Relinquished
GoM	G04559/BA A-39	(50.00)	0.00	Lease Expiry
GoM	G24134, MC 993 S/2	(30.00)	15.00	Equity Transfer
GoM	G24134, MC 993 N/2	(45.00)	0.00	Equity Transfer

Corporate Activities

Otway Gas Project Divestment

On 16 March 2010, Woodside advised that the sale of its 51.55% interest in the Otway Gas Project to Origin Energy Resources Ltd and Benaris International was complete.

Treasury

In February 2010, Woodside received A\$1.2 billion, (US\$1.0 billion) following completion of the retail component of the fully underwritten accelerated renounceable entitlement offer.

Proceeds of A\$724.5 million, (US\$660 million) from the sale of the Otway Gas Project were received in March 2010.

Change in Functional and Presentation Currency for Financial Reporting

On 22 March 2010, Woodside advised that the functional currency of Woodside Petroleum Ltd and other key Group entities and the presentation currency of the Group had changed to US dollars, effective from the 2010 financial year.

CONVERSION FACTORS

(boe) = barrel of oil equivalent (TJ)= Terajoules (t) = tonne (bbl) = barrel (MMBtu) = Million British Thermal Units

(MMcfg) = million cubic feet of gas (Bcf) = billion cubic feet of gas (kt) = thousand tonnes

Product	Factor	Conversion Factors*
Australian Pipeline Natural Gas	1TJ =	163.6 boe
Liquefied Natural Gas (LNG)	1 tonne =	8.9055 boe
Condensate	1 bbl =	1.000 boe
Oil	1 bbl =	1.000 boe
Liquefied Petroleum Gas (LPG)	1 tonne =	8.1876 boe
Gulf of Mexico Pipeline Natural Gas	1 MMBtu =	0.1724 boe

* minor changes to some conversion factors can occur over time due to gradual changes in the process stream

Contacts:

MEDIA

Roger Martin

W: +61 8 9348 4591

M: +61 413 018 674

E: roger.martin@woodside.com.au

INVESTORS

Mike Lynn

W: +61 8 9348 4283

M: +61 439 691 592

E: investor@woodside.com.au