Woodside Petroleum Ltd.
ACN 004 898 962
Woodside Plaza
240 St Georges Terrace
Perth WA 6000
Australia
www.woodside.com.au

ASX Announcement

Friday, 21 October 2011

THIRD QUARTER REPORT FOR PERIOD ENDED 30 SEPTEMBER 2011

Comparative performance at a glance					
Previous quarter		**Q3 2011**	**Q2 2011**	**Difference**	**Change %**
Revenue	*US$ million*	1,313	1,254	59	5%
Production	*MMboe*	16.1	16.3	(0.2)	(1%)
Sales	*MMboe*	16.7	16.4	0.3	2%
Corresponding quarter, prior year		**Q3 2011**	**Q3 2010**	**Difference**	**Change %**
Revenue	*US$ million*	1,313	1,033	280	27%
Production	*MMboe*	16.1	18.3	(2.2)	(12%)
Sales	*MMboe*	16.7	18.5	(1.8)	(10%)

Sales revenues up 5% compared to Q2 2011

- Sales revenue was 5% higher, predominantly as a result of the higher sales volumes and higher realised LNG prices. Realised pricing for the liquids portfolio continues to perform strongly.
- Production for the quarter was 16.1 MMboe, a solid result despite the impact of planned shut-downs at the North West Shelf (NWS) North Rankin facility and LNG Train 5, as well as lower volumes from the Enfield oil field. Production was assisted by higher production volumes from Vincent, following integration of two new infill wells, higher Stybarrow oil production and higher domestic pipeline gas production.
- Sales volumes were 2% higher compared to the previous quarter, largely driven by the timing of cargo liftings and higher domestic pipeline gas sales.

Sales revenues up 27% compared to Q3 2010

- Sales revenue was 27% higher, driven predominantly by higher commodity prices.
- Production volumes were lower compared to the previous corresponding period, driven by the NWS Oil Redevelopment Project outage, planned shut-downs of the NWS North Rankin facility and LNG Train 5, as well as lower volumes at Enfield, Vincent and Laminaria-Corallina. This was partially offset by higher production from Stybarrow and domestic pipeline production volumes.

Activities

- Pluto LNG Foundation Project – the first LNG cargo from Pluto is estimated for March 2012.
- Pluto Expansion – drilling and discussions with other resource owners continue.
- Browse LNG – front-end engineering and design (FEED) studies are ongoing. Invitations to tender (ITT) were issued for the construction and installation of the Browse Central Processing Facility's topsides and jackets.
- Sunrise LNG – following the Woodside CEO's recent visit to Timor-Leste, Woodside continues to build on engagement with both the Timor-Leste and Australian governments.
- NWS North Rankin Redevelopment Project – the project remains on budget and on schedule for completion in 2013. The North Rankin B (NRB) jacket was successfully launched and positioned 100 metres from the existing North Rankin A (NRA) platform.
- NWS Oil Redevelopment Project – NWS Oil production recommenced with production of first oil into the Okha floating production storage and offloading (FPSO) vessel on 24 September, ahead of the previously advised October guidance.
- Vincent – Two Phase III production wells came online in September at a rate of 20,000 bbl/day.

Production Summary

Woodside's share of production and sales for the quarter ended 30 September 2011 with appropriate comparatives:

		Q3 2011	Q2 2011	Q3 2010	Year to date 2011	Year to date 2010
NWS PIPELINE NATURAL GAS[1]	Production (TJ)	22,309	20,966	21,833	64,433	64,290
	Sales (TJ)	22,258[2]	20,845[2]	21,833	64,261[2]	64,290
NWS LIQUEFIED NATURAL GAS (LNG)	Production (t)	599,334	678,250	672,424	1,931,920	1,916,362
	Sales Delivered (t)	626,711	645,340	670,031	1,935,668	1,906,588
	Cargoes Delivered	64	66	68	196	195
NWS CONDENSATE	Production (bbl)	1,970,967	1,957,361	2,349,149	6,006,389	6,894,236
	Sales (bbl)	1,913,126	1,962,913	2,371,084	5,908,678	6,794,364
NWS OIL	Production (bbl)	55,223	0	1,004,845	427,262	3,129,648
	Sales (bbl)	0	127,906	1,046,543	673,109	3,181,611
NWS LIQUEFIED PETROLEUM GAS (LPG)	Production (t)	36,514	31,943	40,542	105,732	117,703
	Sales (t)	35,334	35,753	42,628	107,485	119,477
LAMINARIA–CORALLINA OIL	Production (bbl)	393,673	420,049	531,344	1,296,766	1,782,418
	Sales (bbl)	874,769	441,755	894,214	1,316,524	1,644,110
MUTINEER–EXETER OIL	Production (bbl)	60,027	31,179	32,630	103,855	101,358
	Sales (bbl)	78,719	15,935	29,839	94,654	82,344
ENFIELD OIL	Production (bbl)	973,684	1,171,830	1,202,915	3,065,055	4,534,582
	Sales (bbl)	1,099,942	1,092,506	1,282,436	2,940,042	4,689,895
STYBARROW OIL	Production (bbl)	1,168,224	1,035,146	558,146	3,065,312	1,760,351
	Sales (bbl)	1,141,320	996,755	562,425	3,087,473	1,773,688
VINCENT OIL	Production (bbl)	1,401,604	1,141,318	1,618,787	2,873,728	3,925,517
	Sales (bbl)	1,308,559	1,440,261	1,397,279	3,138,767	3,590,732
OTWAY PIPELINE NATURAL GAS[3]	Production (TJ)	0	0	0	0	4,974
	Sales (TJ)	0	0	0	0	4,970
OTWAY CONDENSATE[3]	Production (bbl)	0	0	0	0	58,161
	Sales (bbl)	0	0	0	0	58,287
OTWAY LPG[3]	Production (t)	0	0	0	0	7,018
	Sales (t)	0	0	0	0	7,229
OHANET CONDENSATE ENTITLEMENT (RSC)[4]	Production (bbl)	358,640	355,849	346,513	1,050,593	1,026,450
	Sales (bbl)	358,640	355,849	346,513	1,050,593	1,026,450
OHANET LPG ENTITLEMENT (RSC)[4]	Production (t)	29,202	28,975	28,214	85,544	83,577
	Sales (t)	29,202	28,975	28,214	85,544	83,577
GULF OF MEXICO PIPELINE NATURAL GAS[5]	Production (MMBtu)	122,346	352,002	1,259,330	1,243,666	4,703,700
	Sales (MMBtu)	122,346	352,002	1,259,330	1,243,666	4,703,700
GULF OF MEXICO CONDENSATE[5]	Production (bbl)	203	2,331	8,063	8,358	35,186
	Sales (bbl)	203	2,331	8,063	8,358	35,186
GULF OF MEXICO OIL[5]	Production (bbl)	179,532	198,397	272,643	624,139	824,457
	Sales (bbl)	179,532	198,397	272,643	624,139	824,457
Total	**Production (boe)** #	**16,108,048**	**16,343,053**	**18,265,259**	**48,047,863**	**54,986,560**
	Sales (boe) #	**16,726,883**	**16,382,520**	**18,547,031**	**48,388,335**	**54,543,875**

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 Sales volumes exclude sales of natural pipeline gas to the Woodside operated Pluto project.
3 Sale of Woodside's interest in the Otway Gas project was completed on 16 March 2010.
4 Risk Sharing Contract (RSC) derived volumes have been calculated using the 10 year oil price prevailing at the time of initial production.
5 Gulf of Mexico production and sales volumes are reported net of royalties and reflect the sale of the Shelf properties effective 1 May 2011.
\# Conversion Factors are identified on page 7.

Sales Revenue and Expenditure

Woodside's share of sales revenue and exploration, evaluation and capital expenditure for the quarter ended 30 September 2011, with appropriate comparatives:

Amounts in US$ million		Q3 2011	Q2 2011	Q3 2010	Year to date 2011	Year to date 2010
Sales Revenue						
NWS and Otway[1]	Pipeline Natural Gas	90.8[2]	86.9[2]	75.0	289.3[2,3]	228.0
NWS	LNG	422.2	368.0	315.2	1,125.5	1,005.9[4]
	Condensate	210.9	230.8	176.2	655.2	512.7
	Oil	0	13.4	81.1	66.8	245.7
	LPG	29.6	36.0	27.1	99.1	81.5
Laminaria-Corallina	Oil	97.9	53.6	66.8	151.5	127.3
Mutineer-Exeter	Oil	9.4	2.1	(0.6)[5]	4.5	6.8
Enfield[6]	Oil	130.4	132.1	102.7	344.1	378.8
Stybarrow[6]	Oil	135.5	120.1	44.8	353.1	146.0
Vincent[6]	Oil	152.9	172.8	105.4	363.5	271.7
Otway[1]	Condensate	0	0	0	0	3.5
	LPG	0	0	0	0	5.4
Ohanet	Condensate	8.6	8.6	8.3	25.3	24.6
	LPG	5.7	5.7	5.5	16.8	16.4
Gulf of Mexico[7]	Pipeline Natural Gas	0.9	2.3	6.2	7.2	25.5
	Condensate	0	0.3	0.6	0.8	2.7
	Oil	17.8	21.4	19.7	62.4	60.5
Crude Oil Hedging[6]	Gain / (Loss)	0.0	0.0	(1.3)	0.0`	(8.0)
	Total	**1,312.6**	**1,254.1**	**1,032.7**	**3,565.1**	**3,135.0**
Exploration and Evaluation Expense						
Exploration Expensed		68.7	160.8	70.0	264.1	205.7
Permit Amortisation		6.6	8.3	6.1	21.6	16.6
Evaluation Expensed		0.3	2.5	0.2	3.3	2.4
	Total	**75.6**	**171.6**	**76.3**	**289.0**	**224.7**
Capital Expenditure						
Exploration Capitalised[8,9]		(4.4)[10]	21.8	106.8	77.4	202.6
Evaluation Capitalised[9]		261.4	204.3	72.1	582.9	229.2
Oil and Gas Properties[9]		693.5	674.2	741.9	1,878.3	2,186.2
Other Property, Plant and Equipment		0.0	0.1	0.5	0.7	1.6
	Total	**950.5**	**900.4**	**921.3**	**2,539.3**	**2,619.6**

1 Sale of Woodside's interest in the Otway Gas Project was completed on 16 March 2010.
2 Sales revenue excludes sales of natural pipeline gas to the Woodside operated Pluto project.
3 NWS Pipeline Natural 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 restructure of Alinta Energy Limited.
4 NWS LNG revenue was impacted by the settlement of some LNG price negotiations which are held commercial in confidence.
5 The negative sales revenue is due to impact of higher oil price on Woodside's entitlement accounting during the quarter.
6 The Greater Exmouth area zero cost collars (established at Vincent project FID) commenced settling from June 2008 and expired December 2010.
7 Gulf of Mexico revenue is reported net of royalties and reflects the sale of the Shelf properties effective 1 May 2011.
8 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.
9 Project Final Investment Decisions (FID) result in amounts of previously capitalised Exploration and Evaluation expenditure (from current and prior years) being transferred to Oil and Gas Properties. The table above does not reflect the impact of such transfers.
10 The negative capitalised exploration amount primarily reflects adjustments to costs that were a work in progress at the end of the previous quarter.

Production Activities

Field	Woodside share		Full field		
	Q3 2011	Q2 2011	Q3 2011	Q2 2011	Remarks
Australia NWS - Average daily production					
Pipeline gas (TJ)	242	230	597	554	Gas demand was within normal seasonal levels.
LNG (t)	6,515	7,453	41,822	47,295	Lower LNG production for the quarter due to planned maintenance activities on LNG 5 and the NRA offshore platform. Similar rates are expected next quarter due to the impact of NR2 project related activities and reduced production capacity due to warmer conditions over the summer months.
Condensate (bbl)	21,424	21,509	102,694	106,374	In Q2, production from the liquids rich fields supplying GWA was reduced by planned maintenance. In Q3, GWA returned to normal production levels, however condensate was impacted by planned maintenance at NRA, Angel and the onshore gas plant. Consequently, production was similar to the prior quarter.
Oil (bbl)	600	0	1801	0	Production for NWS Oil recommenced with first oil into the Okha FPSO on 24 September. A total of 165,669 bbls (Woodside share 53,223 bbl) were produced to the end of September. Production was ramping up and was approximately 24,000 bbl/d (Woodside share 8,000 bbl/d) at the end of the quarter.
LPG (t)	397	351	2,518	2,207	LPG production as per expectation for the quarter.
Other Australia - Average daily production					
Laminaria-Corallina Oil (bbl)	4,279	4,616	6,619	7,134	Production was impacted by a single well outage following the planned facility shutdown at the start of the quarter. At the end of the quarter, production was approximately 7,400 bbl/day (Woodside share 4,800 bbl/day).
Mutineer-Exeter Oil (bbl)	652	343	7,957	4,183	Production was higher than the previous quarter as the field was back online after the Exeter-4AH well workover.
Enfield Oil (bbl)	10,584	12,877	17,639	21,461	Production was lower than the previous quarter due to the planned shutdown in July. At the end of the quarter, the field was producing approximately 24,000 bbl/day (Woodside share 14,400 bbl/day).
Stybarrow Oil (bbl)	12,698	11,375	25,396	22,750	Production was higher than the previous quarter due to strong performance from the Stybarrow North well and facility availability.
Vincent Oil (bbl)	15,235	12,542	25,391	20,903	Production was higher than the previous quarter with gas compression and reinjection available, plus the start-up of two new infill wells in September. At the end of the quarter, the field was producing approximately 45,000 to 50,000 bbl/day (Woodside share 27,000 to 30,000 bbl/day).

Africa			
	Q3 2011	Q2 2011	
Algeria – Ohanet	$14.3 million	$14.3 million	Woodside's share of the revenue entitlement received by the Ohanet Joint Venture was US$14.3 million for the three months from July to September 2011 which equates to 358,640 bbl of condensate and 29,202 tonnes of LPG. These derived volumes were calculated using the 10 year oil price at the time of initial production. This revenue stream will cease in October 2011, when the Risk Sharing Contract expires.

United States - Woodside share average daily production			
	Q3 2011	Q2 2011	
Gas (MMBtu)	1,330	3,868	Gas production was lower than the previous quarter due to the sale of the Gulf of Mexico Shelf properties on 1 May, as well as expected natural decline in remaining fields.
Condensate (bbl)	2	26	
Oil (bbl)	1,951	2,178	Oil production was slightly lower than the previous quarter due to expected natural field decline.

Development Activities

Australia

Pluto

Pluto LNG Foundation Project: Commissioning activities progressed to plan during the third quarter.

Various utility systems including gas turbine power generators, Monoethylene Glycol systems (MEG is a pipeline antifreeze and anticorrosion agent) and the effluent treatment unit all reached ready for start up status following completion of their commissioning.

The main flare stack is scheduled to become operational in October, in advance of commissioning the large gas processing units.

The first LNG cargo from Pluto is estimated for March 2012.

Pluto Expansion: Woodside continues to target expansion at the Pluto LNG Park.

A further six exploration wells are planned to be spudded over the period during Q4 2011 to mid-2012 as Woodside seeks sufficient equity gas to support a Pluto LNG expansion.

Discussions continue with other resource owners regarding development of additional trains at Pluto.

Browse LNG Project

Front-end engineering and design studies continued in this quarter along with work to secure environmental approvals.

Progress was made with onshore geotechnical and environmental studies at the Browse LNG Precinct, south of James Price Point, and in the nearshore area. Invitations to tender (ITT) were issued for the construction and installation of the Browse Central Processing Facility's topsides and jackets. Additional ITTs are scheduled to be issued in Q4 2011.

During the quarter, Woodside also commenced the Tridacna three dimensional seismic survey of the Torosa field. This survey is on schedule to be completed in November and may assist in defining potential additional Torosa volumes.

Sunrise LNG

Woodside CEO Peter Coleman visited Dili, Timor-Leste in August and held constructive meetings with Timor-Leste government representatives. Woodside is committed to continue discussions on the Greater Sunrise development.

North West Shelf

North Rankin Redevelopment Project: In September the North Rankin B (NRB) jacket was launched and positioned 100 metres from the existing North Rankin A (NRA) platform off the North West Shelf. Piling activity to secure the jacket to the seabed has commenced. Commissioning of the NRB topsides in Korea and fabrication of the NRA-NRB bridge-links in Indonesia continued. Modifications continued on NRA for process tie-ins and bridge-links. The project remains on budget and on schedule for completion in 2013.

North West Shelf Oil Redevelopment Project: Production commenced on Saturday 24 September 2011 into the Okha FPSO facility. In field commissioning of systems will continue with the objective of achieving steady state production within the next few weeks.

Exploration and Appraisal Activities

Exploration or appraisal wells drilled during Q3 2011

Well Name	Basin/ Area	Target	Woodside Interest (%)	Spud Date	Water Depth[1] (metres)	Total Well Depth[2] (metres)	Remarks
AUSTRALIA							
Argus-2 / ST1	Browse basin, AC/RL8	Gas	60.00	02/06/2011	538	4,718	Appraisal[3]
Kelt-1	Greater Pluto, WA-404-P	Gas	100.00	06/07/2011	1,476	4,260	Exploration, dry hole
Seraph-1	Carnarvon basin, WA-3-L	Gas	15.78	06/08/2011	84	4,440[4]	Exploration, drilling at end quarter
Noblige-2[5]	Greater Pluto, WA-404-P	Gas	100.00	17/08/2011	1,324	4,670	Appraisal
Laverda East-1[6]	Exmouth sub-basin, WA-36-R	Oil	60.00	22/09/2011	840	2,135[4]	Appraisal, drilling at end quarter
INTERNATIONAL[7]							

Notes:
1 Water depth measured at lowest astronomical tide (LAT).
2 Reported depths referenced to the rig rotary table.
3 Failed to reach the objective due to the intersection of a high pressure gas zone that prevented further drilling.
4 Proposed total depth.
5 Noblige-2 successfully appraised the Noblige-1 discovery, encountering gas in multiple pay zones.
6 Subsequent to the end of the quarter Laverda East-1 successfully intersected hydrocarbons in one of the two target zones.
7 Woodside Energy (Korea) Pte Ltd and the Korea National Oil Corporation had planned to drill the Jujak-1 exploration well in late 2011. However, the drilling of the Jujak-1 exploration well in Korea has been postponed due to a delay in the availability of a suitable drilling rig.

Exploration or appraisal wells planned to commence in Q4 2011

Well Name	Basin / Area	Target	Woodside Interest (%)	Water Depth (metres)[1]	Proposed Total Depth (metres)[2]	Remarks
AUSTRALIA						
Opel-1	Exmouth sub-basin, WA-36-R	Oil	60.00	840	2,030	Exploration, bottom hole section
Opel-2[3]	Exmouth sub-basin, WA-36-R	Oil	60.00	840	2,150	Appraisal, bottom hole section
Ragnar-1	Exmouth sub-basin, WA-430-P	Gas	70.00	1,160	4,280	Exploration
Cadwallon-1	Outer Exmouth, WA-434-P	Gas	100.00	2,005	4,900	Exploration
Genseric-1	Outer Exmouth, WA-434-P	Gas	100.00	1,880	3,510	Exploration
Tidepole East-1	Carnarvon basin, WA-5-L	Gas	15.78	107	3,544	Exploration

Notes:
1 Water depth measured at lowest astronomical tide (LAT).
2 Reported depths referenced to the rig rotary table.
3 Opel-2 will be sidetracked from Opel-1.

Geophysical surveys conducted during Q3 2011

Location	Survey name	Type	2D (line km full fold) 3D (km^2 full fold) 4D (km^2 full fold)
AUSTRALIA			
WA-30-R	Tridacna 3D	3D	100 km^2 out of 205 km^2

Permits and Licences

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

Region	Permit or Licence Area	Change in Interest (%) Increase or (Decrease)	Woodside's Current Interest %	Remarks
AUSTRALIA				
Outer Exmouth	WA-401-P	(100.00)	0.00	Permit surrendered on 2 August 2011

Subsequent to the end of the quarter Woodside was offered seven gazettal blocks in the 2010 Offshore Petroleum Exploration Acreage Release. The blocks are:

- Three Rowley Sub-Basin Blocks, located between the NWS and Browse Basin gas fields (W10-3, W10-4, W10-5, Woodside operator 55%);
- Two Lambert Shelf Blocks, located approximately 50kms to 150kms NE of the NWS Angel platform (W10-8, W10-9, Woodside operator 100%); and
- Two Exmouth Sub-Basin Blocks located approximately 25kms to 50kms WSW of the Laverda oil field (W10-23, W10-24, Woodside operator 60%).

Corporate Activities

2011 production outlook

Woodside's 2011 production target remains between 62-64 MMboe.

2012 investment expenditure and production guidance

Guidance for Woodside's 2012 capital and exploration expenditure and production volumes will be released to the ASX prior to year-end.

Credit rating

Moody's reaffirmed the Baa1 ratings of Woodside Petroleum Ltd (negative outlook). The confirmation concludes a review that was initiated on 17 June 2011.

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

Daniel Clery
W: +61 8 9348 3944
M: +61 467 716 190
E: daniel.clery@woodside.com.au

INVESTORS

Mike Lynn
W: +61 8 9348 4283
M: +61 439 691 592
E: investor@woodside.com.au