

WOODSIDE PETROLEUM (WPL)

15 AUGUST 2018

| RESULTS | Half Year 2018 | Half Year 2017 | CHANGE |
|-----------------------------------|-------------------|-------------------|--------|
| Operating Revenue (US\$m) | 2,388 | 1,877 | +27.2% |
| Production volumes (Mmboe) | 44.3 | 42.2 | +5% |
| Cost of production (US\$m) | 363 | 307 | +18.2% |
| EBIT (%) | 987 | 788 | 25.3% |
| Underlying NPAT(US\$m) | 566 | 511 | +10.7% |
| Underlying NPAT consensus (US\$m) | 600 | | |
| Interim Dividend (US\$) | 0.53 | 0.49 | +8.2% |

Woodside Petroleum Limited (WPL) LNG focus helps achieve goals.

- **Woodside Petroleum Limited (WPL)** recorded a 27% lift in revenue for the first half of 2018, helped by a more positive market environment and higher realised prices. Woodside's average realised price increased by 18% to US\$51 barrels of energy equivalent (boe). The solid result was also supported by greater output and better cost controls in its Liquefied Natural Gas (LNG) division that offset higher investment expenses and higher taxes.
- Woodside's 5% lift in production was boosted by greater reliability, exceeding 99% for the period, and output from its Pluto LNG project, as well as the commencement of Wheatstone LNG output in the second half of 2017. Woodside's new business model focus on LNG has paid off in this result. Woodside said it is progressing the Scarborough development to take advantage of the expected global LNG supply gap from the early 2020s.
- Depreciation/amortisation and production costs increased, this was well flagged and expected with the lift in new projects coming on line. Woodside said it expects *"Production costs per barrel of oil equivalent across all operating assets for 2018 are expected to be between US\$5.50 and US\$5.80."*
- Woodside report a 10.7% lift in underlying net profit after tax (NPAT) to \$566 million, while WPL reported a US\$541 million NPAT over the half, which was hit by a few one off items. The one off items were; the impact of foreign exchange options associated with the equity raising totalling US\$5 million and finance costs associated with the early redemption of the bond at US\$20 million.
- WPL's gross margin reached 50%, with production and other costs accounting for 21%. Operating cash flow increased to US\$1.54 billion up 25% and the solid result has allowed Woodside to agree to pay out an Interim dividend of US\$0.53, beating expectations of US\$0.50 payout, on September the 20th 2018.
- WPL's 2018 production guidance has been increased from 85–90 to 87–91 MMboe. The increase is primarily due to the first half performance of Pluto and Wheatstone LNG projects.

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