

ASX Announcement

Friday, 17 June 2011

PLUTO COST AND SCHEDULE UPDATE

Woodside advises that it has revised the expected cost and schedule of the Pluto LNG Project following its regular review of the progress of the project.

The first LNG cargo is now estimated for March 2012. The revised estimate is attributable to slower than expected progress on the commissioning of the onshore gas plant, seven weeks of direct weather delays and an allowance for an increased contingency.

The revised estimate is expected to result in a A\$900 million increase in cost to a total of A\$14.9 billion (100% project). This estimate includes arrangements with customers affected by the delay.

Woodside CEO Peter Coleman said that while delays in mega-projects such as Pluto were not uncommon, he was disappointed to have to advise of a change in the schedule.

"While we would like to start up the project as quickly as possible, we will not be doing so until we are satisfied the commissioning work has been completed in a thorough and safe manner," Mr Coleman said.

"It is important to take a long-term view. Pluto is an attractive project underpinned by 15-year sales contracts which will provide significant value to Woodside shareholders."

Bad weather has also contributed to a delay in the North West Shelf Oil Redevelopment Project, with poor sea states hindering the completion of critical subsea work on the project. A mechanical fault was also experienced with a contractor's installation support vessel.

The redevelopment, which includes the installation of the Okha floating production, storage and offloading facility, is now scheduled for start-up in October 2011. There is not expected to be any material change to the cost of the A\$1.8 billion project (100% project).

The schedule changes for the Pluto and NWS Oil Redevelopment projects will affect Woodside's 2011 production target. The company's 2011 production target is now between 62 and 64 million barrels of oil equivalent.

Woodside holds 90% equity in the Pluto LNG Project and 33% equity in the NWS Oil Redevelopment Project.

Contacts:

MEDIA

Laura Hammer

W: +61 8 9348 6874

M: +61 418 917 609

E: laura.hammer@woodside.com.au

INVESTORS

Mike Lynn

W: +61 8 9348 4283

M: +61 439 691 592

E: investor@woodside.com.au

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