Woodside Releases Half-Year 2024 Results

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Woodside Energy Group (ASX: WDS) (NYSE: WDS) (LSE: WDS):

HALF-YEAR REPORT FOR PERIOD ENDED 30 JUNE 2024

High-quality business delivering strong dividends

Financial highlights

- Net profit after tax of $1,937 million.
- Underlying net profit after tax of $1,632 million.[1]
- Operating cash flow of $2,393 million and positive free cash flow of $740 million. [1]
- Australian tax and royalty payments of A$2,682 million.
- Liquidity of $8,479 million. [1,2]
- Determined a fully franked interim dividend of 69 US cents per share (cps), at the top end of the payout range and representing a half-year annualised dividend yield of 7.3%.[3]

Operational highlights

- Delivered H1 production of 89.3 MMboe (491 Mboe/d). Full year production guidance remains unchanged.
- Reduced unit production cost to $8.3/boe ($8.8/boe in H1 2023) despite the inflationary environment.
- Achieved first oil at the Sangomar Project in June 2024. Subsequent to the period the project achieved nameplate capacity with gross production rates of 100,000 barrels per day.
- Continued to embed the Field Leadership Program to strengthen our learning culture and improve safety outcomes.
- Took a final investment decision (FID) on Lambert West, Xena-3 and Atlantis Drill Centre 1 Expansion (DC1X).

Business highlights

- The Scarborough Energy Project was 67% complete at the end of H1 2024, with first LNG cargo expected in 2026.[4]
- Signed an agreement with JERA for the sale of a 15.1% non-operated participating interest in the Scarborough Joint Venture (SJV). Estimated total consideration for the sale is $1,400 million.[5]
- Completed the sale of a 10% non-operated participating interest in the SJV to LNG Japan for $910 million.[6]
- Signed sale and purchase agreements (SPAs) with Korea Gas Corporation (KOGAS) and CPC Corporation, Taiwan (CPC) for the long-term supply of LNG to Korea and Taiwan respectively.
- Continued to progress the Trion Project engineering, procurement and contracting.
- Subsequent to the period, Woodside entered into two transactions that have significant cash generation potential to underpin long-term shareholder value.[7] These are agreements to acquire:
  - Tellurian, including its US Gulf Coast Driftwood LNG development opportunity, for an all-cash payment of approximately $900 million; and
  - OCI's Clean Ammonia Project in Beaumont, Texas for an all-cash consideration of approximately $2,350 million.

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[1] Non-IFRS measure. Refer to pages 50 - 52 for further information.

[2] Woodside cancelled $1,550 million of undrawn facilities in July 2024. This cancellation has the effect of reducing our liquidity by $1,550 million.

[3] Calculated based on Woodside's closing share price on 28 June 2024 of A$28.21 and a US$:A$ exchange rate of 0.67.

[4] The completion % excludes the Pluto Train 1 modifications project.

[5] The SPA is with JERA Scarborough Pty Ltd which is a wholly owned subsidiary of JERA Co., Inc. Subject to completion of the transaction, targeted for the second half of 2024. See "Woodside to sell 15.1% Scarborough interest to JERA", announced 23 February 2024.

[6] LJ Scarborough Pty Ltd (LNG Japan) is a jointly owned subsidiary of LNG Japan Corporation (which is a 50:50 joint venture between Sumitomo Corporation and Sojitz Corporation) and Japan Organization for Metals and Energy Security (JOGMEC). JOGMEC has a 49.9% interest in LJ Scarborough Pty Ltd. See "Woodside completes sale of 10% Scarborough interest", announced 26 March 2024.

[7] See "Woodside to acquire Tellurian and Driftwood LNG", announced 22 July 2024 and "Woodside to acquire OCI's Clean Ammonia Project", announced 5 August 2024.

Summary

Woodside reported net profit after tax (NPAT) for the half-year of $1,937 million. Production was 89.3 MMboe (491 Mboe/d) and underlying NPAT was $1,632 million, down 14% on the corresponding period in 2023.

The directors have determined a fully franked interim dividend of 69 US cents per share (cps), representing an approximately 80% payout ratio of underlying NPAT.

Woodside Energy CEO Meg O'Neill said the results demonstrate how Woodside's high performing base business continues to deliver strong dividends to shareholders while laying a foundation for future success.

"We maintained high reliability of 97.9% at our operated LNG assets and continue to manage costs effectively in an inflationary environment.

"In the first half of 2024 we delivered on a significant element of our strategy, achieving first production from Sangomar, Senegal's first offshore oil project. Production ramp-up at Sangomar has progressed well and subsequent to the period, peak gross production rate of 100,000 barrels per day was achieved, demonstrating Woodside's world-class project execution capability. Sangomar will deliver enduring value for Woodside shareholders and benefits for our partner Petrosen and the people of Senegal.

"We also made good progress on the Scarborough Energy Project in Western Australia, which is more than two-thirds complete and on track for first LNG cargo in 2026. Work on the Scarborough floating production unit passed a major milestone with structural completion of the topsides. Pluto Train 2 site works continued with 29 of the 51 modules delivered and 25 modules set in position.

"We completed the sale of a 10% non-operating participating interest in the Scarborough Joint Venture (SJV) to LJ Scarborough Pty Ltd (LNG Japan) for $910 million and executed a binding sale and purchase agreement for the sale of a further 15.1% non-operating participating interest in the SJV to JERA.

"Long-term LNG supply agreements were also reached with Korea Gas Corporation and with CPC Corporation, Taiwan, underlining the importance of LNG in regional energy security.

"Our agreement last month to acquire Tellurian, including its US Gulf Coast Driftwood LNG development further strengthens our LNG portfolio, complementing our existing Pacific basin position with additional exposure in the Atlantic basin. Woodside expects to leverage its global LNG expertise to unlock this development and enable long-term cashflow generation.

"In our new energy business, all primary environmental approvals have been secured for the Hydrogen Refueller @H2Perth, which is targeting supplying industrial customers in Western Australia in 2025. We have also progressed several carbon capture and storage (CCS) opportunities, including the signing of a memorandum of understanding between the Angel CCS Joint Venture and Yara Pilbara Fertilisers to study the use of the technology.

"We continue to deliver on our strategy to thrive through the energy transition whilst maintaining our disciplined capital management. Our agreement to acquire OCI's Clean Ammonia project in Texas positions Woodside to be an early mover in the emerging lower carbon ammonia industry and makes a significant contribution to delivering our Scope 3 targets.

"Above all, we are committed to continually improving safety and have focused on strengthening our safety culture, simplifying our processes and improving our systems.

"As we officially mark 70 years as an Australian company, I am proud that Woodside is facing the future with the same spirit of innovation and determination that our founders showed."

Financial summary

Key metrics

		H1 2024	H1 2023	Change %
Operating revenue	$ million	5,988	7,400	(19%)
EBITDA excluding impairment[8]	$ million	4,371	4,888	(11%)
EBIT[8]	$ million	2,362	2,791	(15%)
Net profit after tax (NPAT)[9,10]	$ million	1,937	1,740	11%
Underlying NPAT[8]	$ million	1,632	1,896	(14%)
Net cash from operating activities[11]	$ million	2,393	2,951	(19%)
Capital expenditure[8,12]	$ million	2,365	2,769	(15%)
Exploration expenditure[8,13]	$ million	112	187	(40%)
Free cash flow[8,11,14]	$ million	740	314	136%
Dividends distributed	$ million	1,310	1,519	(14%)
Interim dividend declared	US cps	69	80	(14%)
Key ratios				
Earnings	US cps	102.2	91.7	11%
Gearing[8]	%	13.3	8.2	5.1%
Production volumes[15,16]				
Gas	MMboe	60.9	63.5	(4%)
Liquids	MMboe	28.4	27.8	2%
Total	MMboe	89.3	91.3	(2%)
Production volumes per day[15]				

Gas	MMscf/d	1,907	1,999	(5%)
Liquids	Mbbl/d	156	154	1%
Total	Mboe/d	491	504	(3%)
Sales volumes[16]				
Gas	MMboe	65.0	72.0	(10%)
Liquids	MMboe	28.9	26.8	8%
Total	MMboe	93.9	98.8	(5%)
Sales volumes per day				
Gas	MMscf/d	2,035	2,268	(10%)
Liquids	Mbbl/d	159	148	7%
Total	Mboe/d	516	546	(5%)

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[8] This is an alternative performance measure (APM) which is a non-IFRS measure that is unaudited. Woodside believes this non-IFRS measure provides useful performance information, but it should not be considered as an indication of, or as a substitute for, statutory measures as an indicator of actual operating performance (such as net profit after tax or net cash from operating activities) or any other measure of financial performance or position presented in accordance with IFRS. Refer to Alternative Performance Measures on pages 50 - 52 for a reconciliation for these measures to Woodside's financial statements and Non-IFRS Measures on page 57 for more information about non-IFRS measures.

[9] Net profit after tax attributable to equity holders of the parent.

[10] Subsequent to achieving first oil on the Sangomar project in June 2024, the Group has recognised a net deferred tax asset of $305 million. The expected sale of Woodside's 15.1% share in the Scarborough Joint Venture resulted in the recognition of a net tax benefit of $91 million. These events have resulted in a reduction of the global effective income tax rate from 25.6% to 6.9%. In the prior period, as a result of the final investment decision to develop the Trion resource, the Group recognised deferred tax assets of $319 million, resulting in a reduction of the global effective income tax rate from 29.6% to 13.9%.

[11] Purchases of shares relating to employee share plans, which were previously classified within cash flows used in operating activities, has been classified within cash flows used in financing activities for the half-year ended 2024. The 2023 comparatives have been reclassified to be presented on the same basis.

[12] Capital additions on oil and gas properties, evaluation capitalised and other corporate spend. Excludes exploration capitalised and the effect of Global Infrastructure Partners' (GIP) additional contribution to Pluto Train 2. The H1 2023 capital expenditure has been restated to include other corporate spend.

[13] Exploration and evaluation expenditure less amortisation costs and prior year exploration expense written off.

[14] Cash flow from operating activities less cash flow from investing activities.

[15] Includes production of 88.7 MMboe from Woodside reserves and 0.6 MMboe primarily from feed gas purchased from Pluto non-operating participants processed through the Pluto-KGP Interconnector.

[16] The conversion factors used throughout this report are set out on page 55, unless otherwise stated. Sales volumes differ from production volumes primarily due to the timing of liftings and the exclusion of third-party purchased volumes.

Appendix 4D

Results for announcement to the market

More information is available on page 44

		US$ million		
Revenue from ordinary activities	Decreased	19%[17]	to	5,988
Profit from ordinary activities after tax attributable to members	Increased	11%[17]	to	1,937
Net profit for the period attributable to members	Increased	11%[17]	to	1,937
Interim dividend - fully franked	69 US cps H1 2024			
Record date for determining entitlements to the dividend	6 September 2024			

Net profit after tax reconciliation

The following table summarises the variance between the H1 2023 and H1 2024 results for the contribution of each line item to NPAT.

	US$m	Primary reasons for variance
2023 H1 reported NPAT	1,740	
Revenue from sale of hydrocarbons		
Price	(1,077)	Lower average realised prices.
Volume	(364)	Fewer third-party LNG trades classified as revenue and natural field decline
Other operating revenue	29	Increase in processing and services revenue.
Cost of sales	600	Lower royalties, trading costs and depreciation expense in H1 2024 and Pl prior period.
Other income	181	Gain on SJV sell-down to LNG Japan.
Other expenses	134	Lower fair value losses on embedded derivatives.
Impairment losses	68	Pre-tax impairment of Pyrenees recognised in prior period.
Income tax and PRRT expense	724	Recognition of the Trion deferred tax asset (DTA) offset by derecognition o present in the current period. H1 2024 includes the first-time recognition of a net DTA for the Sangomar F
Other	(98)	
2024 H1 reported NPAT	1,937	
2024 H1 NPAT adjustments	(305)	Adjustment for the recognition of the Sangomar DTA.
2024 H1 underlying NPAT	1,632	

[17] Comparisons are to half-year ended 30 June 2023.

Capital management

Woodside's capital management framework provides us with the flexibility to optimise value and shareholder returns delivered from our portfolio.

Interim dividend and dividend reinvestment plan

A 2024 fully franked interim dividend of 69 US cps has been determined, representing a half-year annualised dividend yield of 7.3%.[18] The total amount of the interim dividend payment is $1,310 million which represents approximately 80% of underlying NPAT for the first half of 2024.[19]

The dividend reinvestment plan (DRP) remains suspended.

Liquidity and Balance sheet

In H1 2024, Woodside generated $2,393 million of cash flow from operating activities and delivered positive free cash flow of $740 million.[19,20]

Woodside increased its standby debt facilities from $6,050 million to $6,500 million. Liquidity at the end of the period was $8,479 million and Woodside's drawn debt at the end of the period was $5,850 million.

Woodside entered into a $1,000 million 10-year loan with the Japan Bank for International Cooperation (JBIC) to support the Scarborough Energy Project which was available for drawdown from the end of June 2024. In addition, Woodside entered into a $450 million 10-year loan from commercial banks for general corporate purposes. Subsequent to the period, $1,550 million of undrawn facilities were cancelled. This cancellation has the effect of reducing our liquidity by $1,550 million. As part of active debt management, Woodside continues to review options to further access the debt market.

Net debt at the end of the period increased 67% from H1 2023 to $5,388 million, in line with planned capital expenditure.[19] Woodside's gearing at the end of the first half was 13.3%, within our target range of 10-20%.[19]

As a result of the recent announcements to acquire Tellurian, including its Driftwood LNG development, and OCI's Clean Ammonia Project, Woodside expects its gearing to be above the top end of the target range for a period of time as the balance sheet is managed through the investment cycle.

Woodside's commitment to an investment grade credit rating remains unchanged and supports our aim of providing sustainable returns to shareholders and investing in future growth opportunities, in accordance with the capital allocation framework.

Commodity price risk management

Woodside hedges to protect the balance sheet against downside commodity price risk, particularly during periods of high capital expenditure.

As at 30 June 2024, Woodside has placed oil price hedges for:

- approximately 29.3 MMboe of 2024 production at an average price of $75.6 per barrel, of which approximately 14.4 MMboe has been delivered; and
- a further 15 MMboe of 2025 production at an average price of approximately $81.2 per barrel.

Woodside has also placed a number of hedges for Corpus Christi LNG volumes to protect against downside commodity price risk. These hedges are Henry Hub and Title Transfer Facility (TTF) commodity swaps. Approximately 70% of Corpus Christi volumes for the remainder of 2024, 48% of 2025 and 9% of 2026 volumes have reduced pricing risk as a result of hedging activities.

[18] Calculated based on Woodside's closing share price on 28 June 2024 of A$28.21 and a US$:A$ exchange rate of 0.67.

[19] These are non-IFRS measures. Refer to Alternative Performance Measures for a reconciliation for these measures to Woodside's financial statements on pages 50 - 52 and Non-IFRS Measures on page 57 for more information about non-IFRS measures.

[20] Cash flow from operating activities less cash flow from investing activities.

Australian operations

Pluto LNG

Pluto LNG is a gas processing facility in the Pilbara region of Western Australia, comprising an offshore platform and one onshore LNG processing train.

Woodside's share of production in H1 2024 was 26.9 MMboe. This was a 15% increase compared with H1 2023 which was impacted by planned turnaround activities, partially offset by reduced reliability following an offshore trip and a separate electrical fault onshore in H1 2024.

Woodside took FID for the Xena-3 well to support ongoing production from the project and started-up the produced water handling unit at the Pluto A platform.

Drilling of the PLA-08 production well commenced in June 2024.

Approvals were also granted to extend Pluto gas flows through the Pluto-Karratha Gas Plant Interconnector (Interconnector) from April 2024 to approximately December 2025, enabling continued acceleration of LNG and domestic gas production. The Interconnector generated incremental revenue of $315 million in H1 2024.

Woodside is operator and holds a 90% participating interest.

Woodside Solar

Woodside is progressing a potential opportunity to reduce gross Scope 1 greenhouse gas emissions at Pluto LNG by utilising solar energy from the proposed Woodside Solar Project.

In H1 2024, Woodside continued to work closely with the Western Australian Government to progress its plans to develop common user transmission infrastructure that will be required to transmit renewable energy from the proposed solar facility to Pluto LNG via the North-West Interconnected System.

Woodside Solar FID and first solar energy import timing are subject to securing access to this new power transmission infrastructure and finalising associated commercial agreements.

North West Shelf Project

The North West Shelf Project (NWS) consists of three offshore platforms and the onshore Karratha Gas Plant (KGP) which includes five onshore LNG processing trains and two domestic gas trains.

Woodside's share of production in H1 2024 was 19.6 MMboe. This was a 14% decrease compared with H1 2023 due to planned offshore maintenance and natural field decline. In H1 2024, 6.0 MMboe of Pluto gas was processed at KGP through the Interconnector.

Woodside continues to look for opportunities to harness value from our late-life assets. In H1 2024, the NWS

Joint Venture participants took FID on the Lambert West Project which will support ongoing production from NWS. Discussions continue between the NWS Joint Venture participants and other resource owners for the processing of third-party gas to utilise ullage at KGP. Processing of Waitsia gas continued and is expected to ramp up when the Waitsia Stage 2 facility commences production, which is expected in late 2024.

As the NWS celebrates 40 years of operations, the project is entering a period of production decline. KGP currently has processing ullage due to natural field decline and the current level of third-party gas processing demand. To manage both operating costs and emissions, NWS is preparing to take one LNG train offline between late 2024 and mid-2025.

State and Commonwealth regulatory approval processes are progressing for the North West Shelf Project Extension, which will support long-term operations and processing of future third-party gas resources at KGP.

Woodside is operator and holds a 33.33% participating interest.

Wheatstone and Julimar-Brunello

Wheatstone is an LNG processing facility near Onslow, Western Australia, comprising an offshore production platform and two onshore LNG production trains. It processes gas from several offshore gas fields including Julimar and Brunello.

Woodside's share of Wheatstone production in H1 2024 was 5.8 MMboe. This was a 12% decrease compared with H1 2023, due to unplanned outages impacting the Julimar subsea production system and the Wheatstone facility respectively.

Woodside is operator and holds a 65% participating interest in the Julimar-Brunello fields.

Woodside holds a 13% non-operating participating interest in the Wheatstone Project.

Bass Strait

Bass Strait is located in the south east of Australia and produces oil and gas through a network of offshore platforms, pipelines and onshore processing facilities. The Bass Strait assets include the Gippsland Basin Joint Venture (GBJV) and the Kipper Unit Joint Venture (KUJV).

Woodside's share of production from Bass Strait was 8.5 MMboe in H1 2024, a 22% decrease from H1 2023 predominantly due to lower domestic gas market demand, offshore maintenance, and reduced crude oil production due to field decline. All of Woodside's share of the gas produced from Bass Strait is supplied into the eastern Australian domestic gas market.

The GBJV is optimising facilities through the Gippsland Asset Streamlining project as production rates from the Bass Strait decline. As planned, production from the West Kingfish and Halibut oil platforms ceased in March and April 2024 respectively.

The Kipper Compression Project offshore modules have been successfully installed. The project is planning for startup in Q3 2024, to enable continued supply of gas to the domestic market.

Woodside holds a 50% non-operating participating interest in the GBJV and a 32.5% non-operating participating interest in the KUJV.

Other Australian oil and gas assets

Woodside operates three FPSO facilities off the north west coast of Western Australia. These are the Okha

FPSO (Woodside participating interest: 50%), Ngujima-Yin FPSO (Woodside participating interest: 60%) and Pyrenees FPSO (Woodside participating interest: 40% in WA-43-L and 71.4% in WA-42-L).

Woodside's share of production from the FPSO assets was 3.0 MMboe in H1 2024. This was a 3% decrease from H1 2023 primarily due to the planned five-yearly Pyrenees FPSO maintenance turnaround and the Pyrenees shut-in following a produced-water leak identified subsea at the facility. Production at Pyrenees recommenced in June 2024 and the produced-water leak has been rectified.

Macedon (Woodside participating interest: 71.4%), also operated by Woodside, is a gas project located near Onslow, Western Australia which produces pipeline gas for the Western Australian domestic gas market.

Woodside's share of production from Macedon was 3.9 MMboe, down from 4.1 MMboe in H1 2023. The Macedon facility delivered approximately 11% of the Western Australian domestic gas market supply in H1 2024.

International operations

Sangomar

The Sangomar Field Development Phase 1 is a deepwater project including a stand-alone FPSO facility moored approximately 100 kilometres offshore Senegal and subsea infrastructure that is designed to allow subsequent development phases.

First oil was achieved in June 2024, marking the delivery of Senegal's first offshore oil project. Woodside's share of production from Sangomar in H1 2024 was 0.5 MMboe. Subsequent to the period, nine production wells have come online, and the project successfully achieved peak gross rate of 100,000 barrels per day. Commissioning activities are expected to continue through 2024.

Sales of the initial Sangomar crude cargoes have been finalised, with interest received from European and Asian refiners. Subsequent to the period, the first two cargoes were loaded and delivered to Europe and a third cargo was loaded for delivery to Asia.

The project was 98% complete at the end of H1 2024. The development drilling program continues with 22 of the 23 wells drilled and completed.[21] An additional 24th well approved by the Rufisque, Sangomar and Sangomar Deep (RSSD) Joint Venture was also drilled and completed.

Woodside has filed action with the High Court of Dakar disputing a tax assessment from the Senegalese tax authorities. The majority of the tax claims relate to the application of an exemption that applied during the project development phase.

Woodside is operator and has an 82% participating interest in the project.

Shenzi

Shenzi is a conventional oil and gas field developed through a tension leg platform located in the US Gulf of Mexico. Woodside's share of production in H1 2024 was 5.2 MMboe. This was a 7% decrease compared with H1 2023 due to natural field decline and maintenance activity. Woodside is operator and holds a 72% participating interest.

Atlantis

Atlantis is a conventional oil and gas development and is one of the largest producing fields in the US Gulf of Mexico. The Atlantis development includes a semi-submersible facility with 28 active producer wells and three water injector wells.

Woodside's share of production in H1 2024 was 5.1 MMboe. This was a 19% decrease compared with H1 2023 due to planned turnaround activity.

In H1 2024, the first horizontal well in the field was successfully completed, potentially unlocking future infill opportunities for the asset. An FID was taken at DC1X, which will be a two-well tie back to the Atlantis facility through the existing DC1 manifold in the southwest of the field. Woodside holds a 44% non-operating participating interest.

Mad Dog

Mad Dog is a conventional oil and gas development located in the US Gulf of Mexico. Mad Dog Phase 2 is a development of the southern flank of the Mad Dog field though the new Argos floating production facility.

Woodside's share of production in H1 2024 was 6.0 MMboe. This was a 122% increase compared with H1 2023 primarily due to a full period of production from Mad Dog Phase 2.

The Argos facility continued to safely and systematically ramp up production in H1 2024, following completion of the riser flex joint remediation, and achieved peak production of approximately 130 Mbbl/d. The first water injection at the Argos platform was achieved in April 2024. Woodside holds a 23.9% non-operating participating interest.

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[21] The 22nd well was drilled subsequent to the period.

Greater Angostura

Greater Angostura includes the Angostura and Ruby conventional oil and gas fields, located offshore Trinidad and Tobago. The development includes an offshore central processing facility and five wellhead platforms.

Woodside's share of production in H1 2024 was 4.5 MMboe. This was a 20% decrease compared with H1 2023 due to the planned maintenance activity.

In H1 2024, Woodside continued to pursue opportunities to maximise value and safely optimise production and operating costs. A planned facility maintenance turnaround was completed in June 2024.

Woodside is operator of both fields and holds a 45% participating interest in the Angostura field and a 68.5% participating interest in the Ruby field.

Marketing and Trading

The marketing segment's profit before tax and net finance costs in H1 2024 was $218 million. This reflected the optimisation activities and incremental value generated through the marketing, trading and shipping of Woodside's oil and gas and through third-party purchased volumes.

In H1 2024, Woodside signed SPAs with KOGAS and CPC for the long-term supply of LNG to Korea and Taiwan respectively. The KOGAS SPA is for the supply of approximately 0.5 Mtpa of LNG from 2026, for a period of 10.5 years.

The CPC SPA is for the supply of approximately 6 million tonnes of LNG over 10 years, from July 2024. Under the CPC SPA, Woodside may also deliver approximately 8.4 million tonnes of LNG for a further 10 years, from 2034 to 2043.[22]

LNG delivered under both SPAs will be sourced from volumes across Woodside's global portfolio.

In Western Australia, Woodside executed 14 PJ of sales for delivery into the domestic market from May to the end of 2024. Woodside continues to support the Western Australian domestic market by offering additional supply for 2025, 2026 and 2027.

A record quantity of trucked LNG (approximately 850 TJ) was delivered in H1 2024 to customers in northern Western Australia. Since the commencement of operations at the Pluto LNG Truck Loading Facility in 2019, Woodside has delivered more than 2,000 trailers of LNG (approximately 2,240 TJ), offering a lower-carbon alternative to diesel.[23]

In the east coast of Australia, Woodside was granted an exemption under the applicable domestic gas price cap legislation. The exemption provides Woodside the opportunity to increase delivery to the domestic market by more than 260 PJ (100% share) through to 2033 if needed. Woodside conducted an expression of interest for Bass Strait supply for 2025 and 2026 totalling 50 PJ and is progressing towards final offers in line with the conditions set under the Mandatory Code of Conduct.

In Trinidad and Tobago, incremental gas production from the Angostura field was placed under the existing gas SPA with the National Gas Company of Trinidad and Tobago (NGC). This ongoing optimisation maximises our production efficiency and provides a reliable supply of natural gas to meet growing customer demand.

Woodside's marketing and trading portfolio is supported by our shipping capacity, which includes seven vessels under long-term charter and multiple vessels on short-term charter. A new 174,000m^3 long-term charter LNG vessel, the Woodside Scarlet Ibis, was delivered in June 2024 and the vessel's efficiency will support efforts to lower the carbon intensity of Woodside's LNG deliveries.

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[22] Subject to conditions and agreements on terms for this period.

[23] Woodside uses the term "lower-carbon" to describe the characteristic of having lower levels of associated potential GHG emissions when compared to historical and/or current conventions or analogues, for example relating to an otherwise similar product. Refer to 'Climate strategy and emissions data' on page 57 for more information.

Projects

Scarborough Energy Project

The Scarborough gas field is located in the Carnarvon basin, approximately 375 km off the coast of Western Australia.

The development includes installation of a floating production unit (FPU) with eight wells drilled in the initial phase and 13 wells drilled over the life of the Scarborough field. Expansion of the Pluto LNG facility includes construction of a second LNG train (Pluto Train 2), installation of additional domestic gas processing facilities and supporting infrastructure, and modifications to Pluto Train 1 to allow it to process Scarborough gas.

The project was 67% complete at the end of H1 2024.[24] Pluto Train 2 module delivery and site works progressed and at the end of H1 2024, 29 modules were delivered to site, with 25 modules set in position. Site integration activities continue to ramp up and are expected to peak in H2 2024.

The FPU reached a major milestone, achieving structural completion of the topsides. The monoethylene glycol (MEG) module and living quarters were installed on the topsides and, subsequent to the period, the hull entered its second dry dock.

Trunkline installation is more than 50% complete and the pipe diameter has transitioned from 36" to 32". All crossings of other pipelines are complete.

Installation and testing of the three subsea flowlines has been successfully completed. The drilling campaign commenced with the installation of conductors for all eight wells. Two development wells have been drilled, with one well completed and the other to be completed as part of the forward campaign. Reservoir quality was in line with expectations.

All major engineering reviews for Pluto Train 1 modifications have been completed and approximately 80% of materials and equipment have been ordered. Contractor mobilisation to the Thailand module yard and Pluto site commenced.

Subsequent to the period, the Integrated Remote Operating Centre building works were completed with fit out now underway.

In February 2024, Woodside signed an agreement with JERA, as part of a broader strategic relationship, for the sale of a 15.1% non-operated participating interest in the SJV. Estimated total consideration for the sale is $1,400 million, subject to completion which is targeted for the second half of 2024.[25]

In March 2024, Woodside completed the sale of a 10% non-operated participating interest in the SJV to LNG Japan for $910 million.[26]

Woodside is operator and holds a 90% participating interest in Scarborough and a 51% participating interest in Pluto Train 2.[27]

Trion

Trion is an oil development located in the Gulf of Mexico, approximately 180 km off the Mexican coastline and 30 km south of the United States/Mexico maritime border. The Trion project includes a semi-submersible FPU capable of producing and transferring 100,000 barrels of oil per day to a floating storage and offloading (FSO) vessel. Oil from the FSO is expected to be exported to the market, with excess gas transferred to existing offshore gas export infrastructure.

The project progressed engineering, procurement and contracting (EPC) activities in H1 2024. The FPU detailed engineering achieved key milestones including the completion of integrated model reviews of the hull and topsides with key vendor data and formal risk assessments of the facility's design and operability. Technical maturity in engineering has enabled the FPU EPC contractor to start procurement of equipment.

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[24] The completion % excludes the Pluto Train 1 modifications project.

[25] The SPA is with JERA Scarborough Pty Ltd which is a wholly owned subsidiary of JERA Co., Inc.

[26] LJ Scarborough Pty Ltd (LNG Japan) is a jointly owned subsidiary of LNG Japan Corporation (which is a 50:50 joint venture between Sumitomo Corporation and Sojitz Corporation) and Japan Organization for Metals and Energy Security (JOGMEC). JOGMEC has a 49.9% interest in LJ Scarborough Pty Ltd. The sale proceeds received by Woodside of US$910 million for equity in the Scarborough Joint Venture comprises the purchase price, reimbursed expenditure and escalation.

[27] Woodside's 90% participating interest in the Scarborough Joint Venture is prior to the completion of the sell-down of 15.1% interest to JERA.

Model testing was completed as part of FSO front-end engineering design (FEED). Other key achievements include completion of hull and disconnectable turret module model reviews and the hazards and operability assessment.

Subsea delivery also advanced with the start of manufacturing activities.

Key contracts were awarded for subsea marine installation, FPU dry transportation, gas gathering line pipe and drilling equipment and consumables.

Woodside is currently carrying Pemex's portion of development capital expenditure (approximately $460 million post FID) and Pemex is not expected to contribute to cash calls until 2025.

Woodside is targeting first oil in 2028. Woodside is operator and holds a 60% participating interest in the project.

Driftwood LNG

Subsequent to the period, Woodside entered into a definitive agreement to acquire all issued and outstanding common stock of Tellurian including its owned and operated US Gulf Coast Driftwood LNG development opportunity.

Driftwood LNG is a fully permitted, pre-FID development opportunity located near Lake Charles, Louisiana. The current development plan comprises five LNG trains through four phases, with a total permitted capacity of 27.6 Mtpa. Once operating, the Driftwood LNG development will increase Woodside's LNG portfolio, complementing the significant Pacific basin exposure with additional Atlantic basin exposure.

The transaction remains subject to approvals and conditions precedent, with completion targeted in Q4 2024. If completed, Woodside is targeting FID readiness for Phase 1 of the development opportunity from Q1 2025.

Decommissioning

Woodside continued execution of planned decommissioning activities in H1 2024, spending approximately $325 million across our portfolio.

At Enfield, the final two of 18 xmas trees were removed and wellhead severance activities commenced. Deconstruction of the Nganhurra riser turret mooring (RTM) was completed at the Australian Marine Complex, enabling more than 95% of the RTM to be recycled or reused.

At Griffin, all rigid piping has been recovered and wellhead severance activities have been completed.

The Transocean Endurance drill rig mobilised to the Stybarrow field and commenced the ten well plug and abandonment (P&A) campaign.

At Bass Strait, the GBJV continued to progress significant decommissioning activity including ongoing execution of P&A of platform wells and commenced execution of the P&A of two subsea wells. In addition, FEED for the removal of platforms no longer in use has progressed.

Exploration and Development

Calypso

Calypso is located approximately 220 km off the coast of Trinidad in 2,100m water depth. The resource comprises several gas discoveries in Block 23(a) and Block TTDAA 14. The development is located in a region with existing infrastructure and a favourable demand outlook.

In H1 2024, Woodside continued pre-FEED engineering studies to mature the technical definition and cost estimate for the deepwater infield host. Marketing and commercial discussions continue with key stakeholders to evaluate options to monetise the resource.

Woodside is operator and holds a 70% participating interest.

Browse

The Browse development comprises the Calliance, Brecknock and Torosa gas and condensate fields located approximately 425 km north of Broome, Western Australia.

Key work scopes continued in support of the proposed Browse to NWS Project development, including engagement with regulators on environmental and regulatory approvals and progressing commercial discussions. A carbon capture and storage solution has been incorporated into the offshore infrastructure, designed to sequester the majority of Browse reservoir CO_2. In June 2024, a Declaration of an Identified Greenhouse Gas Storage Formation was made by the Commonwealth Government over the Calliance Storage Formation within the G-8-AP Greenhouse Gas Assessment Permit.

Woodside is operator and holds a 30.6% participating interest.

Liard

The Liard field is an unconventional gas field located in British Columbia, Canada. Woodside holds a 50% non-operating participating interest.

Sunrise

The Sunrise development comprises the Sunrise and Troubadour gas and condensate fields, located approximately 450 km north-west of Darwin and 150 km south of Timor-Leste.

The Sunrise Joint Venture participants continued to negotiate a new Production Sharing Contract, Petroleum Mining Code and fiscal regime with the Australian and Timor-Leste Governments in H1 2024. The Greater Sunrise Concept Study commenced in April 2024, with local content and socio-economic data gathering and engagement with potential site owners planned for H2 2024.

Woodside is operator and holds a 33.44% participating interest.

Exploration

Woodside continued to build its position in the US Gulf of Mexico during the period, acquiring 18 leases in Lease Sale 261 in the central and western Gulf of Mexico areas within the highly contested Paleogene trends. Woodside also participated in the Corvus well (non-operated) in the Gulf of Mexico which completed drilling in March 2024. The well did not encounter commercial hydrocarbons and detailed analysis of well results is ongoing.

In Congo, Woodside is participating in the Niamou Marine-1 well (non-operated) which is currently drilling.

Woodside also continued to optimise its exploration portfolio, exiting blocks that are no longer considered prospective. This included a decision to exit Block 2 in the offshore Herodotus basin in Egypt and completing all formal exit activities for permit WA-356-P in Australia and the Carlisle Bay Block in Barbados.

New energy

Beaumont Clean Ammonia Project

Subsequent to the period, Woodside entered into a binding agreement to acquire 100% of OCI Clean Ammonia Holding B.V. and its lower carbon ammonia project in Beaumont, Texas. This acquisition provides Woodside with an early-mover advantage in the growing lower carbon ammonia market.

Phase 1 of the project, which is expected to exceed Woodside's capital allocation target for new energy projects has a design capacity of 1.1 Mtpa and is under construction.

The transaction is subject to an OCI shareholder vote and satisfaction of customary conditions precedent, with completion targeted in H2 2024. If completed, Woodside is targeting production of first ammonia from 2025 and lower carbon ammonia from 2026 following commencement of CCS operations.[28]

H2OK

H2OK is a proposed liquid hydrogen project in Ardmore, Oklahoma, and is expected to produce up to 60 tonnes per day of liquid hydrogen.

In H1 2024, Woodside continued to progress discussions with potential offtakers on pricing and volumes. Woodside also provided comments on the proposed 45V Clean Hydrogen Production Tax Credit guidelines issued by the United States Department of Treasury and the Internal Revenue Service.

Hydrogen Refueller @H2Perth

The Hydrogen Refueller @H2Perth is a proposed self-contained hydrogen production, storage and refuelling station.

All primary environmental approvals have been secured for the project. Woodside awarded the major services contract which includes detailed engineering, construction, commissioning and startup work scopes to enable progression towards ready for start-up.

Woodside is targeting supply of hydrogen to customers in 2025.

H2Perth

Woodside has changed the H2Perth concept from ammonia and hydrogen production to liquid hydrogen only, following feedback from potential customers. In supporting the opportunity, Woodside progressed engineering and technology studies for large-scale liquefied hydrogen production.

H2TAS

H2TAS is a proposed renewable ammonia and hydrogen production facility to be located in Tasmania.

Subsequent to the period, Woodside withdrew environmental applications submitted under the Environmental Management and Pollution Control Act 1994 and Environment Protection and Biodiversity Conservation Act 1999. Woodside continues to assess the viability of this potential opportunity.

Southern Green Hydrogen

Subsequent to the period, Woodside ceased discussions with Meridian Energy Limited, Mitsui & Co.,Ltd and Murihiku Regeneration, representing Ng?i Tahu, regarding a potential collaboration with respect to the Southern Green Hydrogen Project.

[28] The supply of carbon abated hydrogen is dependent on ExxonMobil's CCS facility becoming operational.

Carbon solutions

Carbon capture and storage (CCS)

Woodside is progressing several CCS opportunities in Australia, including Angel CCS (as operator), South East Australia (SEA) CCS (non-operator) and Bonaparte CCS (non-operator).

The proposed Angel CCS Project progressed engineering and marketing activities to support FEED entry. In April 2024, the Angel CCS Joint Venture announced a non-binding memorandum of understanding with Yara Pilbara Fertilisers Pty Ltd (Yara) to study the feasibility of using CCS to decarbonise Yara's existing operations near Karratha in Western Australia. Terrestrial ecological surveys have been completed and heritage surveys are scheduled for August 2024.

The Bonaparte CCS Joint Venture progressed appraisal activities in the G-7-AP Assessment Permit Area, which included the acquisition of the West Peron Marine 3D Seismic Survey.

The SEA CCS continued to progress engineering studies.

Carbon credits portfolio

Woodside acquires carbon credits through both market purchases and the development of its own carbon origination projects.

During H1 2024, Woodside began planting activities on approximately 4,900 hectares of land at Woodside-owned properties as part of our Native Reforestation Project. The full-year program is forecast to plant over 3.2 million mixed biodiverse seedlings. These activities were 40% complete by the end of H1 2024. Subsequent to the period, Woodside signed an agreement to fund the reforestation of 5,000 hectares of land in the Chaco region in Paraguay. The Woodside portion of the project is expected to generate approximately 1.6 million carbon credits over 40 years.

Climate and Sustainability

Climate

Woodside released its Climate Transition Action Plan and 2023 Progress Report (CTAP) on 27 February 2024. The CTAP was put to a non-binding advisory vote of shareholders at the 2024 Annual General Meeting (AGM) on 24 April 2024 and received a vote of 58.36% against the resolution. All other Board proposed resolutions were approved including the Remuneration Report and Director elections.

Management is reflecting on the results of the CTAP vote and is engaging with investors to seek feedback.

In January 2024, Woodside became the first Australian company to join the Oil and Gas Methane Partnership (OGMP2.0) to voluntarily improve the accuracy and transparency of methane emissions reporting.

Woodside also committed to providing $12.5 million over a period of five years to fund the creation of the Woodside-Rice Decarbonisation Accelerator. This collaboration with Rice University in the United States aims to bring breakthrough decarbonisation technology to market.

Health, Safety and Environment

Woodside experienced two Tier 2 process safety events in H1 2024. The contributing factors to these events are understood, with corrective actions identified. Woodside is strengthening process safety management through an expanded company-wide Process Safety Critical Role competency development program in 2024. Woodside is targeting a 95% conformance to training and assessment requirements for senior roles.

At 30 June 2024, the year-to-date total recordable injury rate was 2.27 per million work hours compared with 1.86 recorded for full-year 2023. There were no fatalities or permanent injuries recorded in H1 2024.

To improve safety performance Woodside is focusing on simplifying safety processes, implementing improvements around safe hardware and engineering systems, and promoting a learning culture through implementation of its Field Leadership Program.

Environmental performance remained strong in H1 2024, with no events leading to any significant environmental impacts.

Supporting local suppliers

Woodside continues to identify opportunities in Australia to award contracts to local and Indigenous suppliers.

In H1 2024, 16 new local subcontracts were awarded in the Pilbara region for Pluto Train 2.

In Sangomar, Woodside has progressed work with key contractors to provide opportunities for Senegalese people and suppliers, whilst meeting the requirements of in-country local content legislation. Woodside has also continued to grow local contracting opportunities in Trinidad and Tobago and the Gulf of Mexico.

In support of the Trion Project's National Content program in Mexico, Woodside sponsored a second group of 33 small-to-medium-sized suppliers from the Tamaulipas state to participate in a program called BlueWave. The program supports the development of suppliers and provides an opportunity to assess capabilities according to global business standards.

Communities

Woodside released its 2023 Social Contribution Impact Report in April 2024, outlining its total global social contribution spend of A$33.3 million. This report was complemented by the North West Community Development Report which highlights the significant contribution Woodside continues to make in the Pilbara region of Western Australia as operator of the Karratha Gas Plant, Pluto LNG and Scarborough Energy Project.

Subsequent to the period, Woodside released its third Reconciliation Action Plan 2021 - 2025 (RAP) Report. The report reflects on Woodside's progress against the four pillars outlined in the RAP, namely:

- Respect for Culture and Heritage;
- Economic Participation;
- Capability and Capacity; and
- Stronger Communities.

The RAP demonstrates that although Woodside has made significant advancements towards our stated targets, continued focus is needed to achieve our goals relevant to the four pillars.

Principal risks and uncertainties

There are several risk factors or uncertainties that could result in a material effect on the company's results over the next six months. These risks and uncertainties may arise from Woodside's activities globally, including in connection with its operated (or non-operated) assets, and third parties engaged through the value chain.

Information on Woodside's risks and how they are managed can be found on pages 40-47 of the Annual Report 2023. There have been no material changes to the risk factors described in the Annual Report 2023 since the date of that report, but risk factors have been retitled and recategorised to align with Woodside's Risk Appetite Statement.

Key changes to the categorisation include the Health and Safety and Environment risk factors being split from Operations and Climate Change, to provide greater visibility of topics most relevant to our business activities and stakeholders and to reflect where our tolerance for uncertainty is low. Additionally, Finance and Market has been split into Finance Management and Commercial and Market to acknowledge a difference in risk appetite. The risks are summarised below.

Health and safety	Our business is subject to risks related to safety or major hazard events in connec facilities which may include unanticipated or unforeseeable adverse events that im manage and recover from such events.
Environment	Risks associated with major hazard events in connection with our activities or faci incidents resulting in significant loss of hydrocarbon. We work to avoid incidents a environment, by integrating environmental management into our activities. We are associated with progressing biodiversity positive outcomes and emission reductio consistent with regulatory and stakeholder expectations.
People and culture	Risks associated with the ability to attract, retain, develop and motivate key emplo safeguard both current or future performance and growth.
Social integrity	Risks associated with actual or perceived deviation from social or business expec (including breaches of laws or regulations) and social responsibility (including env community contribution), particularly as these expectations evolve and as Woodsi operations.
Strategy and climate change	The global response to climate change is changing the way the world produces ar strategy requires us to take risk-based decisions and seek opportunities to continu solutions. The complex and pervasive nature of climate change means transition r with and may amplify other risks. Additionally, the inherent uncertainty of potential climate change may create a systemic risk to the global economy. Climate change significant physical risks, such as increased frequency and severity of storms, wild climatic events, as well as chronic shifts in temperature and precipitation patterns.
Growth	Risks associated with delivery of both major and complex multi-year execution pro transactions (including acquisitions and divestments) across multiple global locatio third parties for materials, products, and services.
Production and operations	Due to the nature of our operations, Woodside and neighbouring communities are broad range of risks. This is a result of factors such as the geographical range, op technical complexity of our assets. These types of risks include health and safety; and reserves and resources estimates.
Financial management	Risks associated with interest rate, commodity price and foreign exchange fluctua
Commercial and market	Risks associated with the ability to capture value whether markets are stable or vo
Technology, innovation and systems	Risks associated with adopting and implementing new technologies, whilst safegu information and landscape (including from cyber threats) across our value chain.

Directors' Report

The directors of Woodside Energy Group Ltd. present their report (including the review of operations of Woodside Energy Group Ltd and its controlled entities (Group) set out on pages 1 - 16 which forms part of this report) together with the Half-Year Financial Statements of the Group.

Board of directors

The names of directors in office during or since the end of the 2024 half-year are as follows:

Mr Richard Goyder, AO (Chair)	Ms Meg O'Neill (CEO and Managing Director)
Mr Larry Archibald	Mr Ashok Belani (appointed 29 January 2024)
Mr Arnaud Breuillac	Ms Swee Chen Goh
Mr Ian Macfarlane	Ms Angela Minas
Mr Tony O'Neill (appointed 3 June 2024)	Ms Ann Pickard
Mr Ben Wyatt	
Mr Frank Cooper, AO (retired 24 April 2024)	Mr Gene Tilbrook (retired 28 February 2024)

Change of Group Company Secretary

Mr Warren Baillie ceased to be Group Company Secretary on 27 August 2024 and the Board appointed Mr Damien Gare as Group Company Secretary, effective 27 August 2024.

Rounding of amounts

Woodside Energy Group Ltd is an entity to which the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 (ASIC Instrument 2016/191) applies. Amounts in this report have been rounded in accordance with ASIC Instrument 2016/191. This means that amounts contained in this report have been rounded to the nearest million dollars, unless otherwise stated.

Auditor's Independence Declaration

The Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, is set out on page 18 and forms part of this report.

Signed in accordance with a resolution of the directors.

R J Goyder, AO
Chair
Perth, Western Australia
27 August 2024

The full release and full details of the half-year results are available at www.woodside.com/media-centre/announcements.

View source version on businesswire.com: https://www.businesswire.com/news/home/20240826961443/en/

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