

ASX Announcement

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WOODSIDE TO OPERATE SCARBOROUGH

Woodside and BHP have entered into an agreement in relation to the proposed development of the Scarborough gas field ("Scarborough Development").

Under the agreement:

- BHP waives its right of pre-emption and provides its consent to the sale by ExxonMobil to Woodside of its 50% interest in WA-1-R and the Scarborough Joint Venture Operating Agreement ("Scarborough"). This will result in Woodside holding a 75% interest in Scarborough;
- Woodside will become the Scarborough operator on completion of the transaction between ExxonMobil and Woodside;
- Woodside grants BHP an option to purchase an additional 10% interest in Scarborough on equivalent consideration and terms to the transaction with ExxonMobil. The option may be exercised by BHP at any time prior to the earlier of 31 December 2019 and approval to commence the front-end engineering and design phase of the Scarborough Development; and
- Woodside and BHP will undertake good faith discussions in relation to: the unitisation of WA-1-R (which contains the majority of the Scarborough gas field) and the adjacent WA-62-R (in which Woodside and BHP each hold a 50% interest); potential offers to sell up to a 10% interest in Scarborough to foundation LNG buyers on a pro-rata basis; and technical and commercial arrangements for the Scarborough Development.

Woodside CEO Peter Coleman said that today's announcement strengthened alignment and certainty of the Scarborough Development.

"I am pleased BHP has agreed that Woodside will become operator of the Scarborough Development. The Scarborough joint venture will now be focused on finalising the development concept prior to entering FEED and positioning for FID in 2020," he said.

Completion of the transaction between ExxonMobil and Woodside continues to be targeted by end of Q1 2018.

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