

ASX Announcement

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WOODSIDE ANNOUNCES NEW EXECUTIVE INCENTIVE STRUCTURE

Woodside is pleased to advise that the Board has completed a comprehensive review of the company's Executive Incentive Framework.

The review centred on strengthening the alignment between variable remuneration outcomes and shareholder experience. We have focused on ensuring our executive remuneration structure is adaptable, competitive, promotes significant share ownership and directly supports the company's strategy.

As a result of the review, a new incentive structure will be introduced. Executives will transition to the Executive Incentive Scheme (EIS) and the CEO will move to contractual terms that facilitate the new structure.

The changes are applicable to awards allocated in 2019 for the 2018 performance year. A detailed summary of the related performance outcomes will be included in the 2018 Remuneration Report.

The key components of the scheme include:

- 12.5% of award to be paid in cash.
- 87.5% of award to be paid in the form of restricted shares and performance rights as follows:
 - 27.5% of award to be allocated in the form of restricted shares with a three year deferral period;
 - 30% of award to be allocated as restricted shares with a five year deferral period;
 - 30% of award to be allocated as performance rights, subject to a relative total shareholder return test five years after the date of grant.

The structure aligns executive reward closely to Woodside's strategic time horizons with 60% of the award being deferred for a five year period, driving executives to deliver our objectives with discipline and collaboration, in turn creating shareholder value.

For the CEO, in the 2018 performance year the award for achieving targeted performance will be based on 200% of fixed annual reward. The award can increase for over-achievement of targeted performance, up to a maximum of 300% of fixed annual reward.

For executive key management personnel, in the 2018 performance year the award for achieving targeted performance will be based on 160% of fixed annual reward. The award can increase for over-achievement of targeted performance, up to a maximum of 256% of fixed annual reward.

Further details regarding the new incentive arrangements can be found on our website at <http://www.woodside.com.au/Working-Sustainably/governance-and-compliance>.

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