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Announcement

Tuesday, 20 June 2023

WOODSIDE APPROVES INVESTMENT IN TRION DEVELOPMENT

Woodside has made a final investment decision to develop the large, high-quality Trion resource in Mexico. The expected returns from the development exceed Woodside's capital allocation framework targets and deliver enduring shareholder value. First oil is targeted for 2028.

The development is subject to joint venture approval and regulatory approval of the field development plan (FDP), expected in the fourth quarter of 2023. Woodside is operator with a 60% participating interest and PEMEX Exploración y Producción (PEMEX) holds the remaining 40%.

The forecast total capital expenditure is US\$7.2 billion (US\$4.8 billion Woodside share including capital carry of PEMEX of approximately US\$460 million) with the development expected to deliver strong returns to Woodside shareholders as well as economic and social benefits to Mexico.¹

The investment is expected to deliver an internal rate of return (IRR) greater than 16% with a payback period of less than four years.² The forecast IRR excluding the capital carry is greater than 19%.

The project will target the development of an estimated 479 MMboe of Best Estimate (2C) Contingent Resource (100%) of oil and gas (287 MMboe 2C Contingent Resources, Woodside net economic interest).³ The subsurface has been extensively appraised, with six well penetrations undertaken across the field, informing Woodside's understanding of this large, high-quality conventional resource.

The resource will be developed through a floating production unit (FPU) with an oil production capacity of 100,000 barrels per day. The FPU will be connected to a floating storage and offloading (FSO) vessel with a capacity of 950,000 barrels of oil.

¹ Woodside share assumes Woodside equity of 60% in Trion. Total capital expenditure excludes the forecast lease amount for the floating storage and offloading unit (FSO).

² Forecast IRR and payback period assume Woodside equity of 60% in Trion; includes capital carry of approximately US\$460m of capital expenditure for PEMEX (at Woodside's final investment decision). IRR and the payback period are a look forward from June 2023 and assume US\$70/bbl (real terms 2022) Brent oil price. Payback period is calculated from undiscounted cash flows, RFSU + approximately 4 years.

³ The first potential reserves booking, and reclassification of Best Estimate (2C) Contingent Resources to Proved plus Probable (2P) Reserves for the Trion development will only occur following, and is subject to, joint venture approval and regulatory approval of the FDP. Please refer to "Notes to petroleum resource estimates" for additional detail, including additional information for US investors concerning the presentation of resource estimates.

Woodside's greenhouse gas emissions reduction targets remain unchanged by the decision to approve investment in Trion.^{4,5} The starting base for this target will not be adjusted as a result of the investment decision.

Woodside CEO Meg O'Neill said Trion is an attractive addition to Woodside's portfolio of high-quality producing assets in the Gulf of Mexico.

"Trion is a valuable resource with a mature development concept. Our strong balance sheet and disciplined approach enable us to invest in opportunities such as Trion, expanding our global portfolio and delivering long-term value.

"The investment is aligned with Woodside's strategy, exceeds Woodside's capital allocation framework targets and will be a strong contributor to Woodside's cash flows, shareholder returns and the funding of future developments in oil, gas and new energy.

"This development leverages Woodside's proven expertise in deepwater project execution. The project's tendering process has resulted in approximately 70% of total forecast capital expenditure as lump sum or fixed rates, with key contracts to be progressively executed following joint venture approval.

"Trion has an expected carbon intensity of 11.8 kgCO₂-e/boe average over the life of the field, which is lower than the global deepwater oil average, and will be subject to Woodside's corporate net equity Scope 1 and 2 emissions reduction targets.⁶

"We have considered a range of oil demand forecasts and believe Trion can help satisfy the world's energy requirements. Two-thirds of the Trion resource is expected to be produced within the first 10 years after start-up.

"We are developing Trion because we believe it will deliver value for Woodside shareholders and benefit for Mexico, including generation of jobs, taxation revenue and social benefit. We value the ongoing relationship with PEMEX and the support of the Mexican Government and regulators," she said.

Energy transition

IPCC analysis shows there are a range of future energy transition pathways, including pathways which are consistent with limiting global temperature rise to less than 1.5°C and require new supply sources to meet demand.⁷ Consideration of a range of climate-related factors as a part of the Trion investment decision gives Woodside confidence that Trion can responsibly fill that demand.

The range of climate-related factors includes project Scope 1 and 2 greenhouse gas emissions, portfolio Scope 1, 2 and 3 lifecycle intensity, climate related risks and opportunities assessed in accordance with the Taskforce on Climate-related Financial Disclosures, demand resilience including

⁴ Net equity Scope 1 and 2 greenhouse gas emissions reduction target of 30% by 2030 and net zero aspiration by 2050 or sooner. Target is for net equity Scope 1 and 2 greenhouse gas emissions, relative to a starting base representative of the gross annual average equity Scope 1 and 2 greenhouse gas emissions over 2016-2020 and may be adjusted (up or down) for potential equity changes in producing or sanctioned assets with a final investment decision prior to 2021.

⁵ Emissions resulting from Trion are subject to Woodside's net equity Scope 1 and 2 greenhouse gas emissions reduction target and its net zero aspiration. These emissions will be managed in accordance with Woodside's decarbonisation strategy using the plans and practices disclosed in Woodside's Climate Report 2022. See sections 3.5 and 3.6 of Woodside's Climate Report 2022 for further information.

⁶ Wood Mackenzie Emissions Benchmarking Tool. The global deepwater oil average is 15 kgCO₂-e/boe and global oil average is 27 kgCO₂-e/boe averaged over the period 2022 to 2032.

⁷ For further information, please refer to slide 10 of the supporting presentation, titled 'Global oil demand through the energy transition'.

1.5°C pathways and portfolio free cash flow resilience across the IEA's Net Zero Emissions (NZE) scenario.

Woodside believes that Trion is resilient in a decarbonising world, because of several factors including its forecast short payback period of less than four years, the fact that two-thirds of the resource is expected to be produced within 10 years from start-up, portfolio free cash flow resilience in the IEA NZE scenario and it having an expected all-in breakeven less than US\$50/bbl.^{8,9} Trion is expected to have a carbon intensity of 11.8 kgCO₂-e/boe over the life of the field, below the global deepwater oil average of 15 kgCO₂-e/boe and global oil average of 27 kgCO₂-e/boe averaged over the period 2022 to 2032.¹⁰

About Trion

Trion is located in a water depth of 2,500 m, approximately 180 km off the Mexican coastline and 30 km south of the Mexico/US maritime border. Trion was discovered in 2012 by PEMEX. BHP Petroleum acquired an interest in 2017 which subsequently became part of Woodside's portfolio in 2022. Development of Trion, which is subject to joint venture and regulatory approval of the FDP, will include the installation of an FPU, an FSO, and 18 wells (nine producers, seven water injectors and two gas injectors) drilled in the initial phase, with a total of 24 wells drilled over the life of the Trion project. The forecast total capital expenditure of US\$7.2 billion includes all 24 wells. Gas that is not reinjected or used on the FPU will be shipped to the Mexican markets.

The Trion Asociación (Trion Joint Venture) comprises Woodside Petróleo Operaciones de México, S. de R.L. de C.V. (60%, operator) and PEMEX Exploración y Producción (40%).

Teleconference

A teleconference providing an overview of the Trion development and a question-and-answer session will be hosted by Woodside CEO and Managing Director, Meg O'Neill, on Tuesday, 20 June at 09:00 AWST / 11:00 AEST / 20:00 CDT (Monday, 19 June 2023).

We recommend participants pre-register 5 to 10 minutes prior to the event with one of the following links:

- <https://webcast.openbriefing.com/wds-investor-update-2023/> to view the presentation and listen to a live stream of the question-and-answer session
- <https://s1.c-conf.com/diamondpass/10031447-ha5d6w.html> to participate in the question-and-answer session. Following pre-registration, participants will receive the teleconference details and a unique access passcode.

An investor presentation follows this announcement and will be referred to during the conference call. It will also be made available on the Woodside website (www.woodside.com).

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⁸ Source: IEA World Energy Outlook (2022). Net Zero Emissions (NZE) is an IEA scenario consistent with 1.5°C warming.

⁹ Expected all-in breakeven excluding the capital carry is approximately US\$43/bbl.

¹⁰ Wood Mackenzie Emissions Benchmarking Tool. Refer to slide 11 of the supporting presentation for further information.

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This announcement was approved and authorised for release by Woodside's Disclosure Committee.

Please refer to the attached briefing pack for important information and further details about matters discussed in this announcement.

A copy of the briefing pack "Woodside approves investment in Trion development" has today been submitted to the FCA National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

A copy of the associated transcript for the teleconference providing an overview of the Trion development will also be submitted to the National Storage Mechanism shortly following the conclusion of the teleconference and will be available for inspection at the same location.

Forward looking statements

- This announcement contains forward-looking statements with respect to Woodside's business and operations, market conditions, results of operations and financial condition, including, for example, but not limited to, statements about expectations regarding long-term demand for Woodside's products, timing of completion of Woodside's projects, expectations regarding future capital expenditures, future results of projects, future returns on investment, operating activities, production and financial results of the Trion project and expectations regarding the achievement of Woodside's net equity Scope 1 and 2 greenhouse gas emissions targets. All forward-looking statements contained in this announcement reflect Woodside's views held as at the date of this announcement. All statements, other than statements of historical or present facts, are forward-looking statements and generally may be identified by the use of forward-looking words such as 'guidance', 'foresee', 'likely', 'potential', 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'target', 'plan', 'forecast', 'project', 'schedule', 'will', 'should', 'seek' and other similar words or expressions.
- Forward-looking statements are not guarantees of future performance and are subject to inherent known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of Woodside, its related bodies corporate and their respective officers, directors, employees, advisers or representatives.
- Details of the key risks relating to Woodside and its business can be found in the "Risk" section of Woodside's most recent Annual Report released to the Australian Securities Exchange and London Stock Exchange, and in Woodside's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission and available on the Woodside website at <https://www.woodside.com/investors/reports-investor-briefings>. You should review and have regard to these risks when considering the information contained in this announcement.

- Investors are strongly cautioned not to place undue reliance on any forward-looking statements. Actual results or performance may vary materially from those expressed in, or implied by, any forward-looking statements.

Climate strategy and emissions data

- Further information as to Woodside's climate strategy, including details regarding the calculation of Woodside's greenhouse gas emissions, is set out in Woodside's Climate Report 2022 available on the Woodside website at <https://www.woodside.com/sustainability/climate-change>. All greenhouse gas emissions data in this announcement are estimates, due to the inherent uncertainty and limitations in measuring or quantifying greenhouse gas emissions, including those uncertainties set out in the GHD Assurance Report contained in Woodside's Climate Report 2022. There may be differences in the way third parties calculate or report greenhouse gas emissions compared to Woodside, which means third party data may not be comparable to Woodside's data.
- Woodside "greenhouse gas" or "emissions" information reported are net equity Scope 1 greenhouse gas (GHG) emissions, Scope 2 GHG emissions and/or Scope 3 GHG emissions, unless otherwise stated. For more information on emissions data refer to Woodside's Climate Report 2022.
- There are inherent limitations with scenario analysis, including the limitations set out in Woodside's Climate Report 2022 and its it difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and that may or may not eventuate and scenarios may also be impacted by additional factors to the assumptions disclosed.

Additional information for US investors concerning resource estimates

- The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only Proved, Probable and Possible Reserves, and only when such Reserves have been determined in accordance with SEC guidelines. Woodside includes estimates of quantities of oil and gas using certain terms, such as "Proved plus Probable (2P) Reserves," "Best Estimate (2C) Contingent Resources," "Reserves and Contingent Resources," "Proved plus Probable," "Developed and Undeveloped," "Probable Developed," "Probable Undeveloped," "Contingent Resources" or other descriptions of volumes of reserves, which terms include quantities of oil and gas that may not meet the SEC's definitions of Proved, Probable and Possible reserves, and which the SEC's guidelines strictly prohibit Woodside from including in filings with the SEC. These types of estimates do not represent, and are not intended to represent, any category of reserves based on SEC definitions, and may differ from and may not be comparable to the same or similarly-named measures used by other companies. These estimates are by their nature more speculative than estimates of Proved reserves, and accordingly are subject to substantially greater risk of not being recovered by Woodside. In addition, actual locations drilled and quantities that may be ultimately recovered from Woodside's properties may differ substantially. US investors are urged to consider closely the disclosures in Woodside's annual report on Form 20-F for the most recently completed year and its other filings with the SEC, available from Woodside at <https://www.woodside.com>. These reports can also be obtained from the SEC at www.sec.gov.

Notes to petroleum resource estimates

1. Woodside is an Australian company listed on the Australian Securities Exchange, the New York Stock Exchange and the London Stock Exchange. Woodside reports its Proved (1P) Reserves in accordance with SEC regulations, which are also compliant with SPE-PRMS guidelines, and prepares and reports its Proved plus Probable (2P) Reserves and Best Estimate (2C) Contingent Resources in accordance with SPE-PRMS guidelines. It reports all of its petroleum resource estimates using definitions consistent with the 2018 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS).
2. The Trion petroleum resource estimate is effective 1 June 2023 at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius) and has not been adjusted for risk.
3. The project will target the development of an estimated 479 MMboe of Best Estimate (2C) Contingent Resource (100%) of oil and gas (287 MMboe 2C Contingent Resources, Woodside net economic interest). The potential reclassification of the estimated 479 MMboe from Best Estimate (2C) Contingent Resources to Proved plus Probable (2P) Reserves will only occur following, and subject to, joint venture approval and regulatory approval of the FDP.
4. 'Contingent Resources' are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources are estimated and reported in accordance with SPE-PRMS guidelines and may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are different from, and should

not be construed as, Reserves. Contingent Resources estimates may not always mature to Reserves and do not necessarily represent future Reserves bookings. Contingent Resource volumes are reported at the 'Best Estimate' (P50) confidence level. Best Estimate (2C) Contingent Resources are not compliant with SEC regulations. The SEC prohibits disclosure of oil and gas resources, including Contingent Resources, in SEC filings. However, Australian securities regulatory authorities allow disclosure of oil and gas resources, including Contingent Resources.

5. Woodside reports its petroleum resource estimates inclusive of all fuel consumed in operations. The Best Estimate (2C) Contingent Resources of 479 MMboe (gross) and 287 MMboe (net) targeted during the licence term include an estimated 15 MMboe and 9 MMboe of fuel consumed in operations respectively.
6. For this project, the reference points are the custody transfer points which are: for oil, the outlet connector of the FSO off-loading hose; and for gas, the inlet to the connecting residue gas pipeline.
7. Woodside applied both deterministic and probabilistic methods for this estimation of Contingent Resources. Statistical aggregation of uncertainty distributions has been used up to the project level.
8. 'MMbbl' means millions (10^6) of barrels of natural gas liquids, oil and condensate at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 degrees Celsius). 'MMboe' means millions (10^6) of barrels of oil equivalent. Natural gas volumes are converted to oil equivalent volumes via a constant conversion factor, which for Woodside is 5.7 Bcf of dry gas per 1 MMboe. Volumes of natural gas liquids, oil and condensate are converted from MMbbl to MMboe on a 1:1 ratio.
9. The estimates of petroleum contingent resources are based on and fairly represent information and supporting documentation prepared by, or under the supervision of, Mr Ben Stephens, Woodside's Vice President Reserves and Subsurface, who is a full-time employee of the company and a member of the Society of Petroleum Engineers. Mr Stephen's qualifications include a Bachelor of Engineering (Petroleum Engineering) from the University of New South Wales, Australia, and 19 years of relevant experience.
10. *Quantified Resources* In accordance with the Guidelines regulating the procedure to quantify and certify the Reserves of the Nation issued by the National Hydrocarbons Commission of the United Mexican States, available in Spanish at: <https://cnh.gob.mx/media/18296/lineamientos-que-regulan-el-procedimiento-de-cuantificacion-y-certificacion-de-reservas-de-la-nacion.pdf>, the petroleum resources estimates will undergo the required certification process when and as established thereunder.

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