

ASX Announcement

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WOODSIDE AGREES TO SELL 49% STAKE IN PLUTO TRAIN 2 TO GIP

Woodside has entered into a sale and purchase agreement with Global Infrastructure Partners (GIP) for the sale of a 49% non-operating participating interest in the Pluto Train 2 Joint Venture (Transaction).

Pluto Train 2 is a key component of the proposed Scarborough development and includes a new LNG train and domestic gas facilities to be constructed at the existing Pluto LNG onshore facility. The estimated capital expenditure for the development of Pluto Train 2 from the effective date is US\$5.6 billion (100% project).

In addition to its 49% share of capital expenditure, the joint venture arrangements require GIP to fund an additional amount of construction capital expenditure of approximately US\$835 million. Woodside's joint venture capital contributions will be reduced accordingly. The final quantum of GIP's capital contribution is dependent on interest rate swap and foreign exchange rates on the date of the final investment decisions for Scarborough and Pluto Train 2.

If the total capital expenditure incurred is less than US\$5.6 billion, GIP will pay Woodside an additional amount equal to 49% of the under-spend. In the event of a cost overrun, Woodside will fund up to US\$835 million in respect of a 49% share of any overrun. Delays to the expected start-up of production will result in payments by Woodside to GIP in certain circumstances.

The development of Pluto Train 2 is expected to be supported by a long-term processing and services agreement (PSA) to be entered into between the Pluto Train 2 and Scarborough joint ventures.

The transaction includes a number of other related agreements between Woodside and GIP including a project commitment agreement (PCA). The PCA includes provisions for GIP to be compensated for exposure to additional Scope 1 emissions liabilities above agreed baselines, and to sell its 49% interest back to Woodside if the status of key regulatory approvals materially changes.

Completion of the Transaction is subject to conditions precedent including final investment decisions for the Pluto Train 2 and Scarborough developments, Foreign Investment Review Board approval, execution of the Scarborough PSA and relevant government and regulatory approvals.

Following completion Woodside will hold a 51% participating interest in the Pluto Train 2 Joint Venture and remain as operator. The effective date of the Transaction is 1 October 2021 and completion is expected to occur in January 2022.

Woodside CEO Meg O'Neill welcomed GIP to the Pluto Train 2 Joint Venture.

"We are very pleased to have GIP joining us in the development of Pluto Train 2, given their impressive credentials and extensive global capability. We are looking forward to a successful, long-term relationship with them.

"GIP's investment will help fund the expansion of the world-class Pluto LNG facility. The LNG supplied from the expanded Pluto facility will assist our customers to achieve their decarbonisation goals through the energy transition.

"The sale of the interest in Pluto Train 2 is a significant milestone as we progress towards a final investment decision on our Scarborough development, further de-risking this globally competitive investment.

"The development of Scarborough gas through Pluto Train 2 will deliver significant value to our shareholders, create thousands of jobs in Western Australia and generate tax revenues for decades to come.

“Pluto Train 2 will be one of Australia’s most efficient LNG trains and with Scarborough gas containing virtually no carbon dioxide, this is an attractive investment in a decarbonising world,” she said.

GIP Chairman and Managing Partner Adebayo Ogunlesi said LNG is expected to play a critical role in transitioning the world toward carbon neutrality over the coming decades.

“We are delighted to partner with Woodside, a global leader in operating responsibly and safely, to develop this world-class facility.

“We are particularly attracted to the modern and efficient technologies Woodside has adopted, making LNG from Pluto Train 2 one of the lowest carbon intensity sources of LNG delivered into Asia. We fully support Woodside’s net zero emissions targets for Pluto LNG including Pluto Train 2, and all its wider commitments to the community,” he said.

The purchasing entity is Sharon Acquirer Trust, an investment entity owned by funds managed or advised by GIP.

Woodside’s financial advisers are Morgan Stanley Australia Limited and Rothschild & Co., and its legal adviser is Ashurst.

GIP’s legal adviser is Allens.

About Pluto LNG and Pluto Train 2

Pluto LNG is an integrated offshore and onshore LNG processing facility located near Karratha in the north-west of Western Australia. The first cargo from Pluto Train 1 was delivered in 2012. Expansion of Pluto LNG will include the construction of Pluto Train 2, associated domestic gas processing facilities, supporting infrastructure and modifications to Pluto Train 1 to allow it to process Scarborough gas.

Woodside is targeting emissions reductions of 30% by 2030 and net zero by 2050 at Pluto LNG, including Pluto Train 2 and the proposed development of the Scarborough gas resource. Woodside has adopted proven technology for Pluto Train 2 to deliver lower emissions intensity compared to the international and Australian average. This includes the use of aero-derivative gas turbines for liquefaction and inlet air chilling, providing higher thermal efficiency and lower greenhouse gas emissions.

About GIP

Established in 2006, GIP is one of the world’s leading specialist infrastructure investors. The funds and investment platforms managed by GIP make equity and debt investments in infrastructure assets and businesses in both OECD and selected emerging market countries, targeting investments in the energy, transport, water / waste and digital infrastructure sectors where GIP possesses deep experience and relationships. GIP has 10 offices around the world with major hubs in New York, Stamford, London, Sydney, Hong Kong and Mumbai. GIP manages over US\$79 billion for its investors. GIP’s funds currently own 40 portfolio companies which have combined annual revenues of c. US\$34 billion and employ in excess of 58,000 people. Further information can be found on GIP’s website at www.global-infra.com.

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