

**Notice to company pursuant to ss 249N & P of the Corporations Act 2001 (CA)**

I/we ..... [name of 'shareholder']

of .....

..... [address]

identified by the Holder Identification Number (HIN) or Shareholder Reference Number (SRN) ..... [HIN or SRN]

in respect of any holding of the shareholder's Woodside Petroleum Limited ('WPL', 'Woodside' or 'the company') ordinary fully paid shares;

hereby give notice (in accord with sections 249N & P of the CA) to the company of: the following resolutions (1: Amendment to the Constitution, 2: Capital Protection) the shareholder proposes to move at a general meeting of the company; and request (in accordance with section 249P) that the company give to all members each of the Supporting Statements following the resolutions.

**SIGNED**

..... (Signature of individual Shareholder <sup>†</sup> /company director)	..... (Signature of second shareholder in a joint holding/for a company second director or company secretary)
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† Or sole company director and sole company secretary. JOINT HOLDING: For a holding in more than one name all shareholders must sign)

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**Resolution 1 – Amendment to the Constitution**

To amend the constitution to insert the following new Clause 43A: "The Company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the Directors has been or should be exercised. However, such a resolution must relate to a material risk as identified by the Company and cannot either advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the Directors or the Company."

**Resolution 2 – Capital Protection**

Shareholders note the company's support for the climate goals of the Paris Agreement,<sup>1</sup> along with the publication of the International Energy Agency's Net-Zero Emissions by 2050 Scenario,<sup>2</sup> and the Climate Action 100+ company assessment.<sup>3</sup> Shareholders therefore request the company disclose, in subsequent annual reporting, information that

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[https://www.woodside.com.au/docs/default-source/investor-documents/major-reports-\(static-pdfs\)/2020-full-year-results-and-annual-report/2020-woodside-annual-report.pdf](https://www.woodside.com.au/docs/default-source/investor-documents/major-reports-(static-pdfs)/2020-full-year-results-and-annual-report/2020-woodside-annual-report.pdf) 43

<sup>2</sup> <https://www.iea.org/reports/net-zero-by-2050>

<sup>3</sup> <https://www.climateaction100.org/company/woodside-energy/>

demonstrates how the company's capital allocation to oil and gas assets will align with a scenario in which global energy emissions reach net-zero by 2050, facilitating the efficient managing down of these assets.

This information should include:

- Production guidance for the lifetime of the company's oil and gas assets;
- Plans and capital expenditure expectations for decommissioning and rehabilitating oil and gas asset sites;
- Plans and provisions for supporting staff to transition to future employment following oil and gas asset closures; and
- Details of how remaining value in the company's oil and gas assets will be redeployed or returned to investors.

*(Woodside Petroleum Limited's Notice of 2022 Annual General Meeting is to include Resolutions 1 and 2. Shareholders voting by proxy can vote on both resolutions.)*

### **Supporting Statement 1**

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders do not enjoy the same rights as their UK, US, New Zealand or Canadian counterparts in this respect.

A board of directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In some situations the appropriate course of action for shareholders dissatisfied with the conduct or performance of the board is to seek to remove directors individually. However in many situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The constitution of Woodside is not conducive to the right of shareholders to place advisory resolutions on the agenda of a shareholder meeting.

This is contrary to the long-term interests of Woodside, its board and shareholders.

Passage of this resolution – to amend the Woodside constitution – will simply put Woodside in a similar position in regard to shareholder resolutions as listed companies in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

### **Supporting statement 2**

Australian Financial Review columnist Tony Boyd wrote in August 2021, "Woodside's reserves of LNG and its newly acquired oil and gas reserves from BHP are going to have to

be shut down if we are to avoid catastrophic consequences for the global economy, environment and biodiversity.”<sup>4</sup>

Shareholders can add their own wealth destruction to this list of what must be avoided.

This resolution seeks to provide confidence to shareholders that Woodside’s oil and gas assets are handled in a way that protects shareholder value, while ensuring employee transition and asset decommissioning obligations are adequately planned and resourced.

### Undermining commitments

Our company has faced repeated calls in recent years through investor-led initiatives to demonstrate alignment with the Paris Agreement and its climate goals.

These calls include:

- 50% of shareholders voting for scope 1, 2, and 3 emission targets, and exploration and capital expenditure plans aligned with Paris in 2020,
- 19% of shareholders voting for the company to manage down oil and gas production in line with Paris in 2021, and
- The Climate Action 100+ investor initiative’s unmet demand to “align future capital expenditures with the Paris Agreement’s objective of limiting global warming to 1.5° Celsius”.<sup>5</sup>

Yet Woodside has moved in the opposite direction, drastically increasing exposure to climate-related transition risks by committing billions to new projects incompatible with Paris and a net-zero by 2050 scenario, and pursuing a merger that would approximately double its oil and gas production.<sup>6</sup>

### Betting against climate goals

In December 2021, Woodside announced a final investment decision (FID) to proceed with the \$12.0 billion<sup>7</sup> Scarborough-Pluto 2 project,<sup>8</sup> consisting of a \$5.7 billion greenfield offshore field (73.5% Woodside, 26.5% BHP)<sup>9</sup> and the new \$5.6 billion onshore Pluto 2 LNG train (51% Woodside, 49% GIP).<sup>10</sup>

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<sup>4</sup> <https://www.afr.com/chanticleer/climate-drives-bhp-s-woodside-deal-20210817-p58jkn>

<sup>5</sup> <https://www.climateaction100.org/company/woodside-energy/>

<sup>6</sup>

<https://www.woodside.com.au/docs/default-source/asx-announcements/2021-asx/woodside-merger-teleconference-and-investor-presentation.pdf> 10

<sup>7</sup> All dollar values are in USD unless otherwise stated

<sup>8</sup>

<https://www.woodside.com.au/docs/default-source/asx-announcements/2021-asx/060.-scarborough-and-pluto-train-2-developments-approved.pdf>

<sup>9</sup>

<https://www.woodside.com.au/docs/default-source/asx-announcements/2021-asx/036-scarborough-project-update-and-line-item-guidance.pdf>

<sup>10</sup>

<https://www.woodside.com.au/docs/default-source/asx-announcements/2021-asx/056-woodside-agrees-to-sell-49-stake-in-pluto-train-2-to-gip.pdf>

Assuming the BHP merger proceeds, Woodside plans to spend \$7.7 billion on Scarborough-Pluto, which multiple independent analyses have found is incompatible with Paris and a net-zero by 2050 scenario.

Despite Woodside's climate rhetoric, management cites a global LNG demand forecast consistent with around 3°C of global warming when discussing investment in Scarborough.<sup>11</sup> The International Energy Agency's (IEA) Net-Zero Emissions by 2050 Scenario (NZE) – modelled to provide a 50% chance of limiting global warming to 1.5°C – projects Australia's LNG trade to fall 25% below 2020 levels by 2030, and to halve by 2040.<sup>12</sup>

Climate Analytics concludes the Scarborough-Pluto project:<sup>13</sup>

- “Represents a bet against the world implementing the Paris Agreement”, and
- “Is not 1.5°C consistent and consequently is a major stranded asset risk”.

Five months before the Scarborough FID, the IEA found “The rapid drop in oil and natural gas demand in the NZE means... no new oil and natural gas fields are required beyond those that have already been approved for development.”<sup>14</sup>

Carbon Tracker finds “Pluto Train 2 is not competitive even in the [IEA's 2.7°C warming scenario] STEPS – that is, a world that utterly fails to decarbonise – meaning the deal with BHP is likely going to trigger Woodside to sanction one of its worst assets, increasing risk for its investors.”<sup>15</sup>

Scarborough-Pluto is not the only multi-billion dollar bet Woodside is making against climate action. The company increased its stake in the Sangomar offshore project in Senegal to 82% in July 2021.<sup>16</sup> Carbon Tracker identified the \$3.9 billion Sangomar project as the third highest cost oil project sanctioned in 2020 that is incompatible with the IEA's (net-zero by 2070) Sustainable Development Scenario,<sup>17</sup> let alone a net-zero by 2050 scenario.

Even excluding the impact of the BHP merger, Woodside plans to spend around \$2 billion on Scarborough-Pluto and a further ~\$1 billion on Sangomar in 2022.<sup>18</sup> Woodside's proportion of the total capex costs for Scarborough-Pluto and Sangomar (\$9.4 billion) could see the company spending more than half its current market capitalisation on projects that are incompatible with Paris.

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<sup>11</sup>

[https://www.woodside.com.au/docs/default-source/investor-documents/major-reports-\(static-pdfs\)/2020-full-year-results-and-annual-report/2020-woodside-annual-report.pdf](https://www.woodside.com.au/docs/default-source/investor-documents/major-reports-(static-pdfs)/2020-full-year-results-and-annual-report/2020-woodside-annual-report.pdf) 23;

<https://www.marketforces.org.au/wp-content/uploads/2021/06/Scarborough-Investor-Briefing-2021.pdf> 2

<sup>12</sup> <https://www.iea.org/reports/net-zero-by-2050> 175

<sup>13</sup> [https://climateanalytics.org/media/climateanalytics\\_scarboroughpluto\\_dec2021.pdf](https://climateanalytics.org/media/climateanalytics_scarboroughpluto_dec2021.pdf)

<sup>14</sup> Ibid

<sup>15</sup>

<https://carbontracker.org/reports/australian-oil-and-gas-mergers-exposing-the-weakness-of-company-transition-planning/> 4

<sup>16</sup>

[https://files.woodside.com.au/docs/default-source/asx-announcements/2021-asx/woodside-completes-sangomar-acquisition-from-far.pdf?sfvrsn=f68ebeaa\\_2](https://files.woodside.com.au/docs/default-source/asx-announcements/2021-asx/woodside-completes-sangomar-acquisition-from-far.pdf?sfvrsn=f68ebeaa_2)

<sup>17</sup> <https://carbontracker.org/reports/adapt-to-survive/> 30

<sup>18</sup> <https://www.woodside.com.au/docs/default-source/asx-announcements/2022/q4-2021-report.pdf> 10

The immense stranded asset risk facing Woodside under the NZE is becoming increasingly likely to materialise, with key markets rapidly moving to align with global climate goals. Japan<sup>19</sup> and Korea<sup>20</sup>, both key markets for Woodside, have announced plans to reduce gas in their energy mix by 2030, while IEEFA has found over 60% of proposed LNG import and gas power infrastructure in emerging Asia is unlikely to be built.<sup>21</sup>

#### Doubling down on petroleum exposure

Despite already being laden with climate risks from its existing portfolio, Woodside has agreed to take on BHP's entire petroleum portfolio, with the AU\$41 billion merger set to roughly double Woodside's oil and gas production.<sup>22</sup> BHP's portfolio includes growth projects with capex costs of up to \$17.5 billion from FY22-FY30.<sup>23</sup>

Investors and analysts have voiced concerns about BHP shareholders potentially selling off the Woodside shares they would receive in the deal due to unacceptable climate risks.<sup>24</sup> This could catalyse further wealth destruction for investors who have seen Woodside's total shareholder return significantly underperform the ASX200 over the past decade.<sup>25</sup>

With many of BHP's assets due for closure in the 2020s and 2030s,<sup>26</sup> investors and analysts have also raised concerns about the imposition of major decommissioning liabilities on Woodside.<sup>27</sup>

Shareholder support for this resolution is required to ensure returns from Paris-aligned production are maximised, while preventing capital being wasted on projects that are incompatible with climate goals Woodside claims to support.

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<sup>19</sup> [https://www.enecho.meti.go.jp/en/category/others/basic\\_plan/pdf/6th\\_outline.pdf](https://www.enecho.meti.go.jp/en/category/others/basic_plan/pdf/6th_outline.pdf) 12

<sup>20</sup>

<https://www.spglobal.com/platts/en/market-insights/latest-news/energy-transition/101921-south-korea-finalizes-2050-carbon-neutrality-roadmaps>

<sup>21</sup>

[http://ieefa.org/wp-content/uploads/2021/12/Examining-Cracks-in-Emerging-Asias-LNG-to-Power-Value-Chain\\_December-2021.pdf](http://ieefa.org/wp-content/uploads/2021/12/Examining-Cracks-in-Emerging-Asias-LNG-to-Power-Value-Chain_December-2021.pdf) 3

<sup>22</sup>

<https://www.woodside.com.au/docs/default-source/asx-announcements/2021-asx/woodside-merger-teleconference-and-investor-presentation.pdf> 4, 10

<sup>23</sup> Ibid 25, 26

<sup>24</sup>

<https://www.afr.com/policy/energy-and-climate/woodside-edges-to-left-as-bhp-basks-in-esg-glow-2021-0818-p58jrd>

<sup>25</sup> Rifinitiv total return analysis, 1/1/2012-31/12/2021: WPL 43.7% vs ASX200 178.9%

<sup>26</sup>

<https://www.woodside.com.au/docs/default-source/asx-announcements/2021-asx/woodside-merger-teleconference-and-investor-presentation.pdf> 25

<sup>27</sup>

<https://www.afr.com/policy/energy-and-climate/woodside-edges-to-left-as-bhp-basks-in-esg-glow-2021-0818-p58jrd>