

Investor Presentation

Mahomed Seedat – President, Energy Coal

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Agenda

- Energy Coal CSG overview
- HSEC
- Markets
- Financials
- Ingwe

Energy Coal CSG overview



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Our Energy Coal business

14,000 +

People

10

Operating assets

4

Continents

84,000,000 tonnes

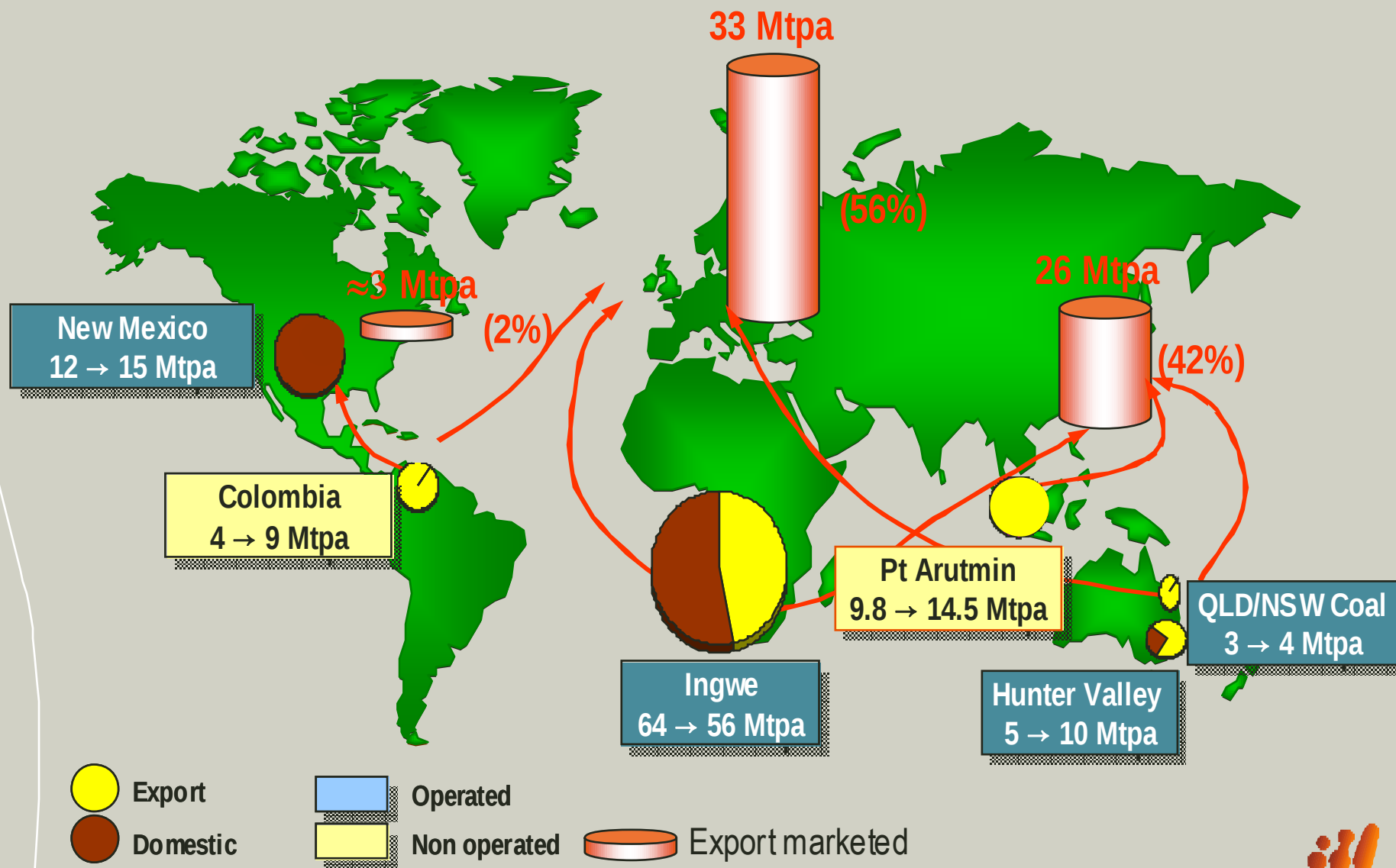
Coal produced, more than 2,000PJ

850,000,000 tonnes

Dirt moved

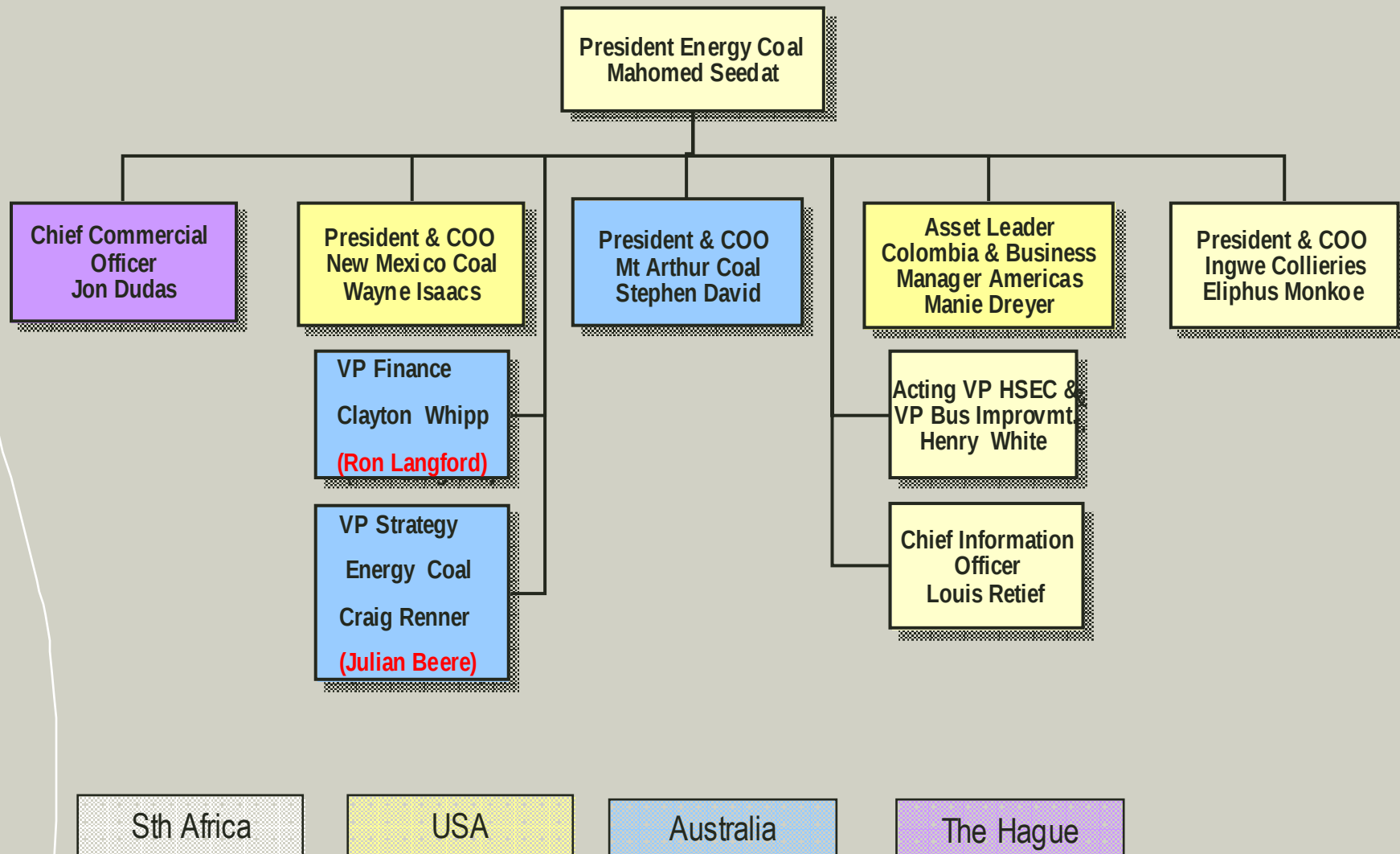
30 products to 100⁺ customers via 300⁺ marketing contracts

BHP Billiton Energy Coal Position (2001 → 2005)



Source: BHP Billiton analysis

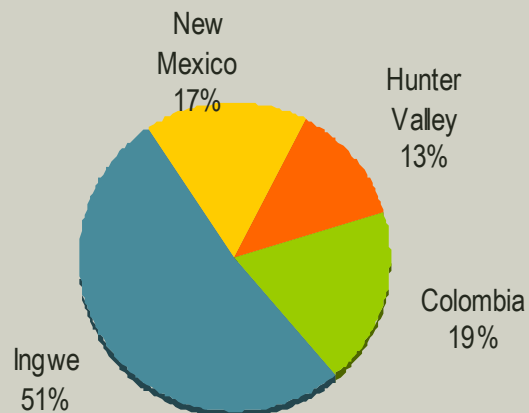
Energy Coal organisation



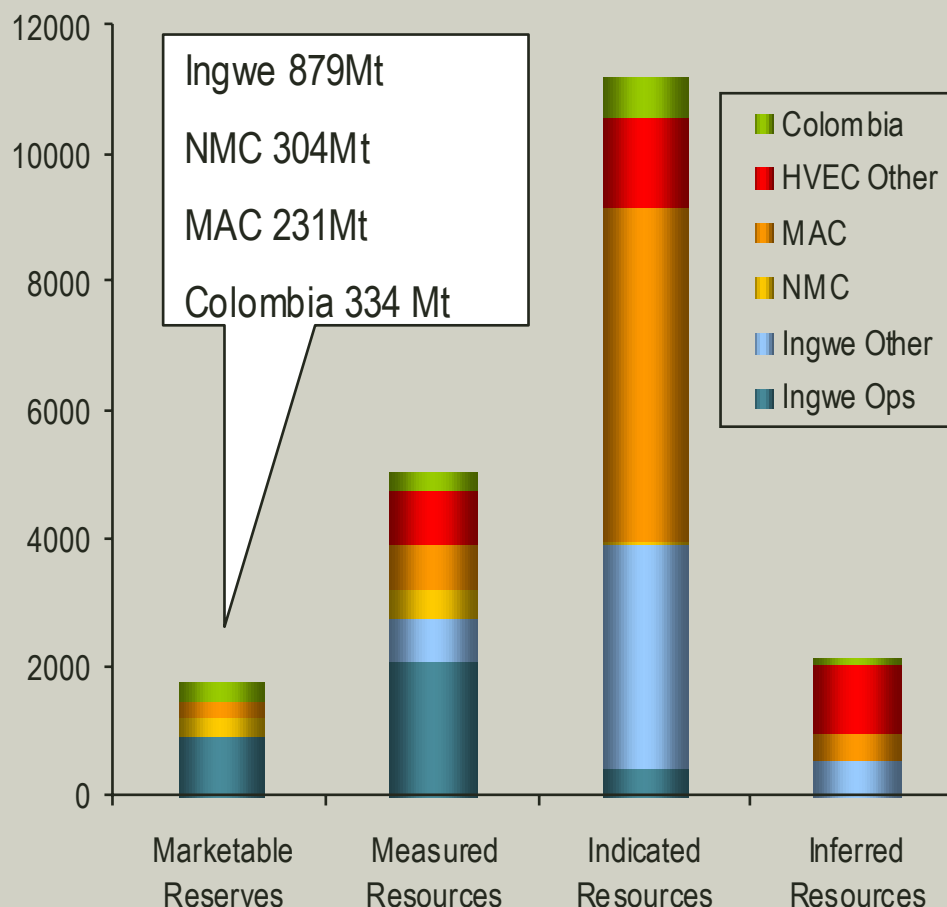
():- new SA based incumbent

Energy Coal Reserves

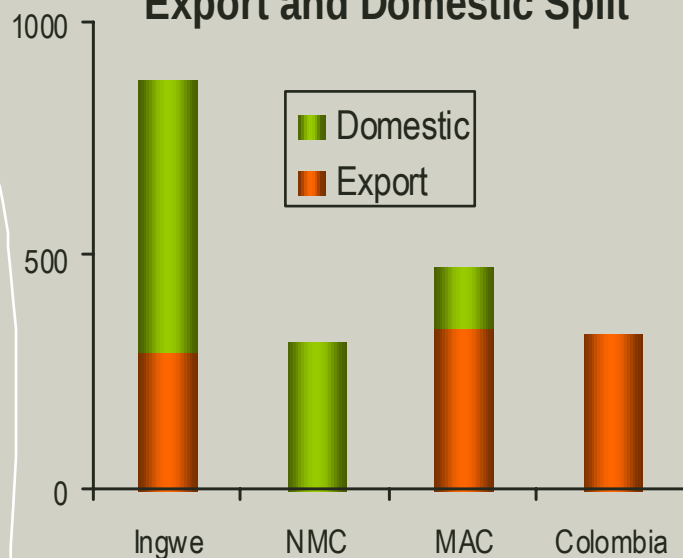
Distribution of Marketable Reserves by Asset



Total Reserves Mt



Export and Domestic Split



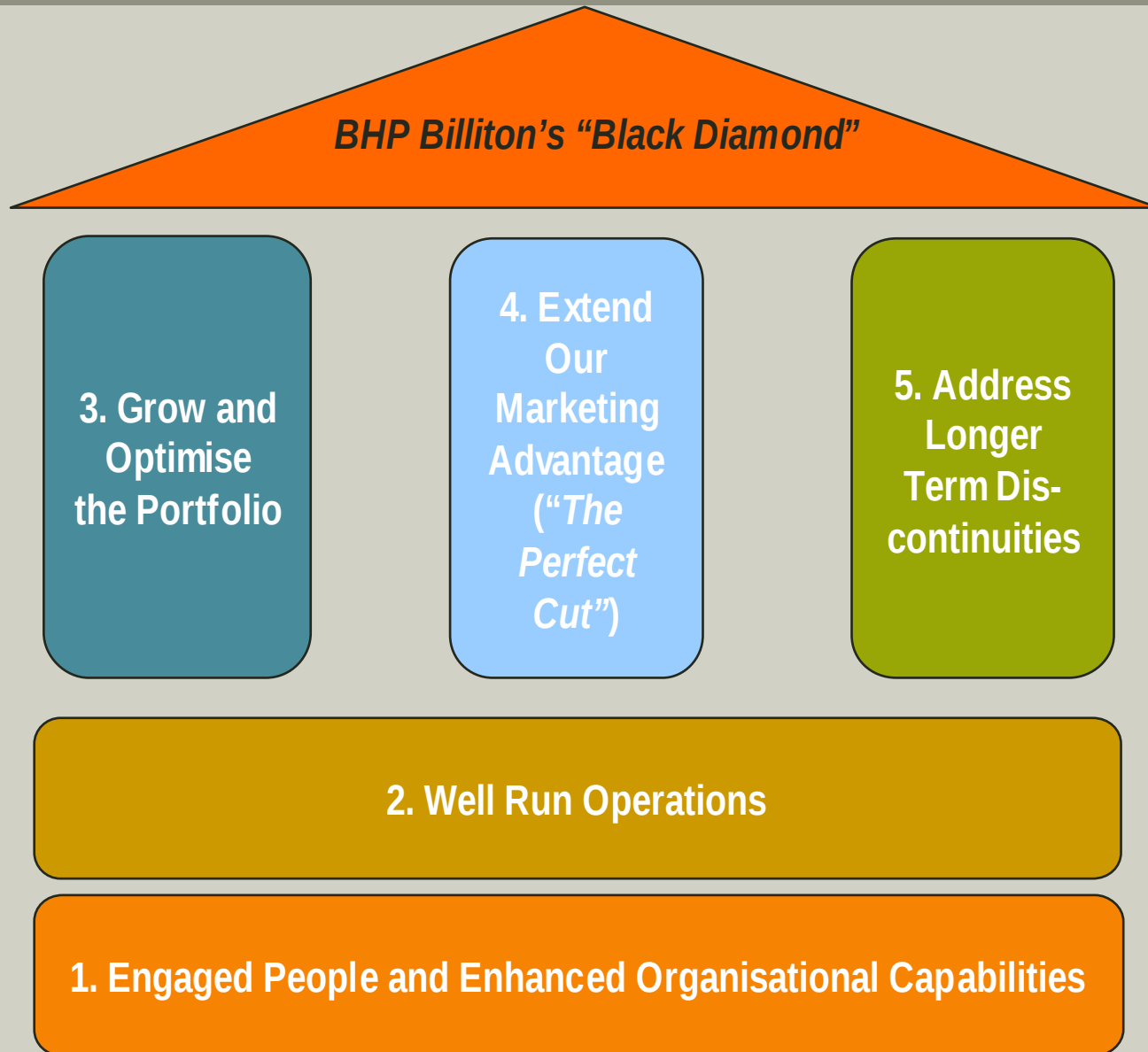
Note: Colombia data shown as BHP Billiton share (33.3%)

BHP Billiton Strategic Framework



Energy Coal Strategy

Strategic Pillars



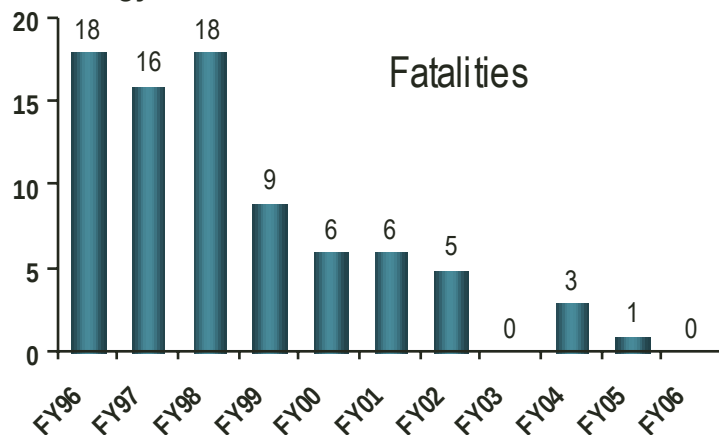
HSEC



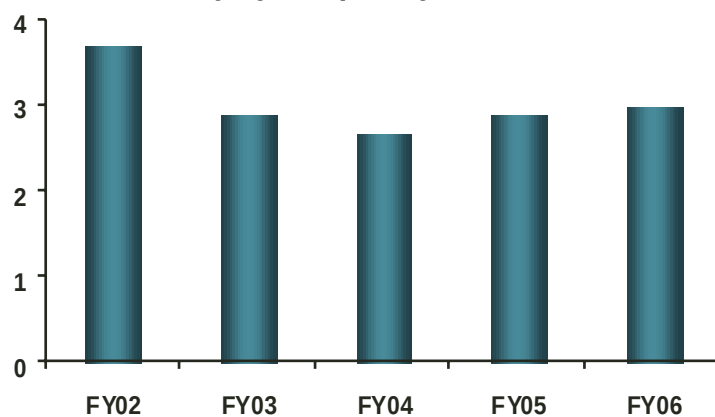
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The HSEC journey

Energy Coal – where we have come from



Classified Injury Frequency Rate



Focus on leading and lagging indicators

KPI
TRIFR Reduction
Behaviour Based Safety Systems
PL4 near miss reporting
Fatal Risk Control Protocols
Health targets and plan
Environmental targets and plan
Community targets and plan
HSEC Standards Compliance

Financial performance



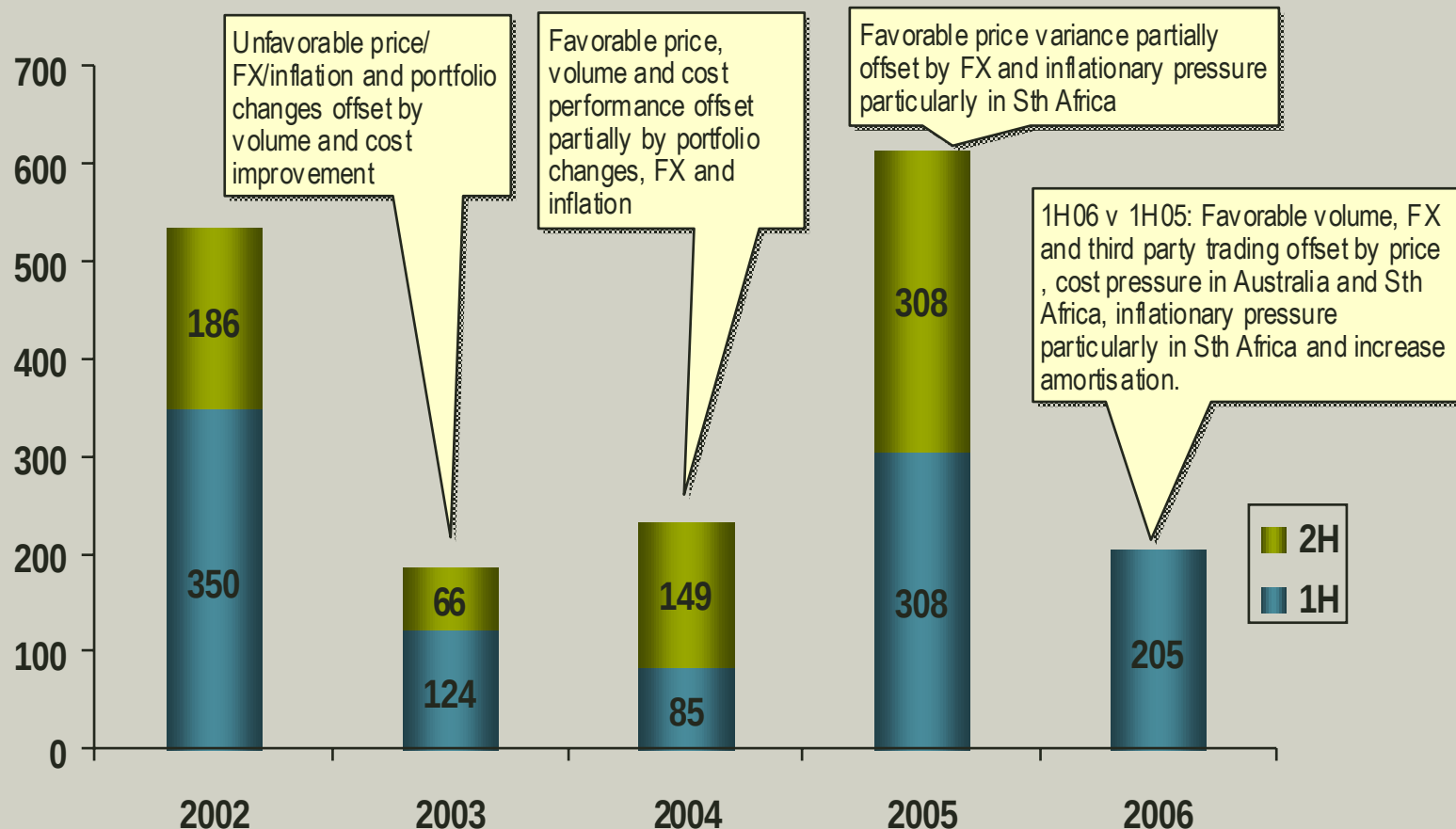
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Energy Coal EBIT by Business Unit

Half year ended 31 December

(US\$M)	Dec 2005	Dec 2004	% Change
Ingwe	-	124	-100
New Mexico	44	44	-
Hunter Valley	20	36	-44
Colombia	99	97	+2
Divisional Activities	(6)	(7)	+14
Total from Operations	157	294	-47
Third party products	48	2	
Energy Coal (total)	205	296	-31

EBIT Trends



Realised export price (RBCT FOB)	\$30.51	\$25.14	\$31.96	\$45.79	\$41.80
Rand	10.03	9.03	6.89	6.21	6.52
A\$	0.52	0.58	0.71	0.75	0.75

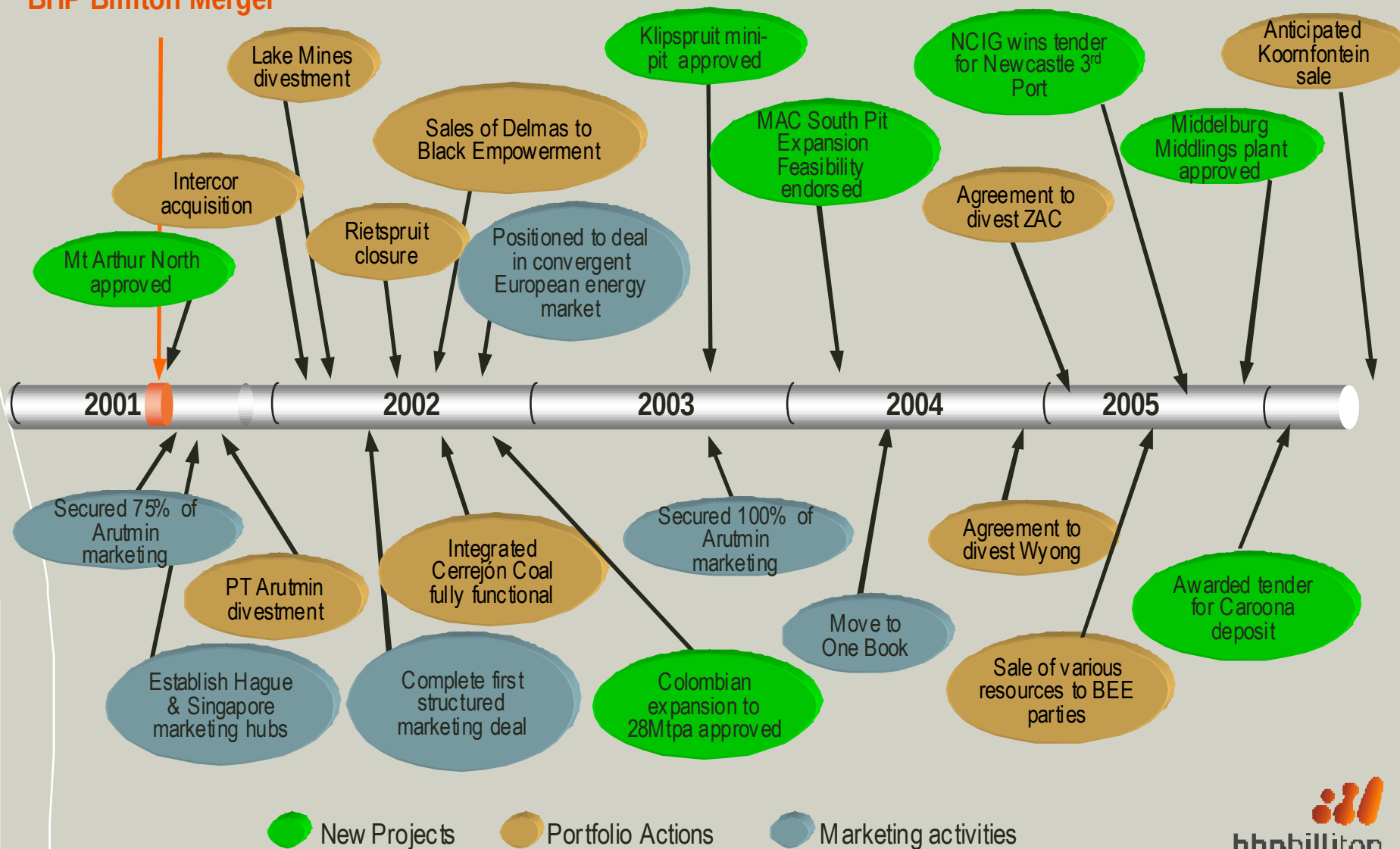
Operations and Growth



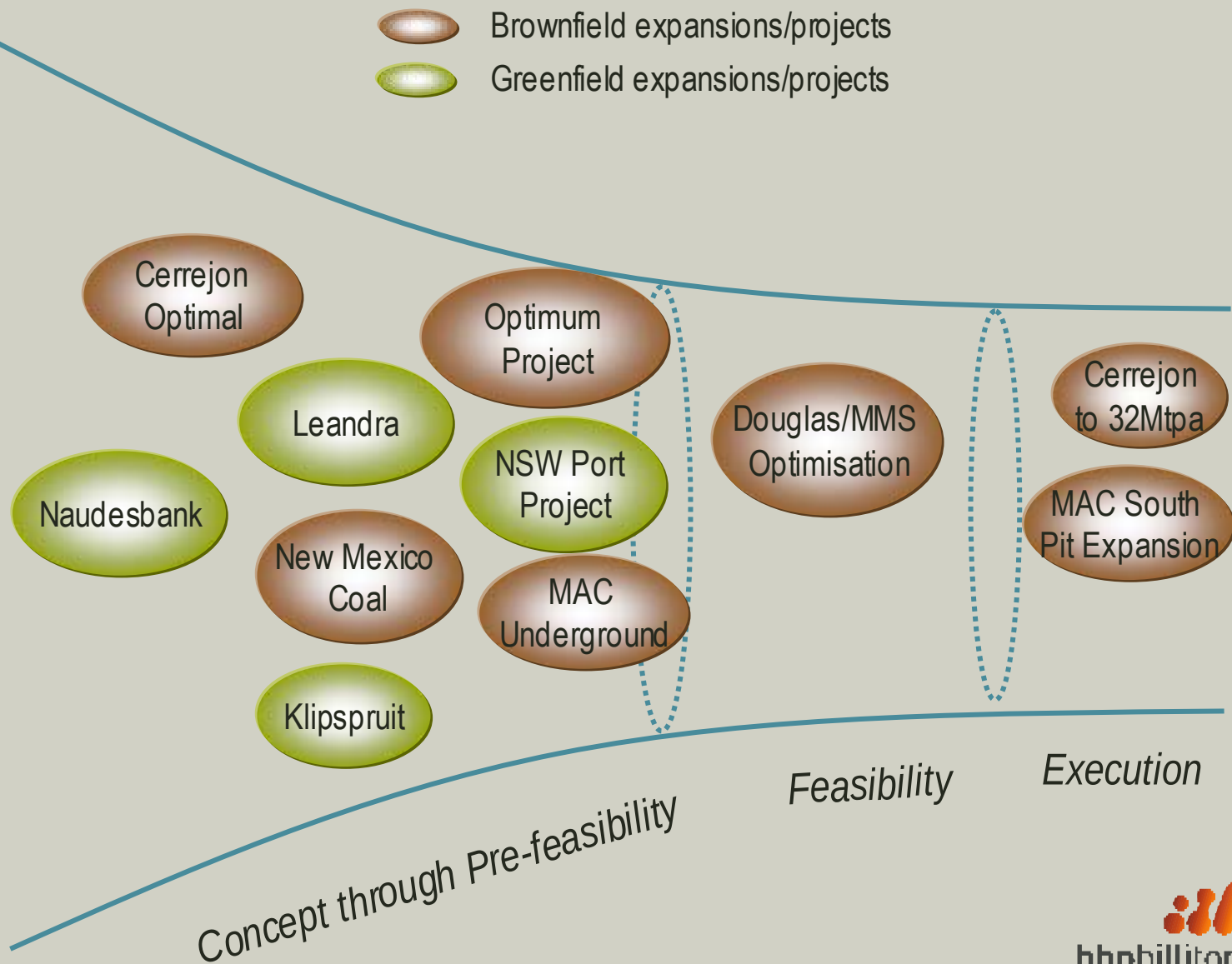
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Portfolio actions to build long term performance

BHP Billiton Merger



Energy Coal project pipeline



Ingwe - Location



Ingwe Operations

Klipspruit		
Type	O/C mine	
Capacity	1.5 Mtpa	
Life	Refer project	

Khutala		
Type	U/G mine	
Capacity	14.2 Mtpa	
Life	29 yrs	

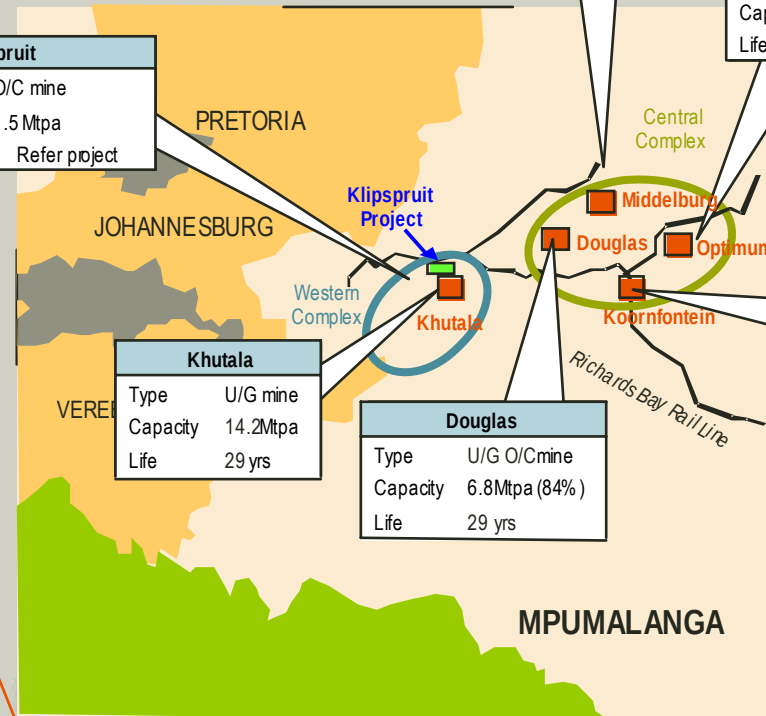
Douglas		
Type	U/G O/C mine	
Capacity	6.8 Mtpa (84%)	
Life	29 yrs	

Middelburg		
Type	O/C mine	
Capacity	15 Mtpa (84%)	
Life	29 yrs	

Optimum		
Type	O/C mine	
Capacity	14.9 Mtpa	
Life	10 yrs	

Koorfontein		
Type	U/G mine	
Capacity	5.6 Mtpa	
Life	3 yrs	

RBCT		
Type	Export port	
Capacity	26.2 Mtpa	



*multi-product

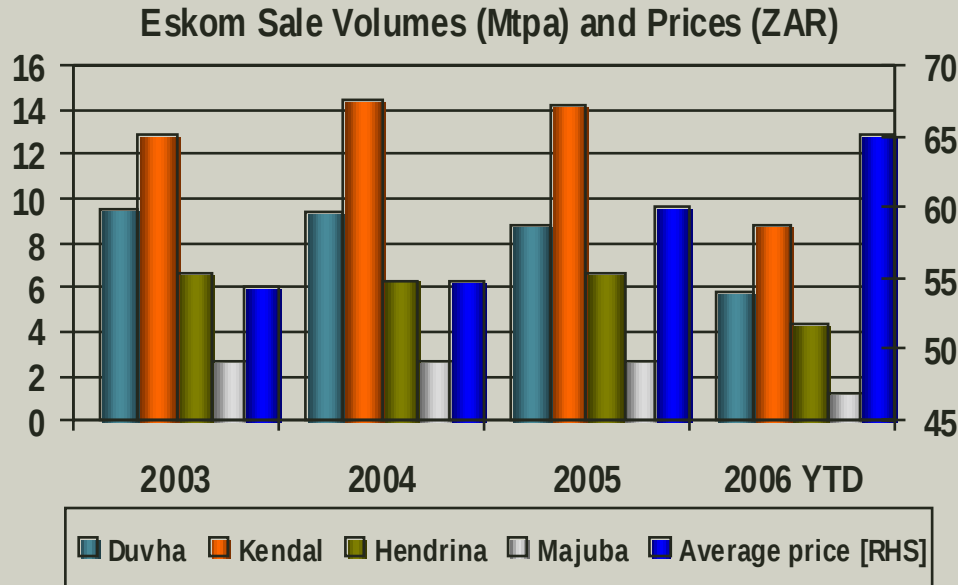
Ingwe- key issues

- Ingwe Recovery Plan
- Eskom contracts
- Ingwe growth projects
- Portfolio optimisation

Ingwe Recovery Plan

- Safety first
- Started with Optimum
- Now being rolled out to the rest of the operations
- Key challenges
 - Significant management changes on all sites
 - Abnormal unseasonal rainfall
 - Exposure of coal chain weaknesses
- Opportunities:
 - Significant cost reduction
 - Revenue improvement (volume/yield)
 - Resizing and relocation of the Ingwe Corporate Centre

Ingwe – Eskom Contracts



Contract Pricing

- The Duvha, Hendrina and Majuba contracts are based upon fixed prices with escalation based on certain costs and inflation indices.
- The Kendal contract is a cost plus arrangement based on a formula that includes a return on invested capital and inflation prices escalation.

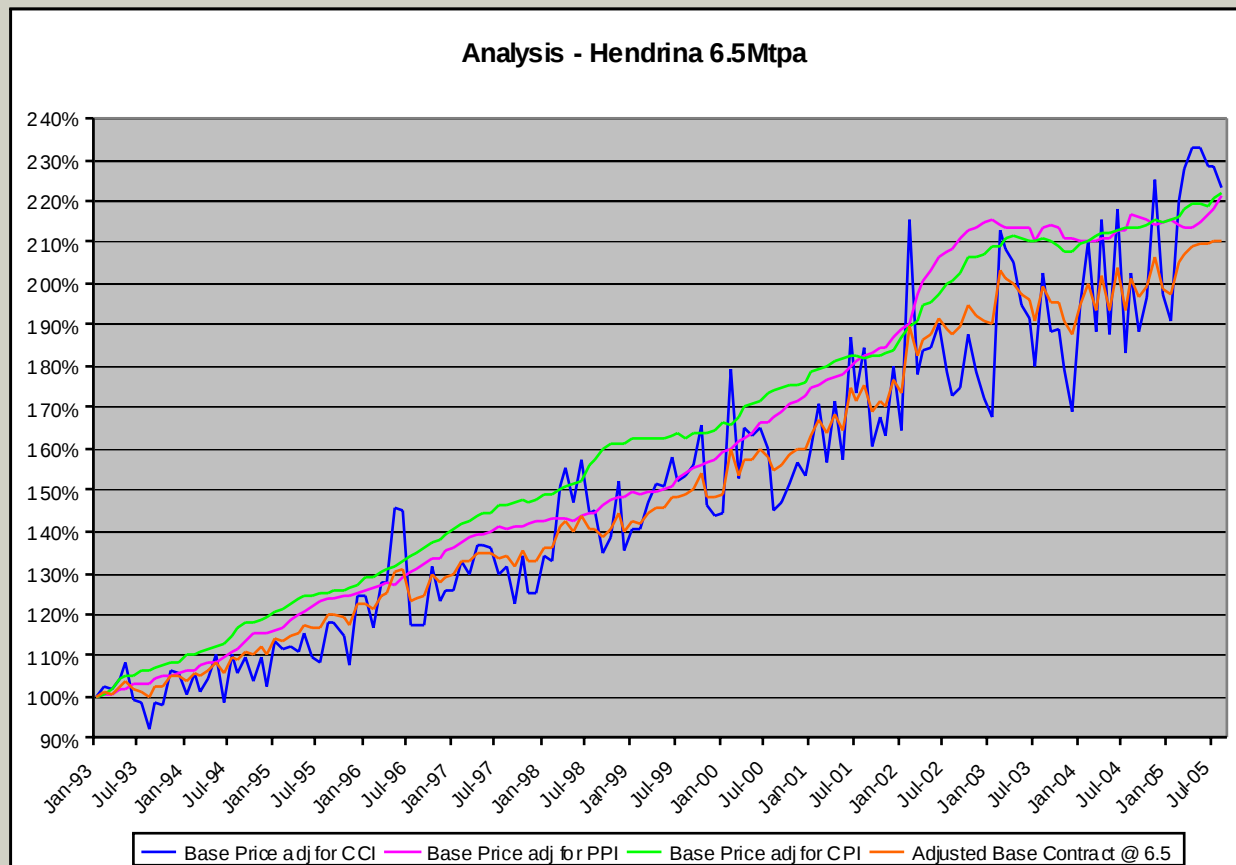
Contracted volumes

- Duvha 8.4Mtpa (10Mtpa 100%) supplied by Middelburg until the end of calendar 2014. Customer's option to extend for two additional 10 year periods to 2034.
- Hendrina 6.5Mtpa supplied by Optimum until the end of calendar 2008. Customer's option to extend for two additional 5 year periods to 2018.
- Kendal base 13.3Mtpa supplied by Khutala until November 30, 2033. The customer has option to extend based on available coal resources.
- Majuba: 2.7Mtpa until June 30, 2009



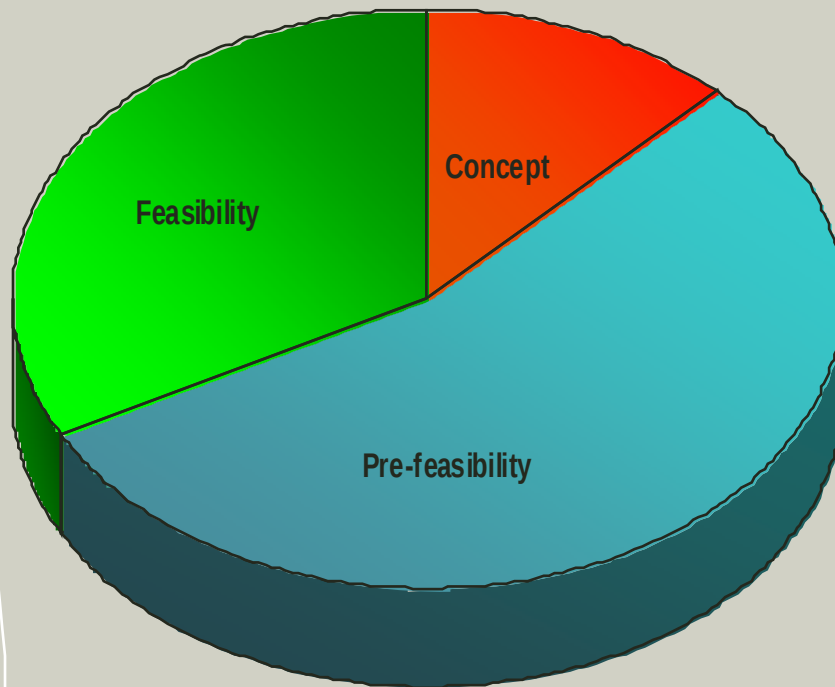
Ingwe – Eskom Contracts cont.

- Ingwe's fixed price contracts (Hendrina and Duvha) are subject to PPI and CCI ("Cost of Coal") inflation indices with an efficiency factor, as well as a bonus/penalty structure dependent on quality parameters
- As a result, the prices achieved lag the long term inflationary environment.

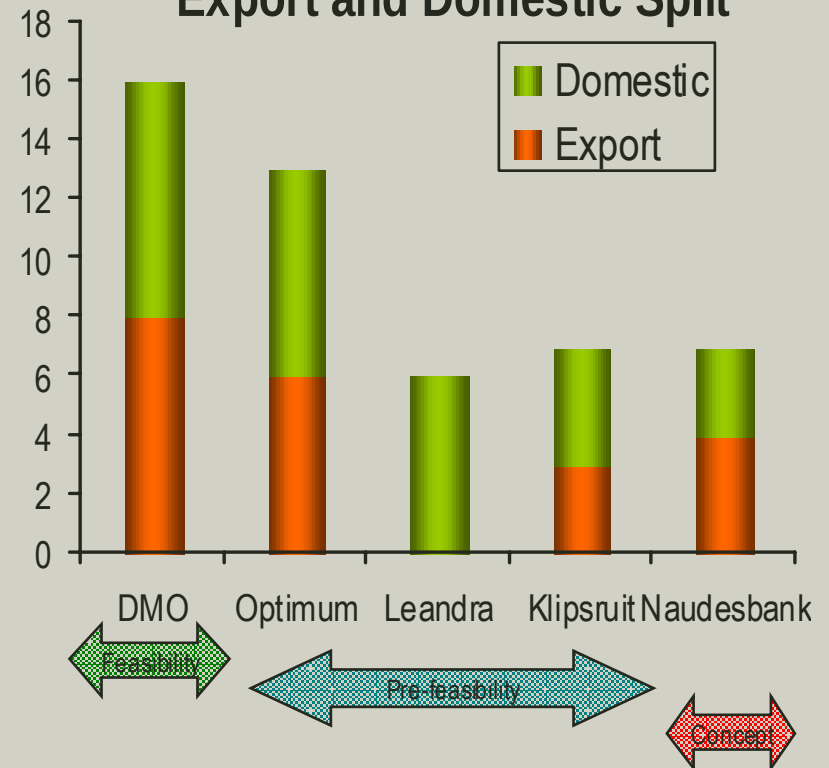


Ingwe Growth Projects

Ingwe Project Status
Total volume 49mtpa



Export and Domestic Split



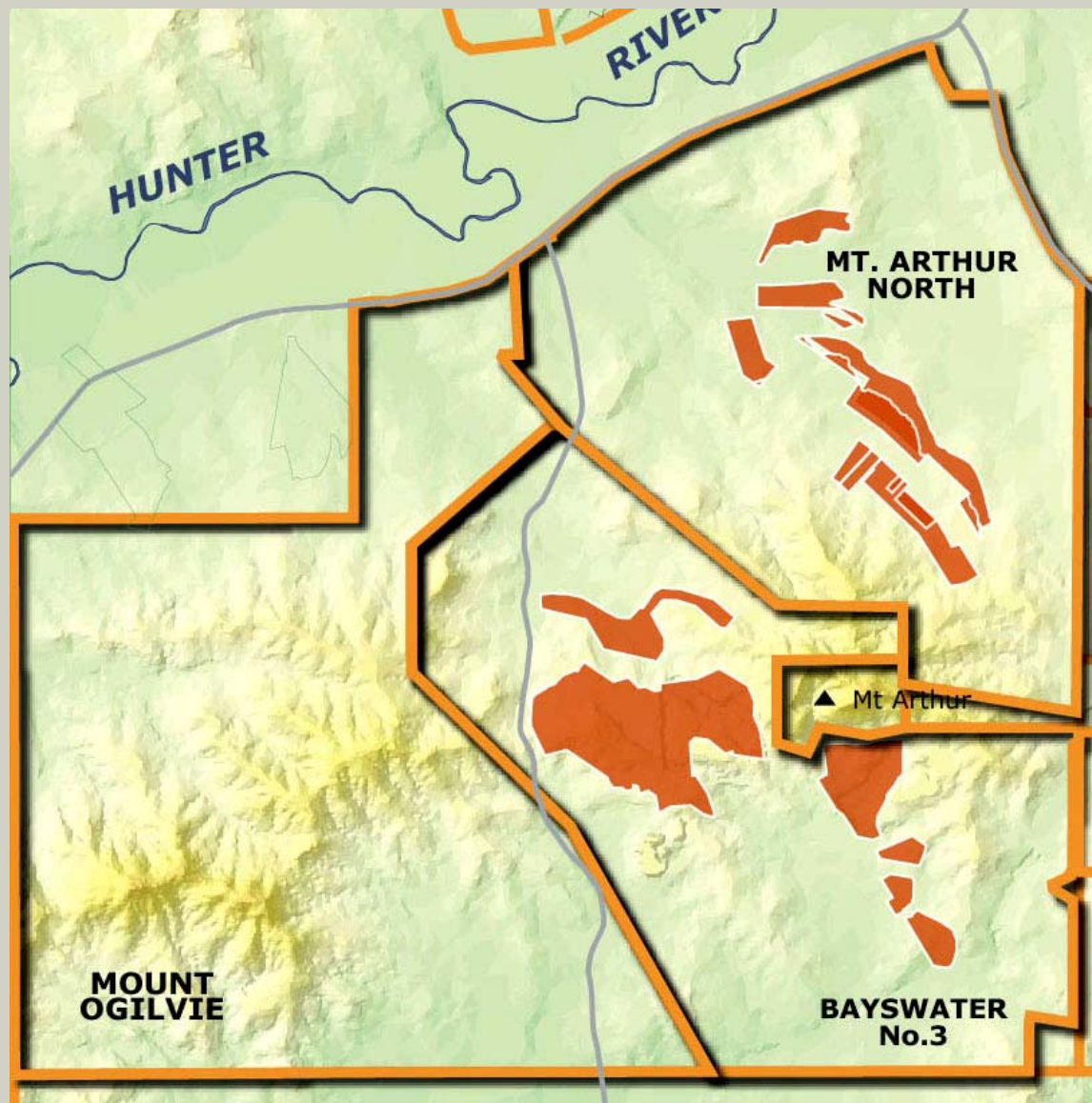
Ingwe Portfolio Optimisation

- Douglas and Middelburg to be combined
- ZAC divested
- Koornfontein sale process currently underway (BEE transaction)
- Significant other transactions completed around reserve/resources sales (11) and others in process (4)

Hunter Valley Energy Coal

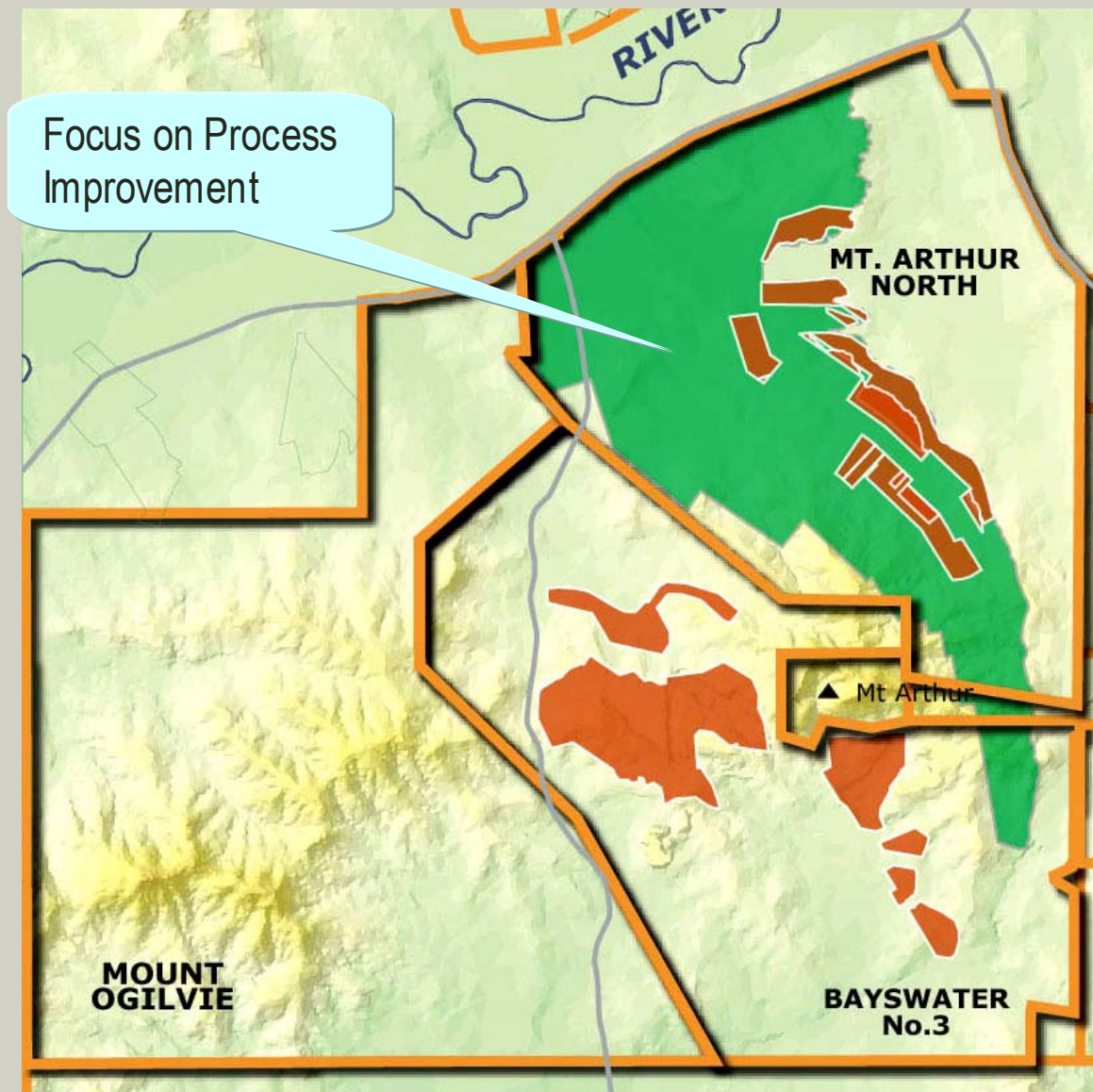


Mt Arthur Coal Growth Opportunities



 Mined Out Open Cut Areas

Mt Arthur Coal Growth Opportunities

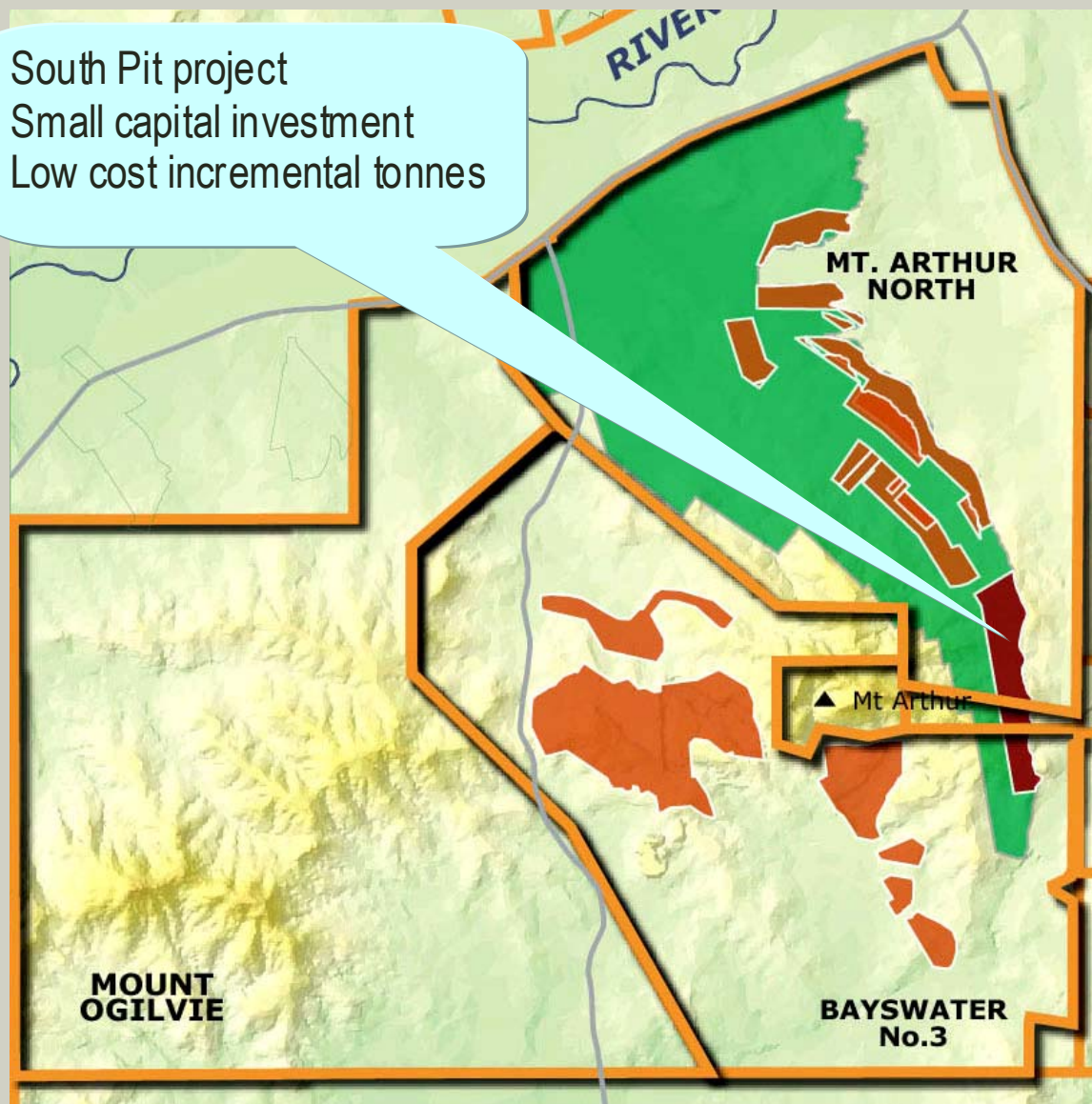


 Mined Out Open Cut Areas

 Open Cut Reserve Area
- 33 Yr

Mt Arthur Coal Growth Opportunities

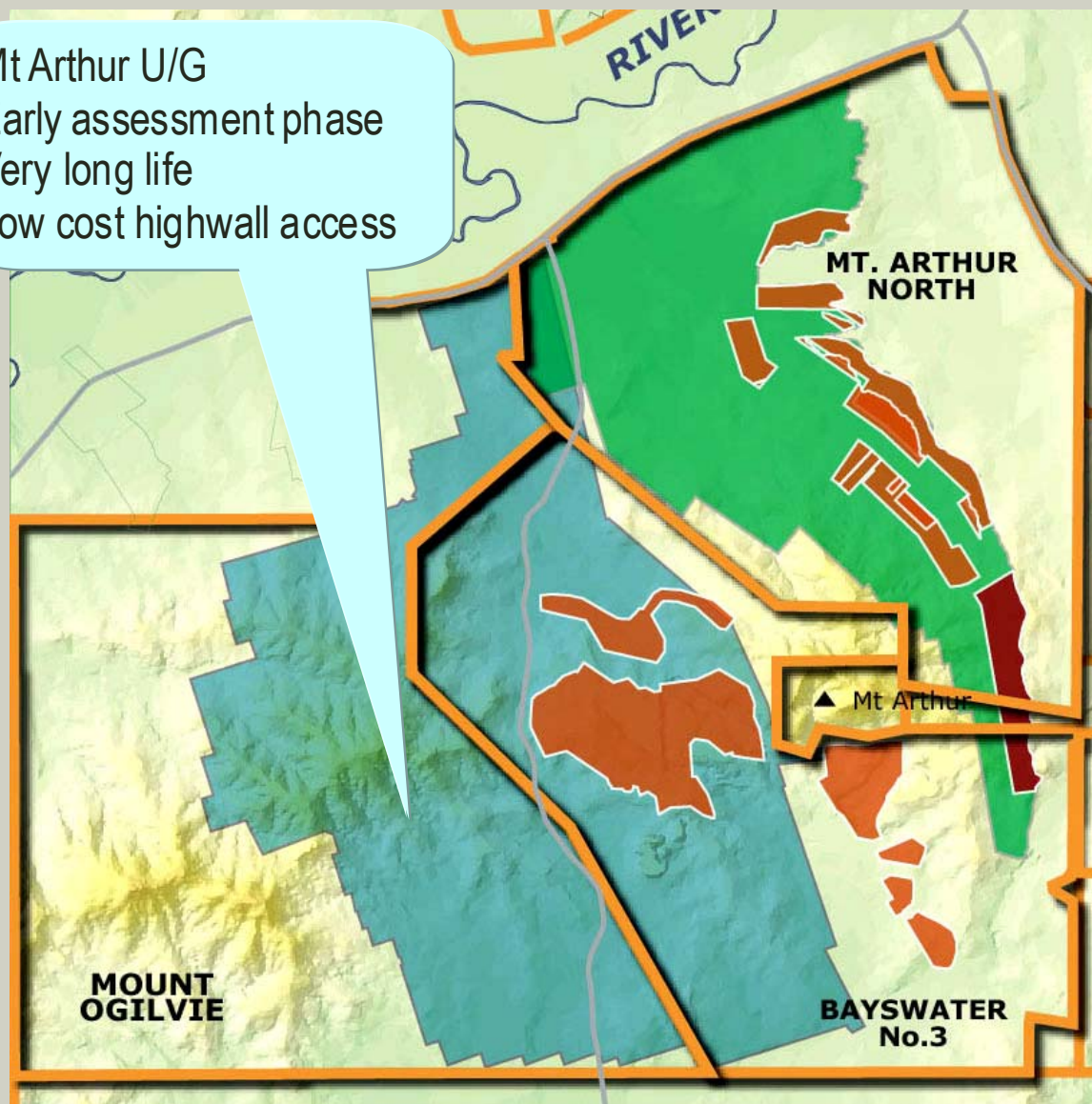
South Pit project
Small capital investment
Low cost incremental tonnes



-  Mined Out Open Cut Areas
-  Open Cut Reserve Area
- 33 Yr
-  Incremental Growth
- Open Cut Area

Mt Arthur Coal Growth Opportunities

Mt Arthur U/G
Early assessment phase
Very long life
Low cost highwall access



-  Mined Out Open Cut Areas
-  Open Cut Reserve Area - 33 Yr
-  Incremental Growth - Open Cut Area
-  Major Growth - Mt Arthur Underground Reserve Area

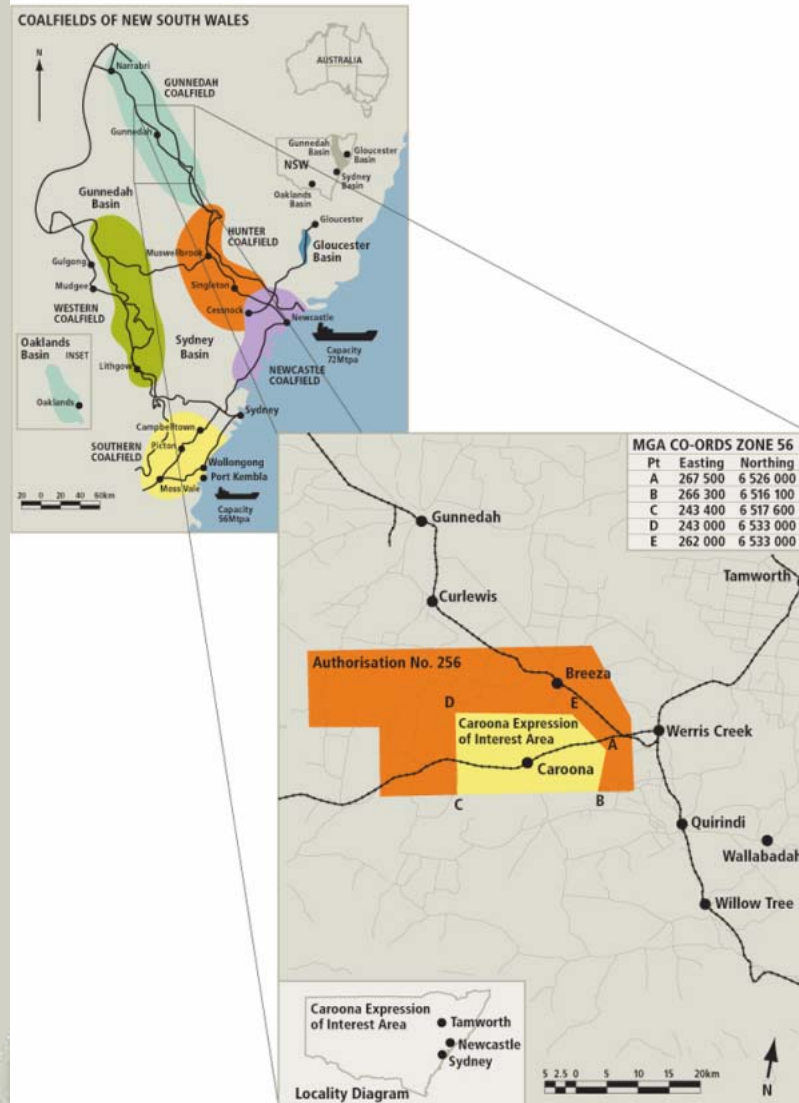
NSW Infrastructure

- Infrastructure constraints
- In CY 2004, a quota system was introduced by Port Waratah Coal Services (“PWCS”)
- Establishment of the Newcastle Coal Infrastructure Group (“NCIG”)
- NCIG proposal to lift coal loading capacity successful
- Rail constraints are being addressed by the Australian Rail Track Corporation (ARTC)



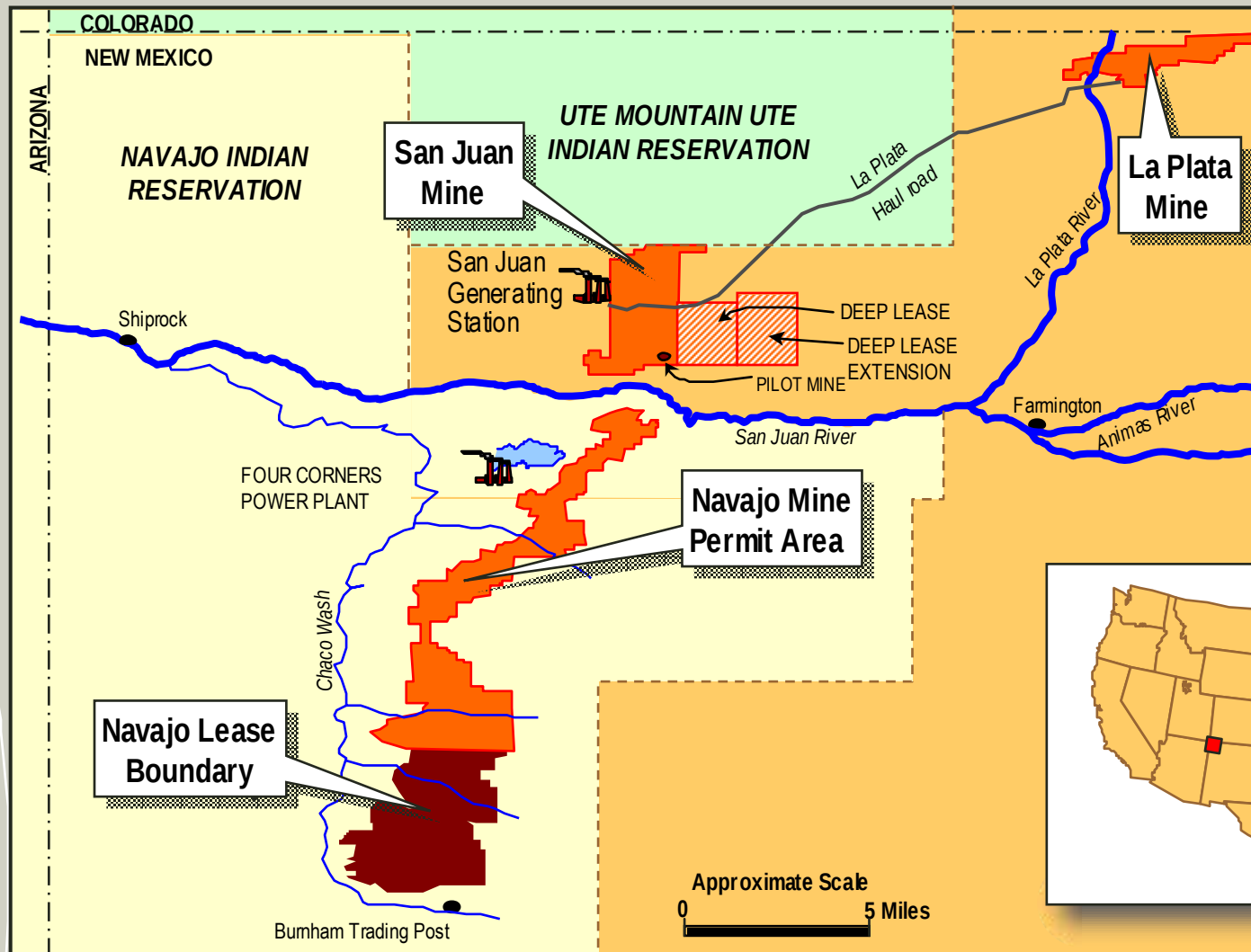
Caroona Coal Project – Gunnedah Basin

CAROONA LOCATION MAP

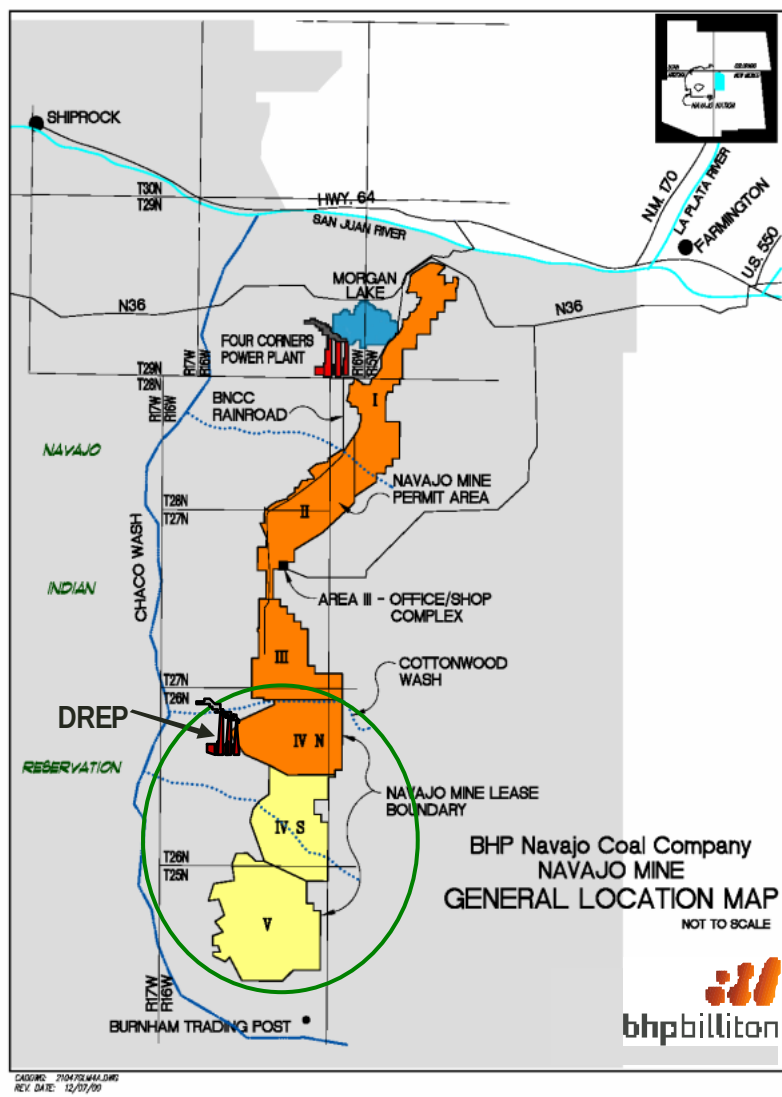


- 350km² Exploration Area
- 260km to Newcastle Port
- BHP Billiton won competitive tender from NSW Government
- Too early for JORC resource number
- Exploration and assessment 4 to 5 years
- Initial coal quality
 - 6300kcal/kg ar
 - 10% ash
 - <0.5% Sulphur
 - Some coking properties

New Mexico Coal



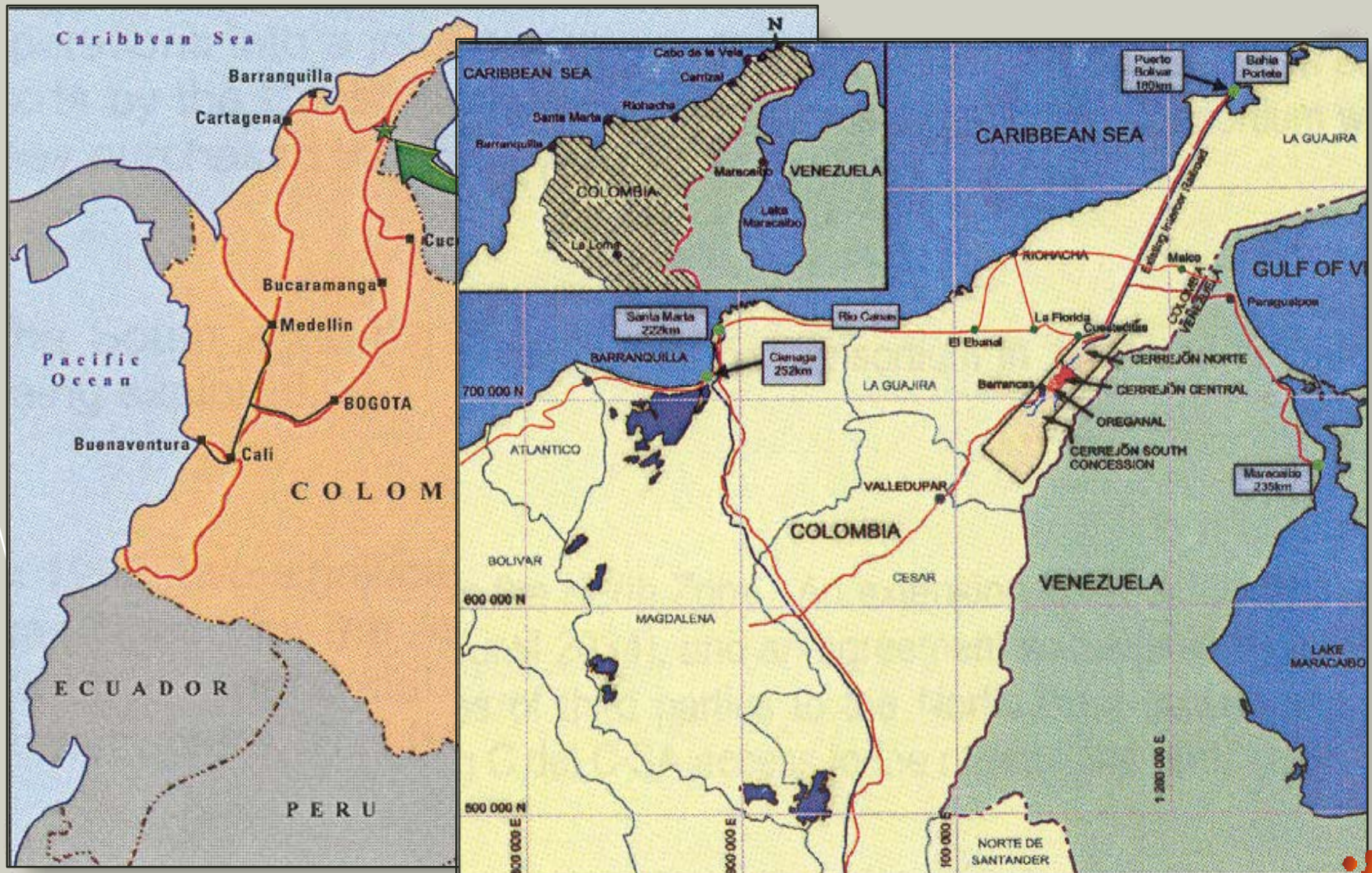
Desert Rock Energy Project



- Desert Rock Energy Project – up to 1500 MW mine-mouth power plant.
- Navajo Coal Company (BNCC) will be the coal supplier.
- Sithe Global's schedule shows financial close in late Q2 of CY2007, start-up of first 750 MW unit in June 2010 and second 750 MW unit in June 2011.
- Transition to feasibility scheduled Q3 CY2006



Cerrejón - Location



Cerrejón Expansion to 32 Mtpa

- Estimated Total Cost of US\$127M (100% terms)
- Major Mining Equipment
 - 3 Komatsu PC8000 Hydraulic Excavators
 - 14 Euclid-Hitachi EH5000 Haul Trucks
 - 5 Caterpillar 789 Coal Trucks
- Locomotive & Railcars
 - 2 GE Locomotives
 - 80 Railcars
- Railway Upgrade
 - 0.3 km extension of 3 sidings
 - New 2.6 km siding
- Port Upgrade
 - In Loading Upgrade
 - Stockyard Expansion
 - Out Loading Upgrade



Cerrejón Coal Optimal Expansion Capacity

- Expansion Schedule
 - Expansion to 45Mtpa
 - Prefeasability Study to be completed CY 2006
 - BHP Billiton execution approval to be completed Late 2007
 - Optimal Expansion production possible by 2010
- Mine Infrastructure, Rail, and Port Facilities
- Key Environmental Issues
 - Dust mitigation
 - Rio Ranchería river diversion
 - Relocation of Roche, Patilla, & Chancleta communities

