



BHP Billiton Iron Ore - Growth and Outlook

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Disclaimer

Mineral Resources and Ore Reserves

This presentation includes information on Mineral Resources (inclusive of Ore Reserves) and Ore Reserves.

These have been compiled by: P Whitehouse (MAusIMM) – Western Australia Iron Ore (WAIO) who is employed by BHP Billiton at the time of reporting. This is based on information in the BHP Billiton Annual Reports from 2007 to 2011 and other investor presentations which can be found at www.bhpbilliton.com. All information is reported under the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004' (the JORC Code).

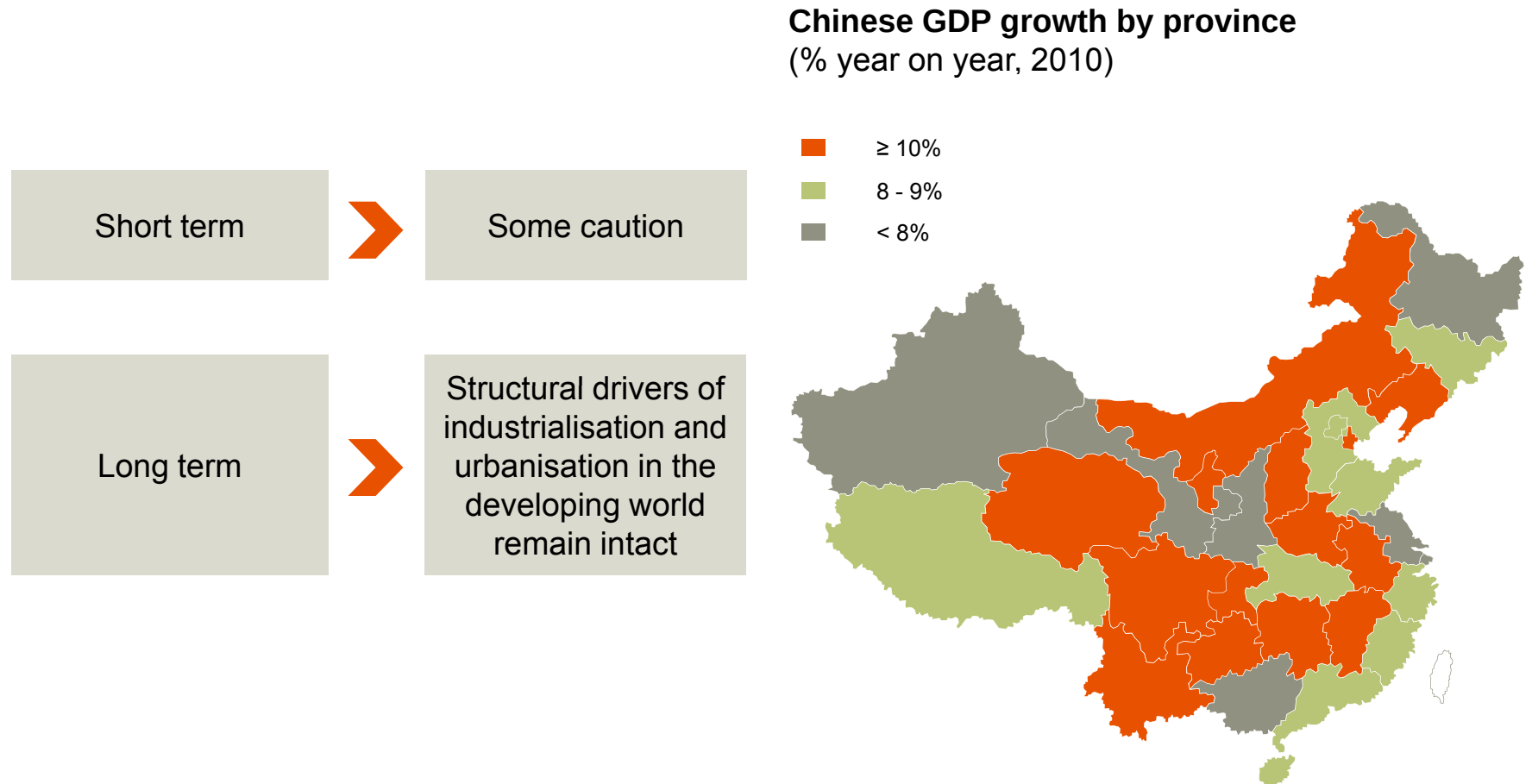
The compiler verifies that this report is based on and fairly reflects the Mineral Resources and Ore Reserve information in the supporting documentation and agrees with the form and context of information presented.

Ore Reserve and Mineral Resource classification are contained in Table 1.

Table 1

	Proved Reserve (Bt)	Probable Reserve (Bt)	Measured Resource (Bt)	Indicated Resource (Bt)	Inferred Resource (Bt)
FY2011	1.4	2.1	2.2	3.9	13.2
FY2010	1.3	2.0	1.9	3.5	10.7
FY2009	1.3	1.8	1.8	3.2	7.5
FY2008	1.5	1.5	2.0	2.9	6.8
FY2007	1.3	1.1	1.7	2.1	4.2

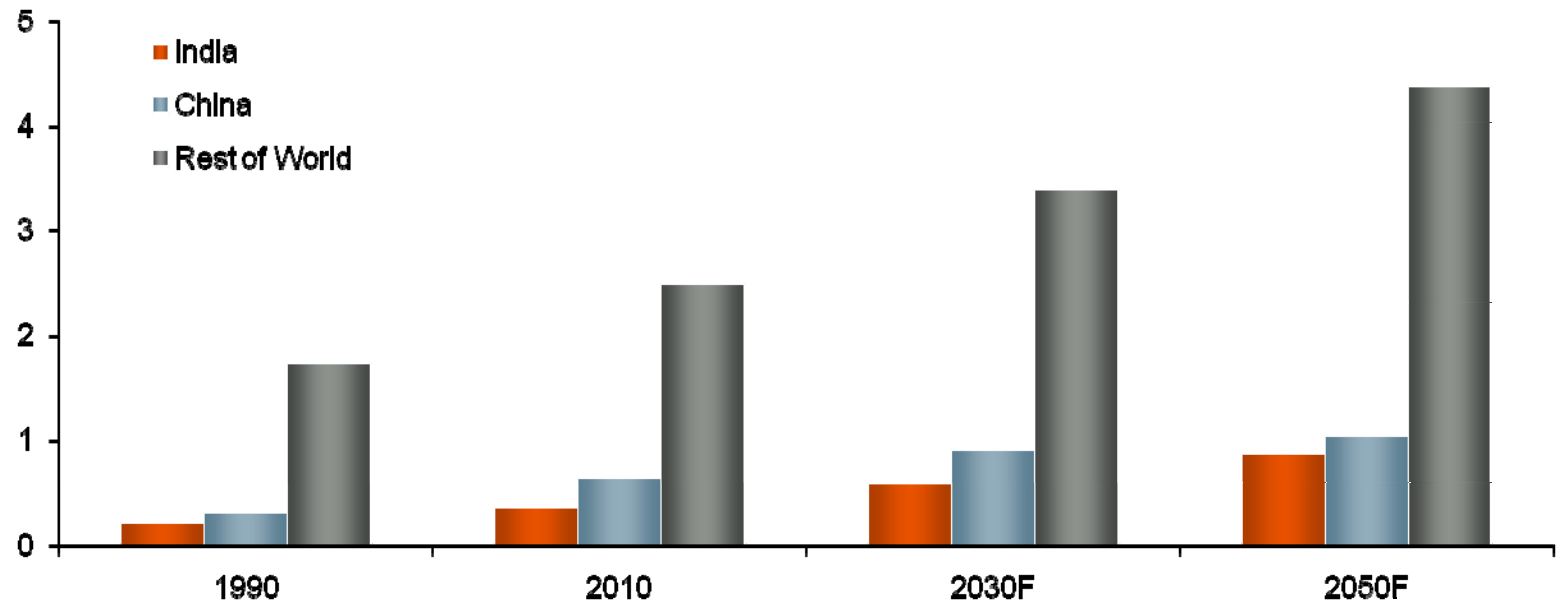
Structural drivers of demand remain intact



Source: EIU, BHP Billiton analysis.

Urbanisation and industrialisation drive long term commodity demand

Projected urbanisation of India, China and Rest of World (billion people)



Total population
(billion people)



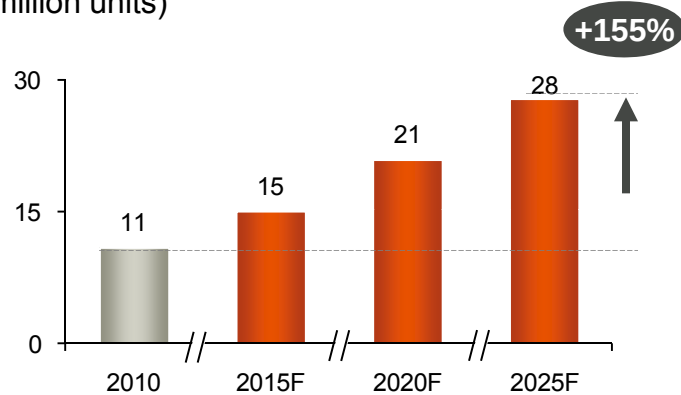
Urbanisation
(%)



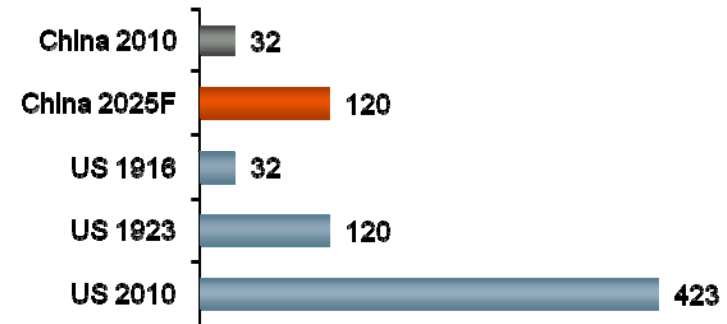
Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, McKinsey 2010.

Despite strong growth, China's 2025 projections still lag current US comparables

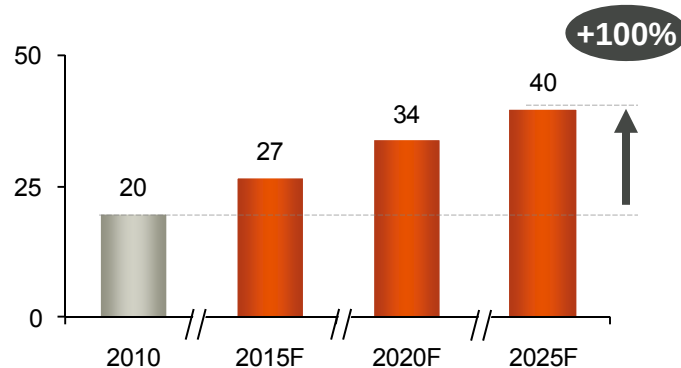
China annual car production
(million units)



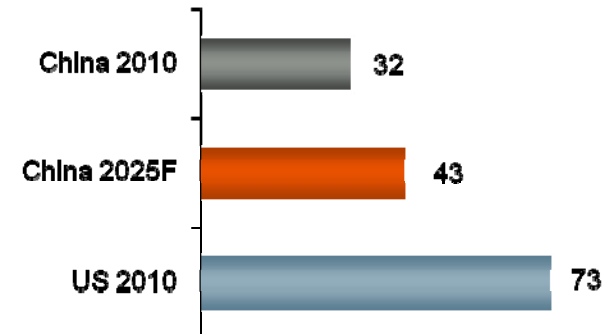
Car penetration density
(number of cars per thousand persons)



China urban residential floor space
(year-end stock, billion square metres)



Urban residential floor space per capita
(square metres/capita)

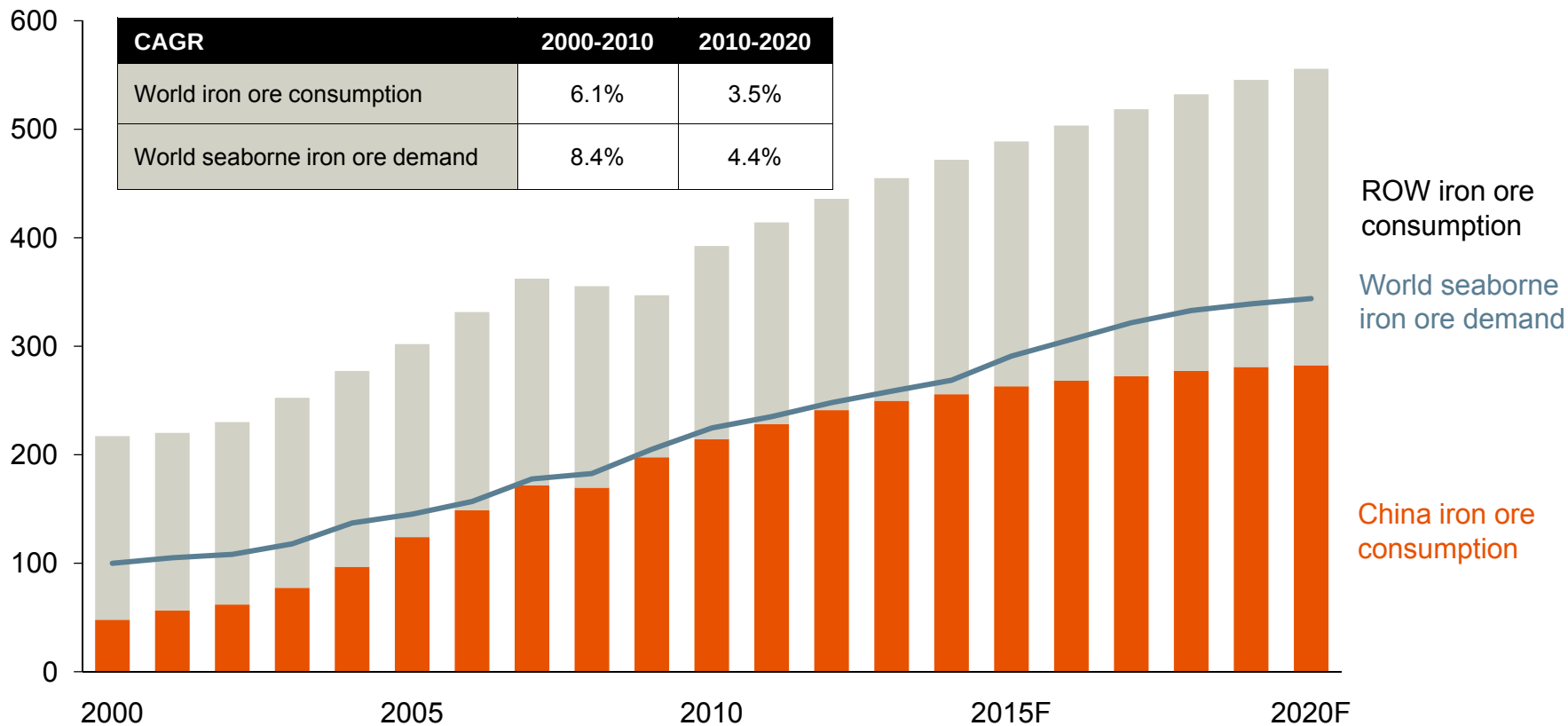


Source: Global insight, BHP Billiton.

Sources: Country statistics bureau, McKinsey, BHP Billiton. Factors and Figures of US Automobile Industry 1920, www.demographia.com.

Global seaborne iron ore demand expected to grow strongly

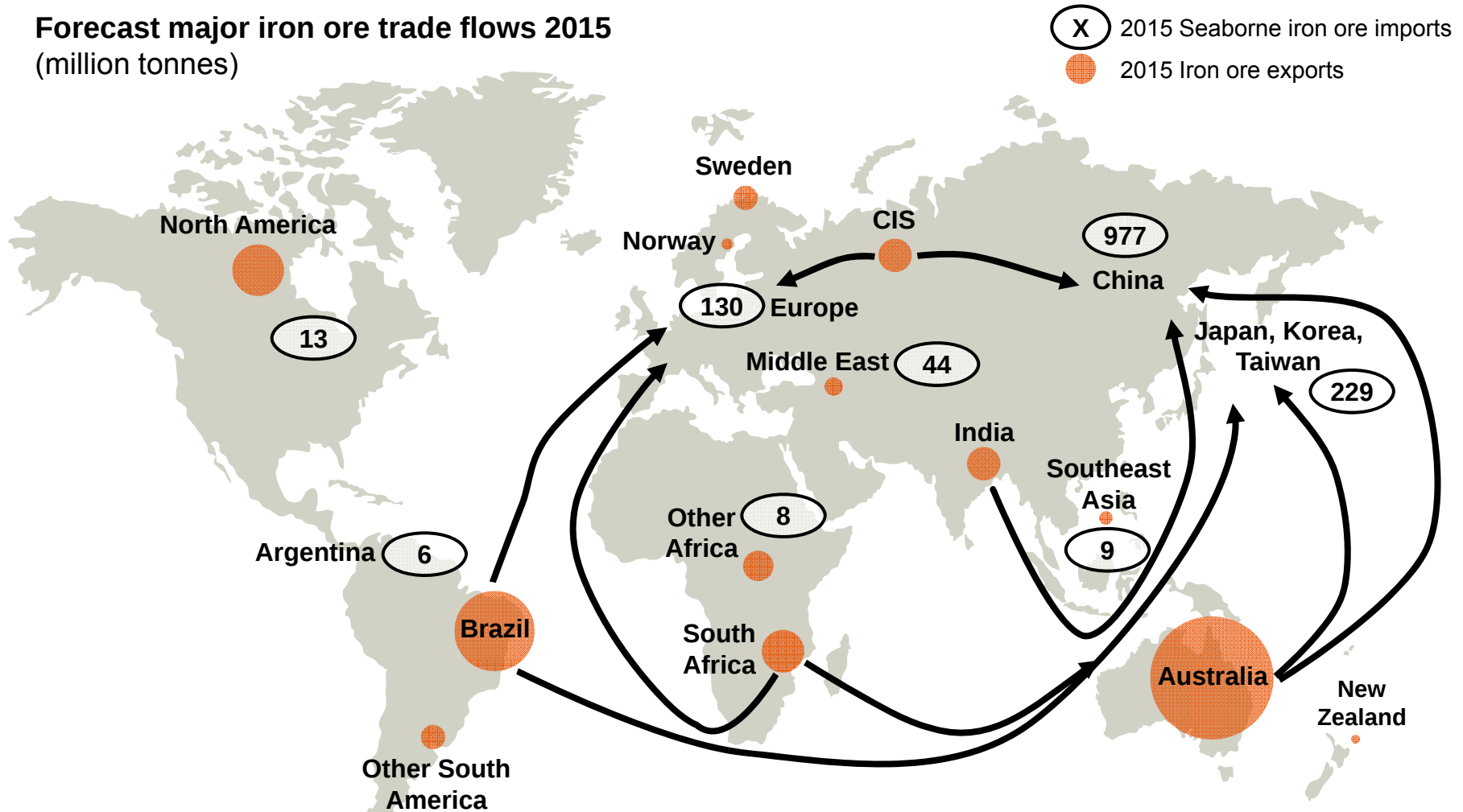
China and ROW total iron ore consumption vs. seaborne iron ore demand
(Index, 2000 seaborne trade as 100)



Source: BHP Billiton.

Traditional sources of supply expected to continue to dominate export market

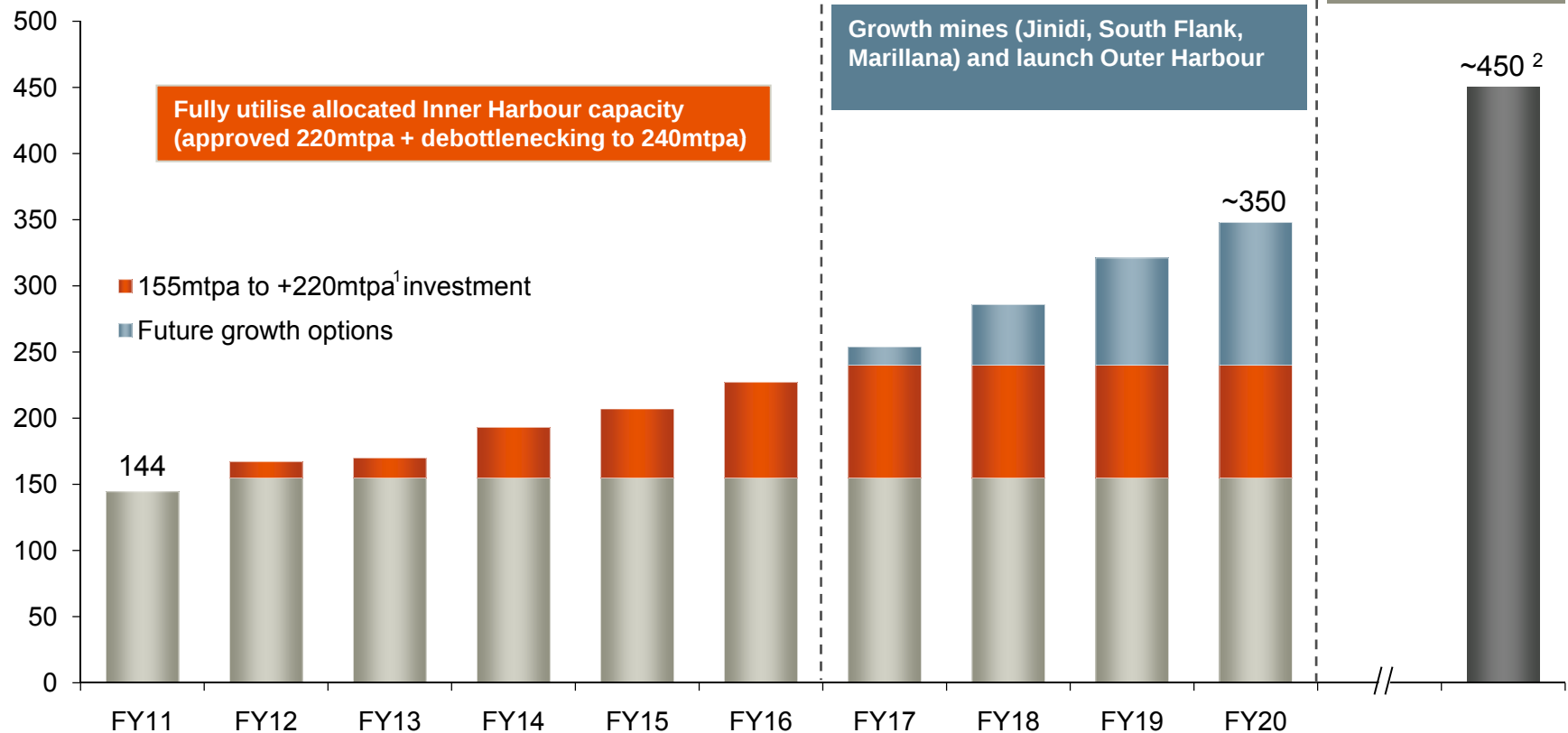
Forecast major iron ore trade flows 2015
(million tonnes)



Source: CRU, BHP Billiton Analysis. Location of the trade flow arrows is indicative.

Outer Harbour development enables BHP Billiton to deliver growth to meet increased demand

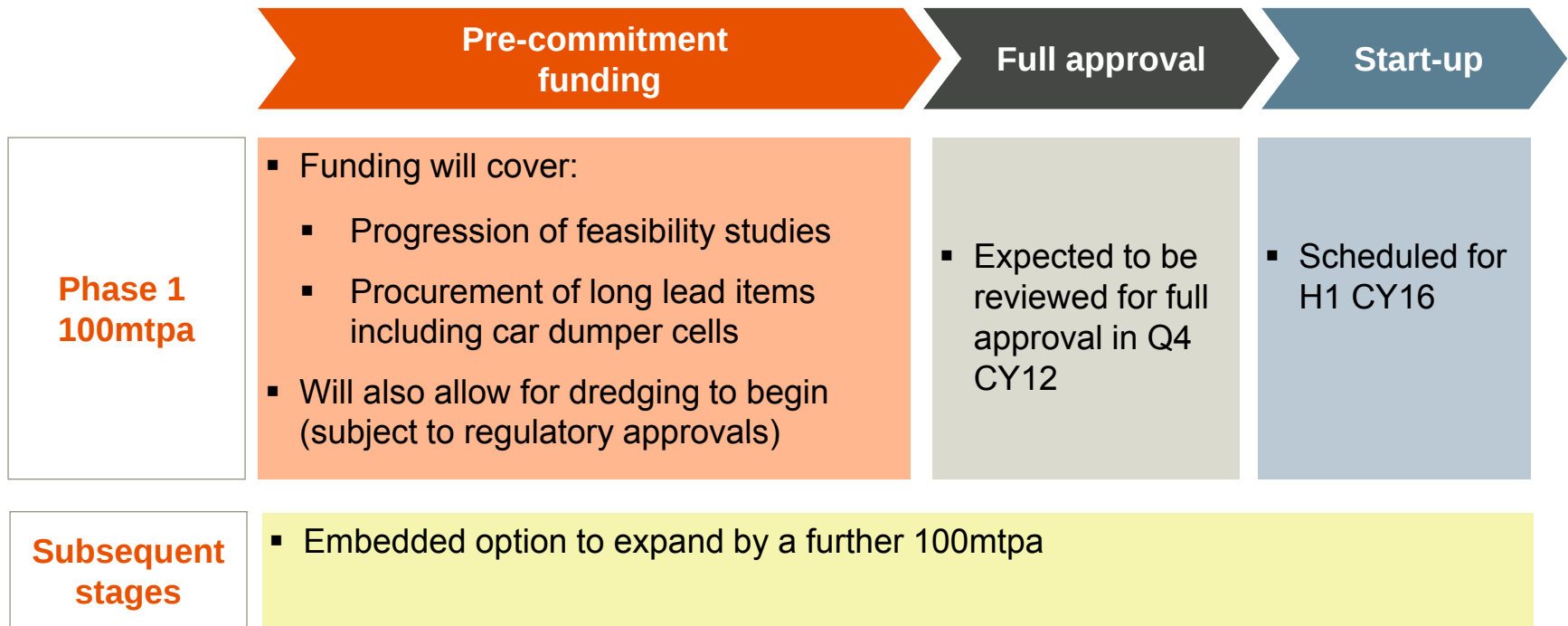
BHP Billiton's Western Australia Iron Ore (WAIO) production profile
(mtpa, 100%)



1. Including expansion to 220mtpa (approved) and debottlenecking incremental investment to 240mtpa.
2. Subject to further studies and optimisation.

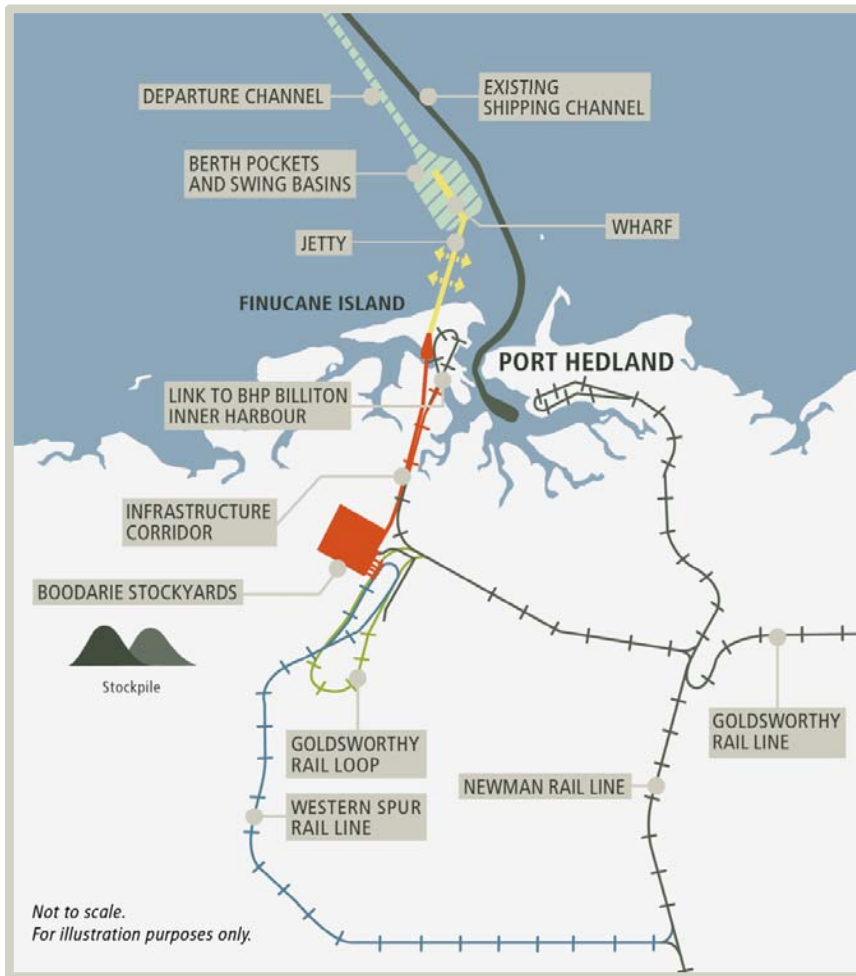
Making significant progress with our Outer Harbour development with approval of pre-commitment funding

US\$917 million (100% basis)¹ in pre-commitment funding approved for the construction of first 100mtpa of the Outer Harbour development



1. BHP Billiton share US\$779 million.

First 100mtpa phase of the Outer Harbour development will underpin subsequent stages



First 100 mtpa phase of the Outer Harbour development will include the construction of:

Offshore infrastructure

- 4 kilometre jetty
- 4 berth wharf
- 32 kilometre of dredged departure channel
- 2 ship loaders

Landside infrastructure

- Stockyards
- Rail spur
- 2 car dumpers

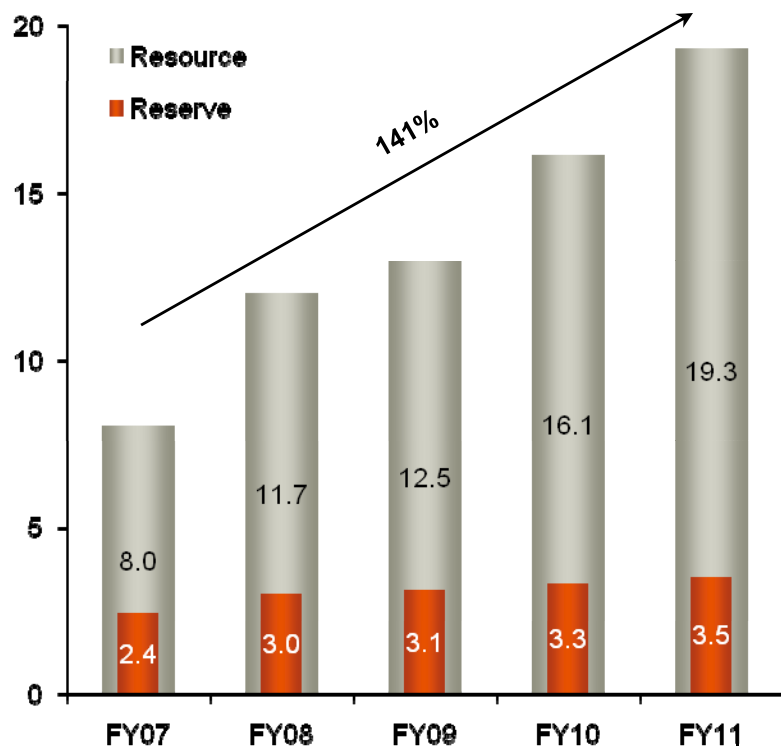
Subsequent stages to expand by a further 100 mtpa will include:

- Construction of 4 additional berths
- Expansion of stockyards and supporting infrastructure

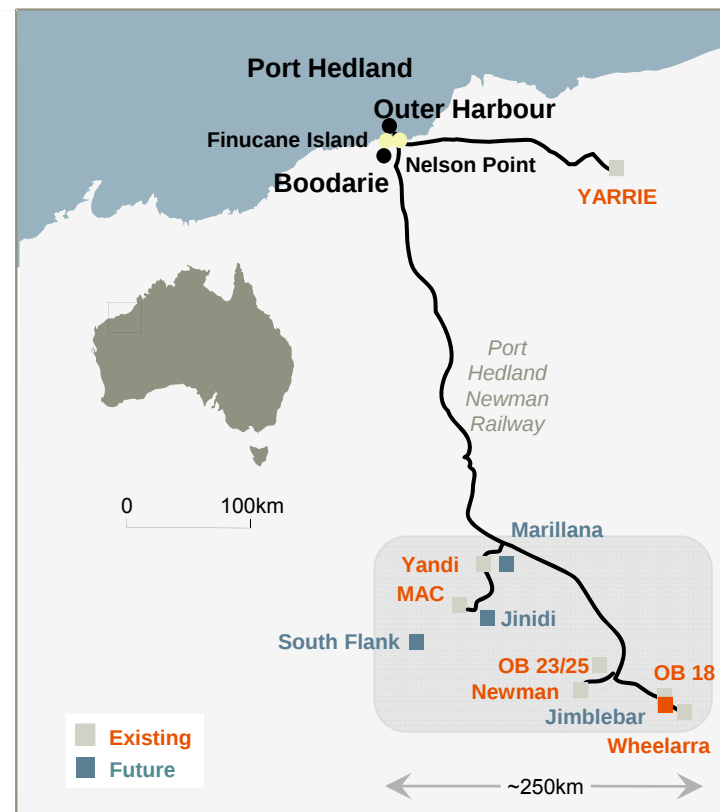
BHP Billiton's scale, resource quality and proximity to Asia underpins our growth plans

19Bt of resources – high quality mineral inventory – low strip ratio – natural supplier to Asia

WAIO resources and reserves 2007-2011
(wet billion tonnes)



Note: Refer to disclaimer on slide 3.



Superior project delivery capability (on time and within budget)

Reduce work

Standardise

Replicate

Modularise

Pre-assemble



Secure capability

Strategic procurement

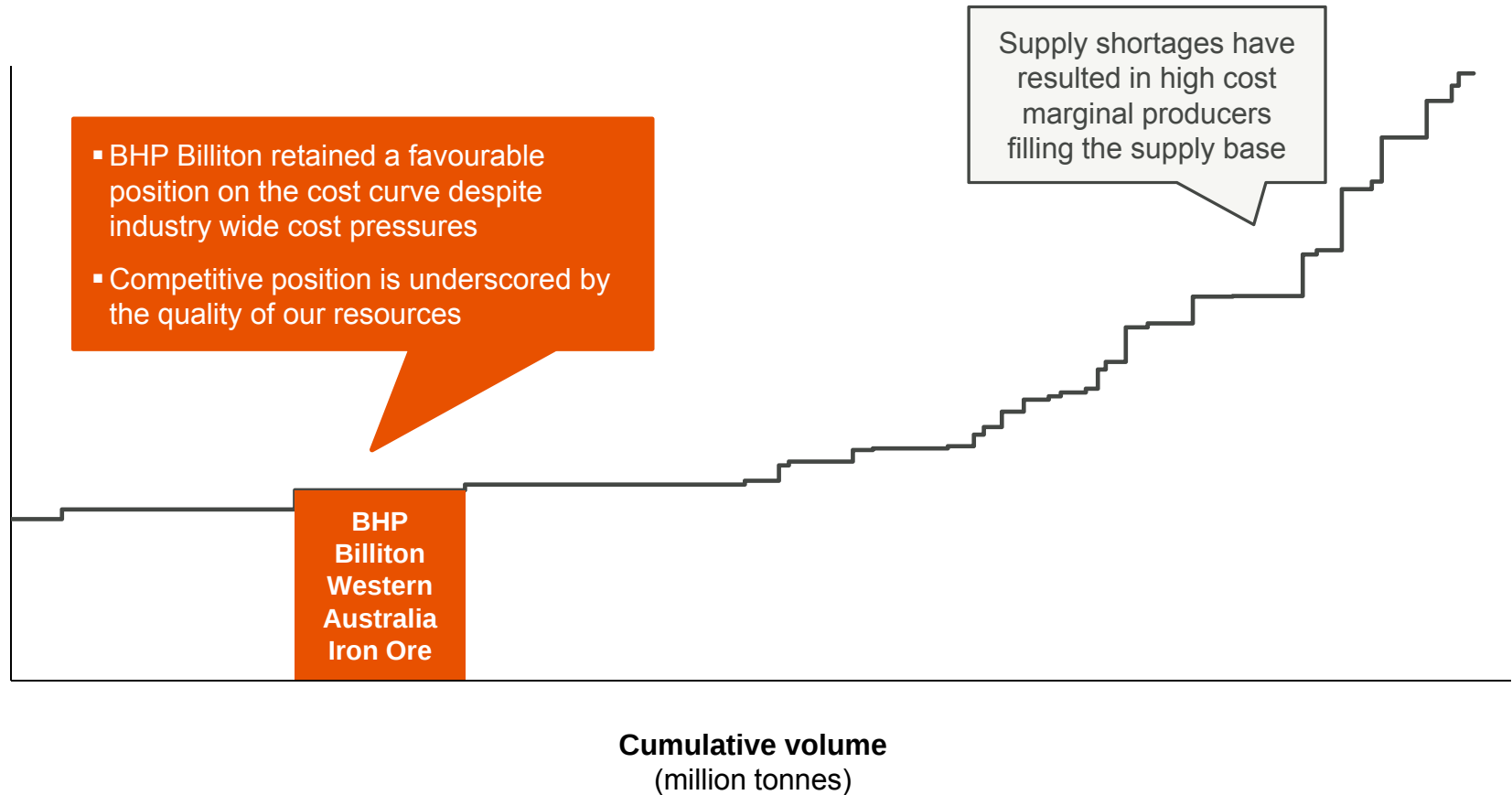
Strategic contracting

Multiple EPCMs

Workforce capability

Optimum position on the cost curve

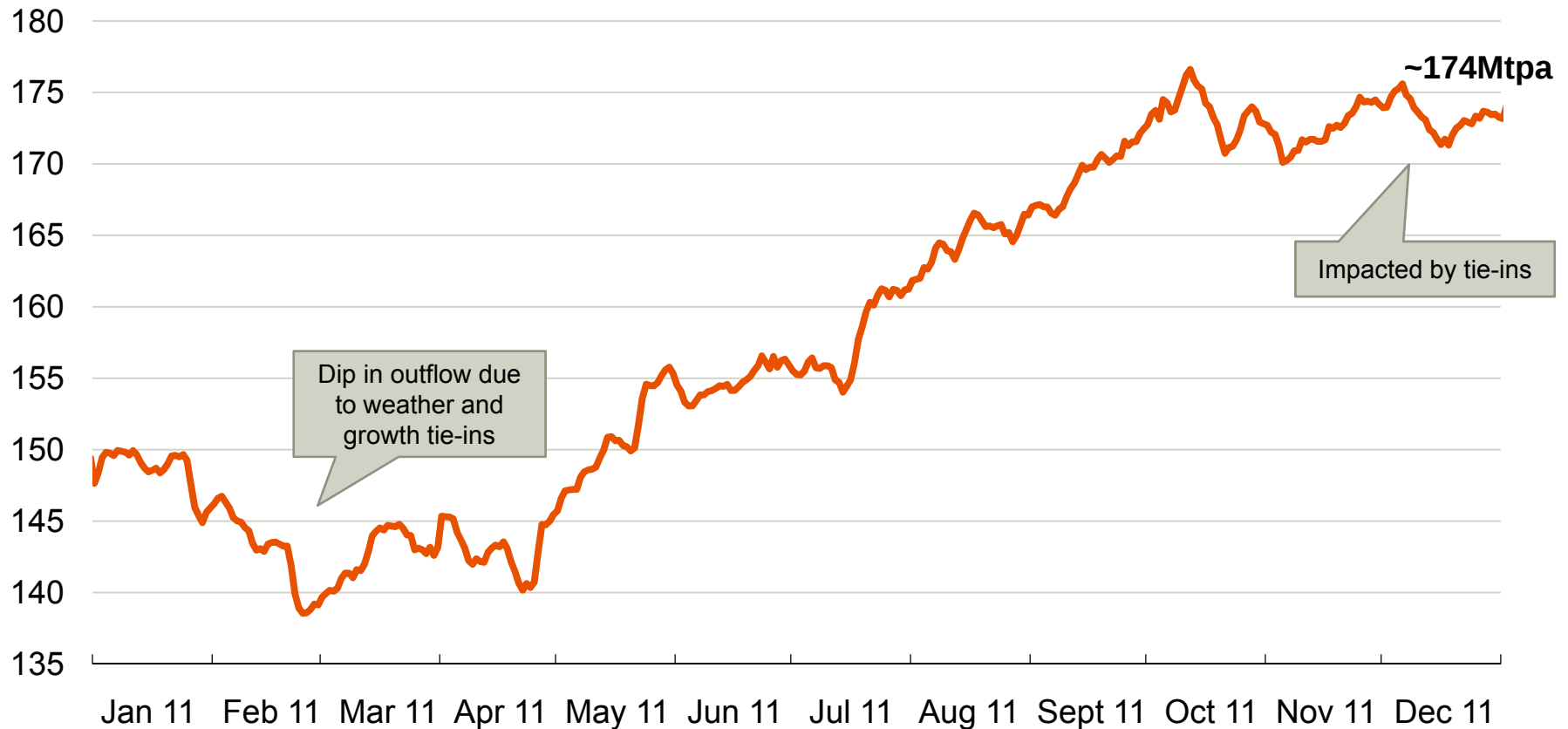
Cost curve for iron ore fines (US\$/t, CIF China equivalent basis)



Source: Macquarie Research, March 2012.

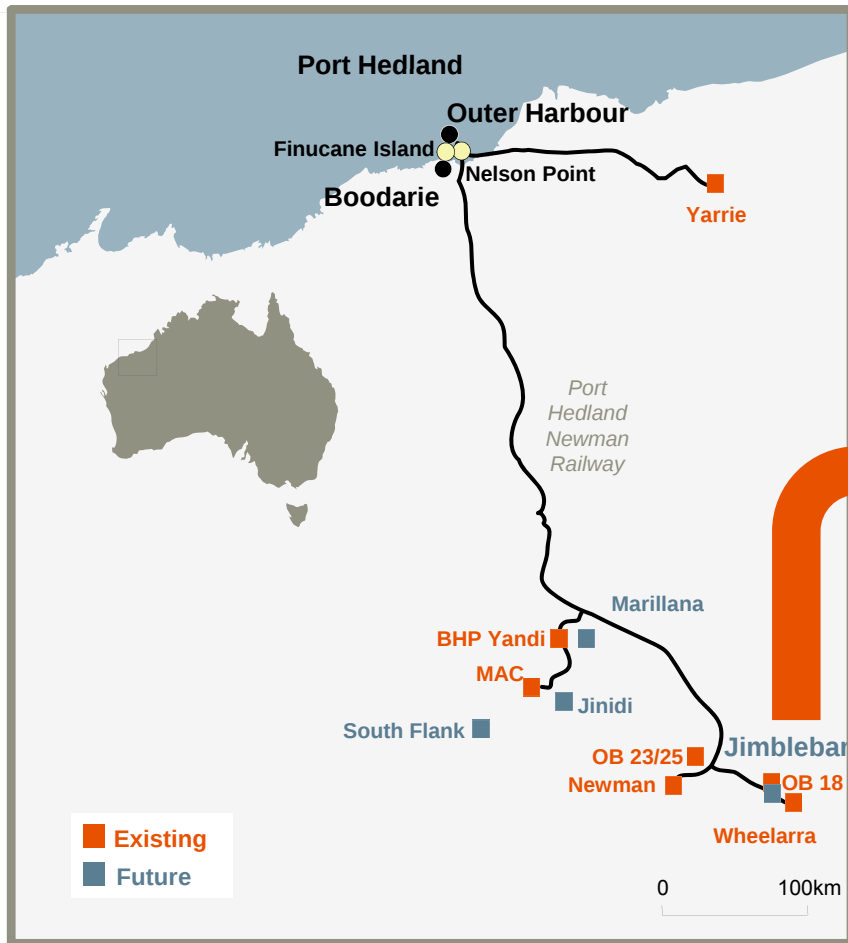
Significant acceleration of outflow tonnes over the past 12 months

Annualised port outflow tonnage
(mtpa, 90 day moving average)



Note: Data for 1 January 2011 to 31 December 2011.

Jimblebar mine expansion progressing well



New berths and shiploaders ensure allocated Inner Harbour capacity will be fully utilised



Finucane Island:
2 new Berths/Shiploaders
commissioned in 2011

Nelson Point:
2 new Berths/Shiploaders
under construction

New berths and shiploaders at Nelson Point

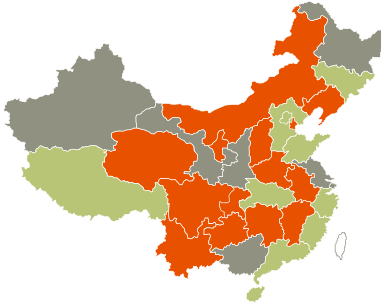


Finucane Island car dumper 5



BHP Billiton Iron Ore is well placed to deliver our growth plans

Demand



- We remain confident in the long term demand outlook
- Underpinned by China's urbanisation and industrialisation

Growth



- Growth Master Plan in place and being executed
- Pre-commitment funding recently approved

Delivery



- Confidence in delivery of our growth plans underpinned by:
 - Scale and quality of resource base
 - Project delivery capability
 - Competitive, low cost position



bhpbilliton

resourcing the future