

NEWS RELEASE



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BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012

This report covers the Group's exploration and development activities for the September 2012 quarter. Unless otherwise stated, BHP Billiton's interest in the projects referred to in this report is 100 per cent and references to project schedules are based on calendar years.

Development

BHP Billiton remains committed to its proven strategy which is to invest in large, long life, low cost, expandable, upstream assets, diversified by commodity, geography and market, throughout the economic cycle. In that regard, the Group has 19 high quality, low risk, largely brownfield projects currently in execution that are expected to deliver strong financial returns for our shareholders. The majority of these projects are scheduled to achieve first production before the end of the 2015 financial year which will support strong growth in our major, high margin businesses. With capital and exploration expenditure of US\$22.0 billion forecast for the Group in the 2013 financial year, we are fully committed and no major project approvals are anticipated over this timeframe.

In response to the more challenging external environment, during the September 2012 quarter BHP Billiton decided not to proceed with the 2.5 million tonnes per annum (100 per cent basis) expansion of Peak Downs that is associated with the Caval Ridge mine development (Australia). Importantly, the 5.5 million tonnes per annum (100 per cent basis) Caval Ridge mine remains on schedule to deliver first production in the 2014 calendar year while the valuable Peak Downs expansion option remains embedded within the portfolio.

The Bass Strait Kipper gas field (Australia) offshore production facilities were completed in the September 2012 quarter and are ready to commence production pending resolution of the mercury content. The Bass Strait Kipper project will not be reported in future Exploration and Development Reports.

BHP Billiton's Onshore US drilling and development expenditure totalled US\$1.0 billion in the September 2012 quarter. Our guidance for Onshore US drilling and development expenditure for the 2013 financial year remains unchanged at US\$4.0 billion. Over 80 per cent of this expenditure will be focused on the liquids rich Eagle Ford shale and Permian Basin.

Project and ownership	Share of approved capex (US\$m)	Initial production target date	Production capacity (100%)	Quarterly progress
Petroleum projects				
Macedon (Australia) 71.43% Operator Gas	1,050	CY13	200 million cubic feet gas per day.	On schedule and budget. The overall project is 80% complete.
Bass Strait Kipper (Australia) 32.5% - 50% Non operator Gas/Gas Liquids	900	CY12 ^(a)	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day.	The offshore production facilities are 100% complete.
Bass Strait Turrum (Australia) 50% Non operator Gas/Gas Liquids	1,350	CY13	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day.	On revised schedule and budget. The overall project is 81% complete.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% Non operator LNG	850	CY13	2,500 million cubic feet gas per day.	On budget. Steady state production remains on track for CY13. The overall project is 96% complete.
North West Shelf Greater Western Flank-A (Australia) 16.67% Non operator LNG	400	CY16	To maintain LNG plant throughput from the North West Shelf operations.	On schedule and budget. The overall project is 26% complete.
Minerals projects				
Escondida Organic Growth Project 1 (Chile) 57.5% Copper	2,207	H1 CY15	Replaces the Los Colorados concentrator with a new 152,000 tpd plant.	On schedule and budget. The overall project is 17% complete.
Escondida Oxide Leach Area Project (Chile) 57.5% Copper	414	H1 CY14	New dynamic leaching pad and mineral handling system. Maintains oxide leaching capacity.	On schedule and budget. The overall project is 20% complete.
EKATI Misery Open Pit Project (Canada) 80% Diamonds	323	CY15	Project consists of a pushback of the existing Misery open pit which was mined from 2001 to 2005.	On schedule and budget. The overall project is 30% complete.

Project and ownership	Share of approved capex (US\$m)	Initial production target date	Production capacity (100%)	Quarterly progress
WAIO Jumblebar Mine Expansion (Australia) 96% Iron Ore	3,300 ^(b)	Q1 CY14	Increases mining and processing capacity to 35 million tpa with incremental debottlenecking opportunities to 55 million tpa.	On schedule and budget. The overall project is 52% complete.
WAIO Port Hedland Inner Harbour Expansion (Australia) 85% Iron Ore	1,900 ^(b)	H2 CY12	Increases total inner harbour capacity to 220 million tpa with debottlenecking opportunities to 240 million tpa.	On schedule and budget. The overall project is 69% complete.
WAIO Port Blending and Rail Yard Facilities (Australia) 85% Iron Ore	1,400 ^(b)	H2 CY14	Optimises resource and enhances efficiency across the WAIO supply chain.	On schedule and budget. The overall project is 32% complete.
WAIO Orebody 24 (Australia) 85% Iron Ore	698	H2 CY12	Maintains iron ore production output from the Newman Joint Venture operations.	On schedule and budget. The overall project is 45% complete.
Samarco Fourth Pellet Plant (Brazil) 50% Iron Ore	1,750	H1 CY14	Increases iron ore pellet production capacity by 8.3 million tpa to 30.5 million tpa.	On schedule and budget. The overall project is 59% complete.
Daunia (Australia) 50% Metallurgical Coal	800	CY13	Greenfield mine development with capacity to produce 4.5 million tpa of export metallurgical coal.	On schedule and budget. The overall project is 68% complete.
Broadmeadow Life Extension (Australia) 50% Metallurgical Coal	450	CY13	Increases productive capacity by 0.4 million tpa and extends life of the mine by 21 years.	On schedule and budget. The overall project is 83% complete.
Hay Point Stage Three Expansion (Australia) 50% Metallurgical Coal	1,250 ^(b)	CY14	Increases port capacity from 44 million tpa to 55 million tpa and reduces storm vulnerability.	On schedule and budget. The overall project is 50% complete.
Caval Ridge (Australia) 50% Metallurgical Coal	1,870 ^(b)	CY14	Greenfield mine development to produce an initial 5.5 million tpa of export metallurgical coal ^(c) .	On schedule and budget. The overall project is 48% complete.
Appin Area 9 (Australia) 100% Metallurgical Coal	845	CY16	Maintains Illawarra Coal's production capacity with a replacement mining domain and capacity to produce 3.5 million tpa of metallurgical coal.	On schedule and budget. The overall project is 25% complete.

Project and ownership	Share of approved capex (US\$m)	Initial production target date	Production capacity (100%)	Quarterly progress
Cerrejon P40 Project (Colombia) 33.3% Energy Coal	437	CY13	Increases saleable thermal coal production by 8 million tpa to approximately 40 million tpa.	On schedule and budget. The overall project is 47% complete.
Newcastle Third Port Project Stage 3 (Australia) 35.5% Energy Coal	367	CY14	Increases total coal terminal capacity from 53 million tpa to 66 million tpa.	On schedule and budget. The overall project is 52% complete.

Minerals exploration

Greenfield minerals exploration is currently focused on advancing copper targets within Chile and Peru. Minerals exploration expenditure for the September 2012 quarter was US\$199 million, of which US\$144 million was expensed.

Petroleum exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 September 2012.

Well	Location	BHP Billiton equity	Status
Atlantis East	Gulf of Mexico DC 211	44% (BP operator)	Drilling ahead
Gunflint-3	Gulf of Mexico MC948	11.2% (Noble operator)	Temporarily abandoned Under evaluation
Ness Deep	Gulf of Mexico GC507	50% (Operator)	Drilling ahead

Petroleum exploration expenditure for the September 2012 quarter was US\$173 million, of which US\$80 million was expensed. Petroleum exploration expenditure of approximately US\$775 million is anticipated in the 2013 financial year with the majority of activity to occur in the Gulf of Mexico.

This report, together with the Production Report, represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. There have been no significant changes in the financial position of the Group in the quarter ended 30 September 2012.

- (a) The Bass Strait Kipper gas field offshore production facilities were completed in the September 2012 quarter and are ready to commence production pending resolution of the mercury content. The project to remove this mercury is being managed on a stand-alone basis.
- (b) Excludes announced pre-commitment funding.
- (c) The 2.5 million tonnes per annum (100 per cent basis) expansion of Peak Downs is no longer included in the project scope.

Further information on BHP Billiton can be found at: www.bhpbilliton.com

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