

Guidance as to market value of South32 shares for New Zealand tax reporting purposes

Important information

The following is a general guide for New Zealand resident shareholders of BHP Billiton Limited who receive South32 shares pursuant to the demerger. It does not constitute tax advice and must not be relied upon as such. All New Zealand resident shareholders should consult with their own independent taxation advisers regarding their participation in the demerger and the determination for New Zealand tax purposes of the value of the demerger dividend received by them, in light of their own particular circumstances.

New Zealand taxation implications of the demerger dividend for New Zealand resident shareholders

For New Zealand resident shareholders of BHP Billiton Limited, the receipt of South32 shares under the demerger will be a taxable dividend for New Zealand tax purposes.

For New Zealand tax purposes, the value of the taxable dividend will be equal to the market value of the South32 shares received on the date of distribution.

For New Zealand resident shareholders for whom it is necessary to determine the tax cost base in the South32 shares received (such as share traders or other revenue account holders of shares), that cost base will be equal to the amount included in their assessable income in respect of the demerger dividend.

Market value of demerger dividend for New Zealand tax purposes

In the absence of market trading in South32 shares on the day of the distribution, New Zealand resident shareholders may consider NZ\$2.41 per share, being the volume weighted average price of the South32 shares as traded on the Australian Securities Exchange over the first five trading days after 18 May 2015 of A\$2.25 per share, multiplied by the AUD-NZD Bloomberg closing wholesale rate on Friday 22 May 2015 of 1.0726 as a reasonable approximation of the market value of those shares on the distribution date.

Sale Facility

If you participate in the Sale Facility, you will be treated as immediately disposing of the South32 shares that you receive under the demerger. You will still need to include the market value of the South32 shares received in a tax return as assessable income. Your cost base in the South32 shares (if relevant to you) will be equal to the amount included in your assessable income in respect

of the demerger dividend. Therefore, if you are a shareholder that is subject to income tax on gains arising on the sale or disposal of shares (for example if you are a share trader or other revenue account holder of shares), you will make a taxable gain or deductible loss equal to the difference between the sales proceeds realised under the Sale Facility and your cost base in the South32 shares sold.

You should consult your independent tax advisor to confirm the specific taxation implications of participating in the Sale Facility, in light of your particular circumstances.