

NEWS RELEASE

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BHP BILLITON QUARTERLY REPORT ON EXPLORATION AND DEVELOPMENT ACTIVITIES QUARTER ENDED 30 SEPTEMBER 2008

This report covers the Group's exploration and development activities for the quarter ended 30 September 2008. 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 to the financial position of the Group in the quarter ended 30 September 2008. 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

First production was successfully achieved during the quarter at Neptune and North West Shelf Train 5 (both petroleum). In addition, North West Shelf Angel (petroleum) delivered first production on 3 October 2008. These projects will not be reported in future Exploration and Development Reports.

During the quarter, we sanctioned two gas projects - Bass Strait Turrum and Angostura Gas Phase II. Atlantis North is now also detailed in the report.

PROJECT AND OWNERSHIP	SHARE OF APPROVED CAPEX US\$M	INITIAL PRODUCTION TARGET DATE	PRODUCTION CAPACITY (100%)	QUARTERLY PROGRESS
Petroleum Projects				
Neptune (US) 35% Oil/Gas	405	Mid CY08	50,000 barrels of oil and 50 million cubic feet gas per day	First production announced, see News Release dated 6 July 2008.
North West Shelf Train 5 (Australia) 16.67% LNG	350	Late CY08	LNG processing capacity of 4.4 million tpa	Start-up achieved ahead of schedule and on budget. See News Release dated 1 September 2008.
North West Shelf Angel (Australia) 16.67% Oil/Gas	200	End CY08	800 million cubic feet gas per day and 50,000 bpd condensate	Start-up achieved ahead of schedule and on budget. See News Release dated 3 October 2008.

PROJECT AND OWNERSHIP	SHARE OF APPROVED CAPEX US\$M	INITIAL PRODUCTION TARGET DATE	PRODUCTION CAPACITY (100%)	QUARTERLY PROGRESS
Petroleum Projects				
Shenzi (US) 44% Oil/Gas	1,940	Mid CY09	100,000 barrels of oil and 50 million cubic feet gas per day	Ahead of schedule and on budget. Subsea hook-up of wells and commissioning of topsides commenced. Two of five wells complete, with the third and fourth wells nearing completion.
Atlantis North (US) 44% Oil/Gas	185	H2 CY09	Tieback to Atlantis South	On schedule and budget. Flowlines installed and manifold fabrication continuing.
Pyrenees (Australia) 71.43% Oil/Gas	1,200	H1 CY10	96,000 barrels of oil and 60 million cubic feet gas per day	On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues.
Angostura Gas Phase II (Trinidad and Tobago) 45% Gas	180	H1 CY11	280 million cubic feet gas per day	On schedule and budget. The project was sanctioned during the quarter. See News Release dated 16 September 2008.
Bass Strait Kipper (Australia) 32.5% - 50% Gas/Gas Liquids	500	CY11	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day	On schedule and budget. Line pipe delivered, with engineering and procurement progressing.
Bass Strait Turrum (Australia) 50% Gas/Gas Liquids	625	CY11	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day	On schedule and budget. The project was sanctioned during the quarter. See News Release dated 25 July 2008.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% LNG	850	CY12	2,500 million cubic feet gas per day	On schedule and budget. Detailed engineering and procurement progressing.

PROJECT AND OWNERSHIP	SHARE OF APPROVED CAPEX US\$M	INITIAL PRODUCTION TARGET DATE	PRODUCTION CAPACITY (100%)	QUARTERLY PROGRESS
Minerals Projects				
Alumar – Refinery Expansion (Brazil) 36% Alumina	900	Q2 CY09	2 million tpa of alumina	On schedule with revised budget. Budget revised due to foreign exchange and other industry cost pressures which are in line with other major projects in Brazil. Engineering is complete and procurement well advanced. Construction is 70% complete with the project overall 85% complete.
Worsley Efficiency & Growth (Australia) 86% Alumina	1,900	H1 CY11	1.1 million tpa of alumina	On schedule and budget. Major contracts for precipitation, structural, mechanical and piping awarded. Site works commenced.
Iron Ore (Western Australia) RGP4 86.2% Iron Ore	1,850	H1 CY10	26 million tpa additional iron ore system capacity	On schedule and on budget in local currency. Engineering is now over 90% complete and construction is 48% complete.
Gemco (Australia) 60% Manganese	110	H1 CY09	1 million tpa of additional manganese concentrate	On schedule and budget in local currency. Project civil construction is underway and procurement activities progressing well. Project is 65% complete.
Klipspruit (South Africa) 100% Energy Coal	450	H2 CY09	Incremental 1.8 million tpa export thermal coal Incremental 2.1 million tpa domestic thermal coal	On schedule and budget. Engineering significantly advanced with civil and plant erection works progressing well. Project is over 50% complete.
Douglas-Middelburg Optimisation (South Africa) 100% Energy Coal	975	Mid CY10	10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output)	On schedule and budget. Earthworks and civil engineering are well advanced and steel fabrication is progressing as scheduled. All long lead time items ordered.
Newcastle Third Port Project (Australia) 35.5% Energy Coal	390	CY10	Export coal loading facility 30 million tpa	On schedule and budget. Project is over 20% complete.

MINERALS EXPLORATION

BHP Billiton remains committed to invest in our future through the pursuit of global exploration opportunities for key commodities of interest utilising both in-house capabilities and partnerships.

Grassroots exploration continued on copper targets in Australia, Chile, Argentina and the Democratic Republic of Congo (DRC); on nickel targets in Australia, Russia, Colombia and Africa and on diamond targets in the DRC and Canada. Exploration for iron ore, coal, bauxite and manganese was undertaken in a number of regions including Australia, South America, Russia and West Africa.

For the quarter ended 30 September 2008, BHP Billiton spent US\$166 million on minerals exploration, of which US\$146 million was expensed.

PETROLEUM EXPLORATION

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 September 2008.

WELL	LOCATION	BHP BILLITON EQUITY	STATUS
Calliance-3	Browse Basin Western Australia WA-28-R	20% BHP Billiton (Woodside operator)	Hydrocarbons encountered. Well suspended.
Lambert-8	Dampier Sub-Basin Western Australia WA-16-L	16.67% BHP Billiton (Woodside operator)	Drilling ahead.
Shenzi-8 ¹	Green Canyon Gulf of Mexico GC610	44% BHP Billiton operator	Drilling ahead.

Petroleum exploration expenditure for the quarter ended 30 September 2008 was US\$148 million, of which US\$107 million was expensed.

¹ *Shenzi-8 is the replacement well for Shenzi-7, which was plugged and abandoned after encountering mechanical difficulties in the top-hole section.*

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

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