

BHP Billiton Iron Ore – Western Australia

Mining Operations



Phil Price – Vice President Integrated Planning

Iron Ore

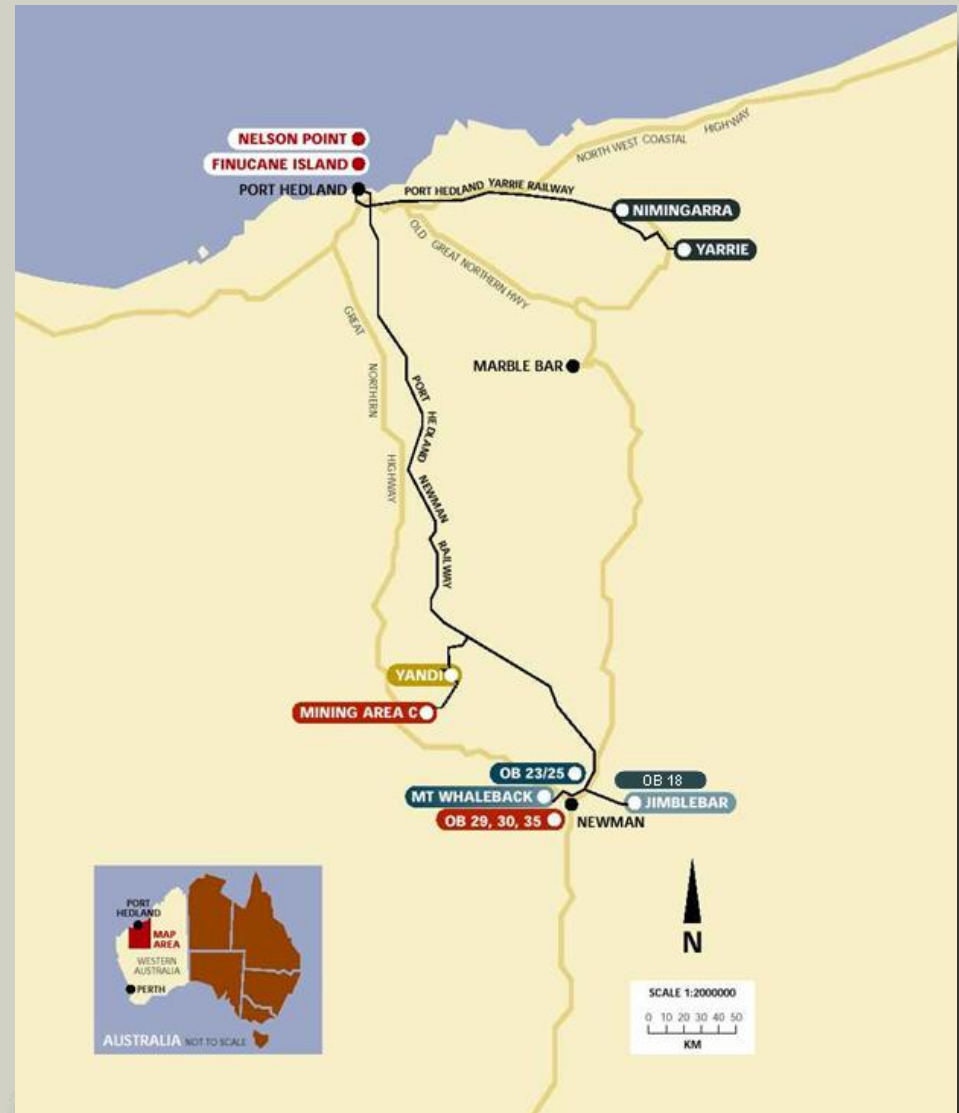


Visitors Safety Induction – Office Area

- 1. In an emergency - a siren will sound**
- 2. Stay with your escort at all times**
- 3. Evacuate building through main entrance**
- 4. Muster point is in car park adjacent to front door**
- 5. We have a no-smoking policy inside buildings**

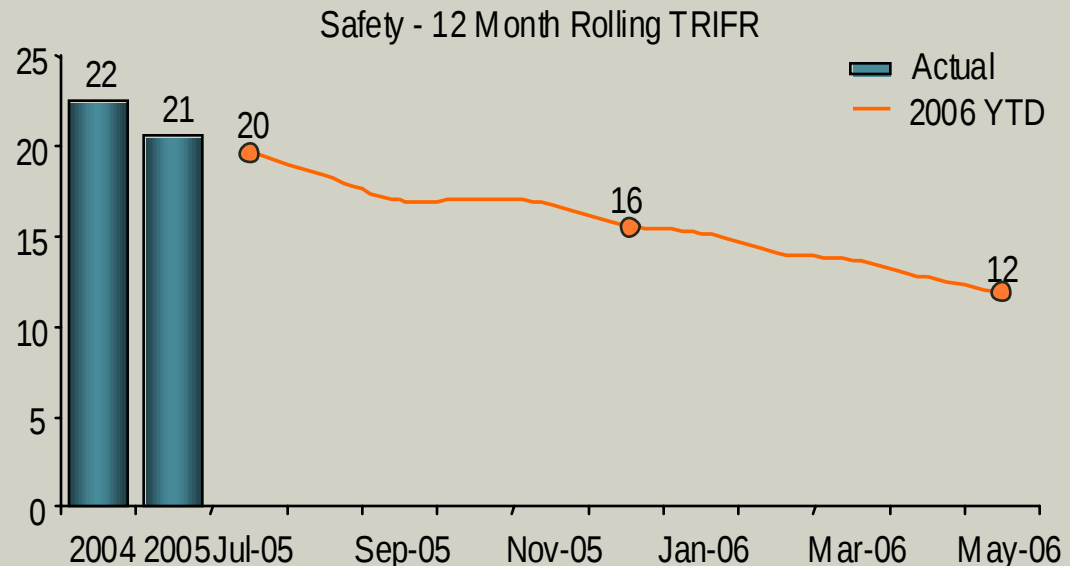
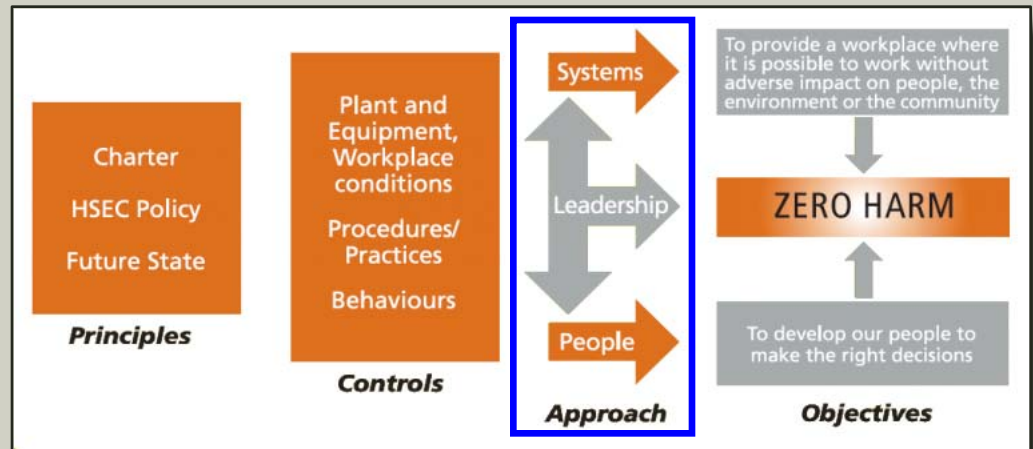
Summary

- 7 mines producing approx 106 Mtpa;
- 6 mines contract operated: BHP Billiton WAIO performs mine planning and scheduling - Contractor provides statutory role of Registered Manager;
- Total productive movement ~ 300 Mtpa;
- 2800 mining employees (inc. 1700 full time contractors);
- Integrated system: mine/rail/port.

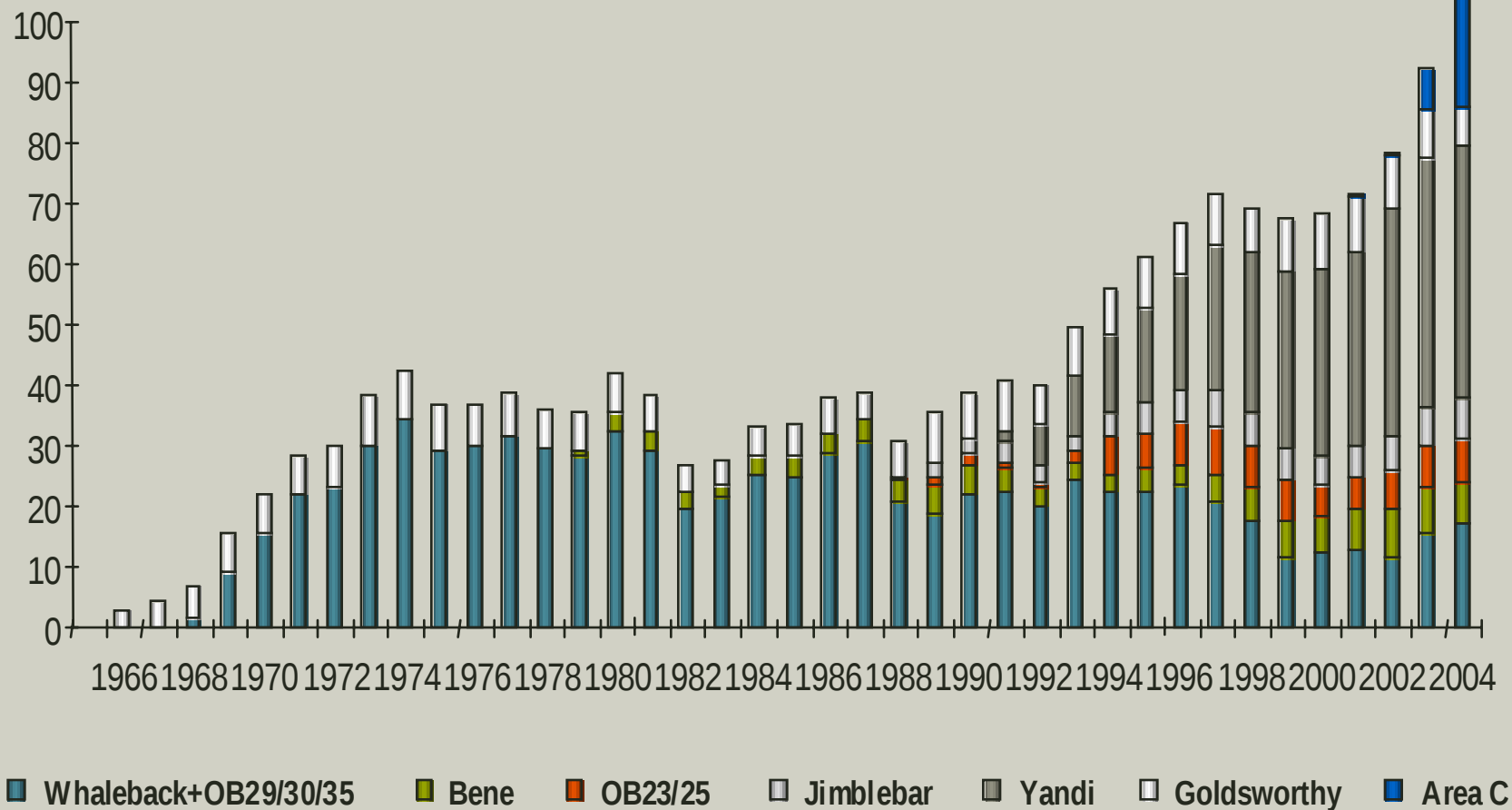


Continuous Improvement in Safety Performance

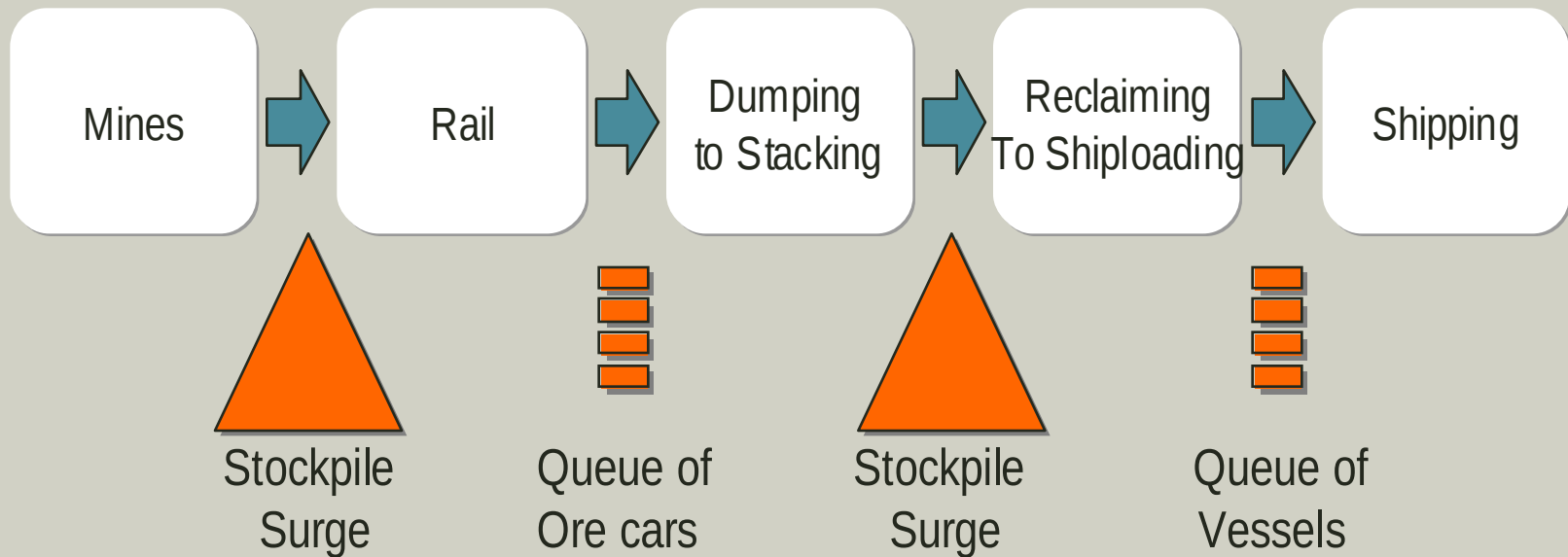
- Continued development of One Business approach to HSEC systems and processes.
- Focus areas:
 - Leadership
 - Behavioural based systems
- Programs & actions:
 - Take 5/JHA's
 - Stop for safety
 - Risk assessments
 - Fit for work/life (fatigue management)
 - 15 HSEC Standards
- 40% reduction in TRIFR during FY06 – **last quarter was a record low of 7.9.**



Production History since 1966 - Million Wet Tonnes OFR



Total Integrated System Approach

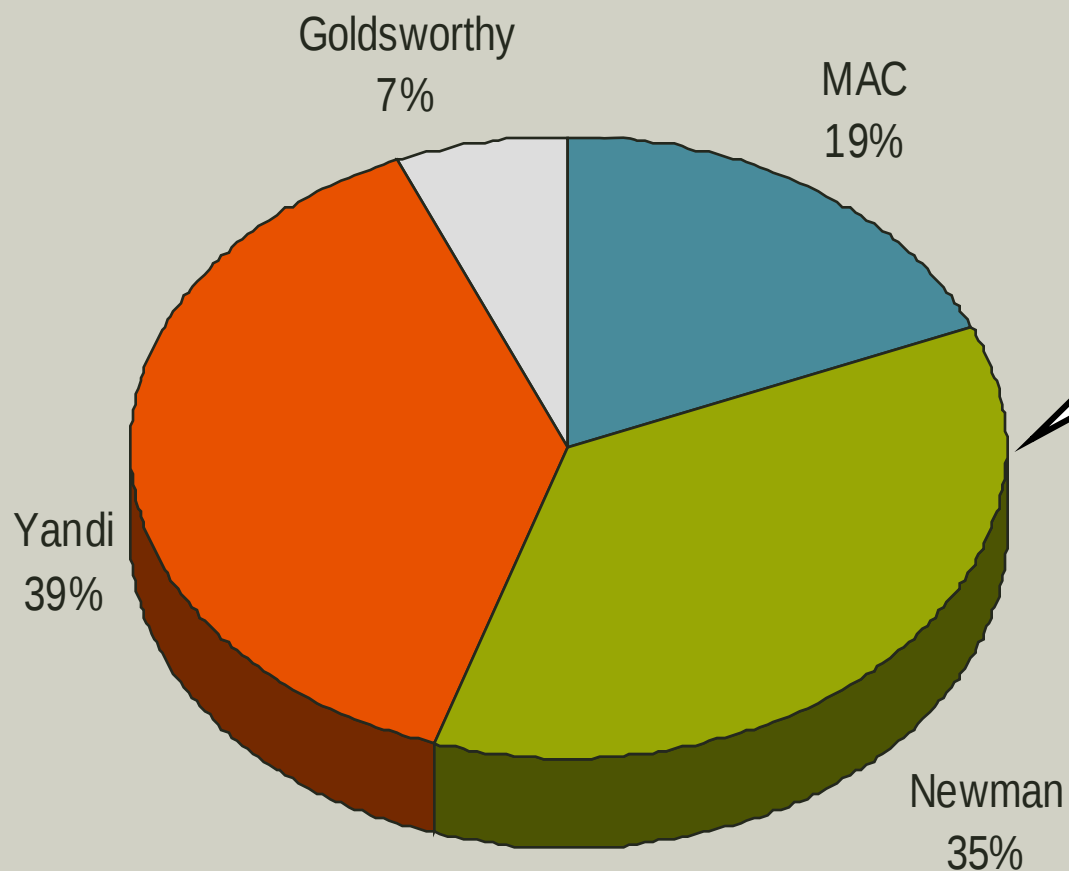


Dynamic simulation modelling is necessary to understand, optimise and improve our integrated process

Models developed and enhanced over a period of about 14 years

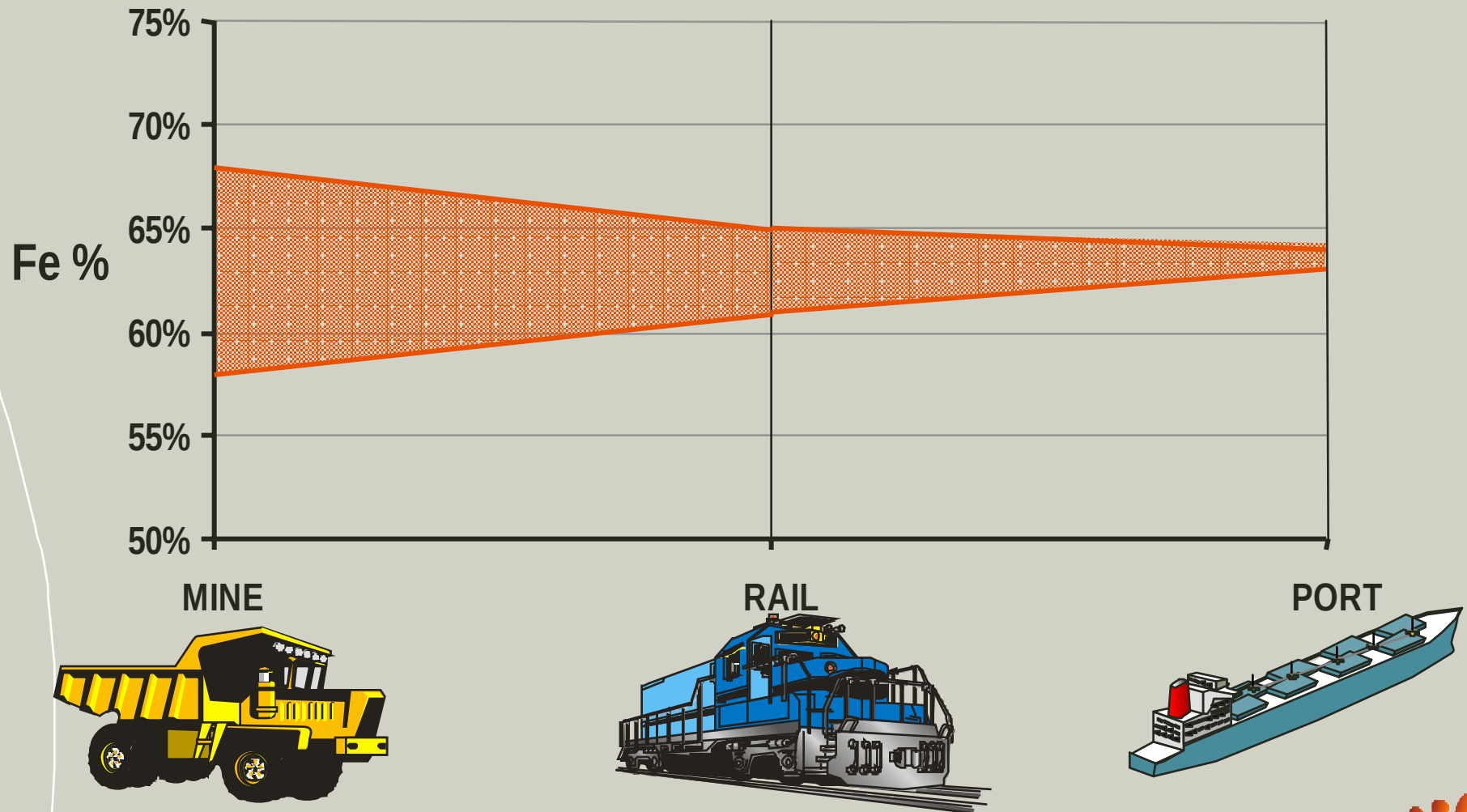
BHP Billiton WA Iron Ore Production Distribution

YEJ 2005 Sales Total = 104Mt (100% basis, wet metric tonnes)

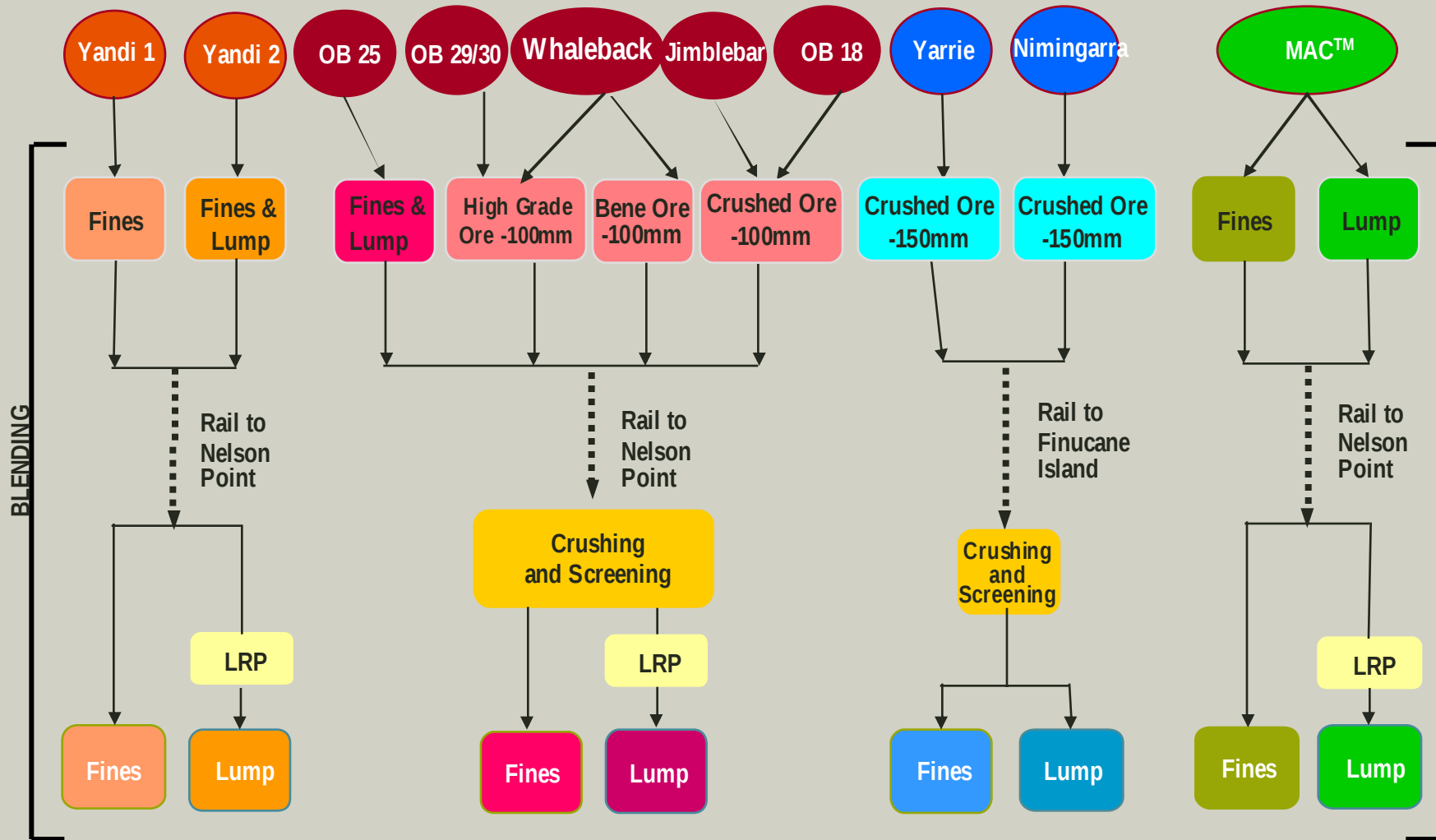


Dwt %	Fines	Lump
Fe	64.0	65.4
Silica	3.7	3.0
Alumina	1.95	1.3
Phos	0.070	0.057
LOI	2.4	1.9

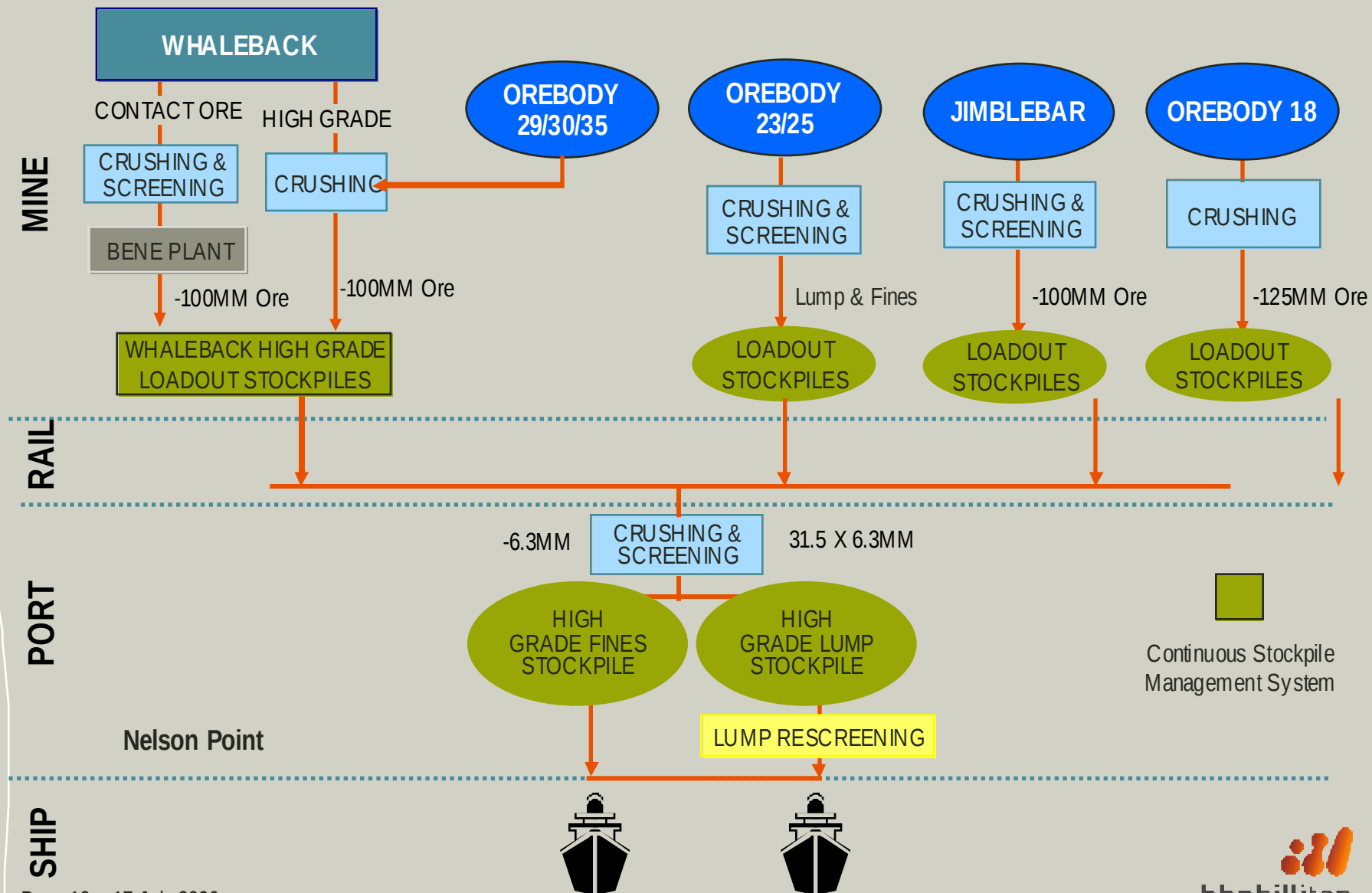
Integrated Production Process – Creating the Perfect Blend



8 High Quality Products From Numerous Ore Sources

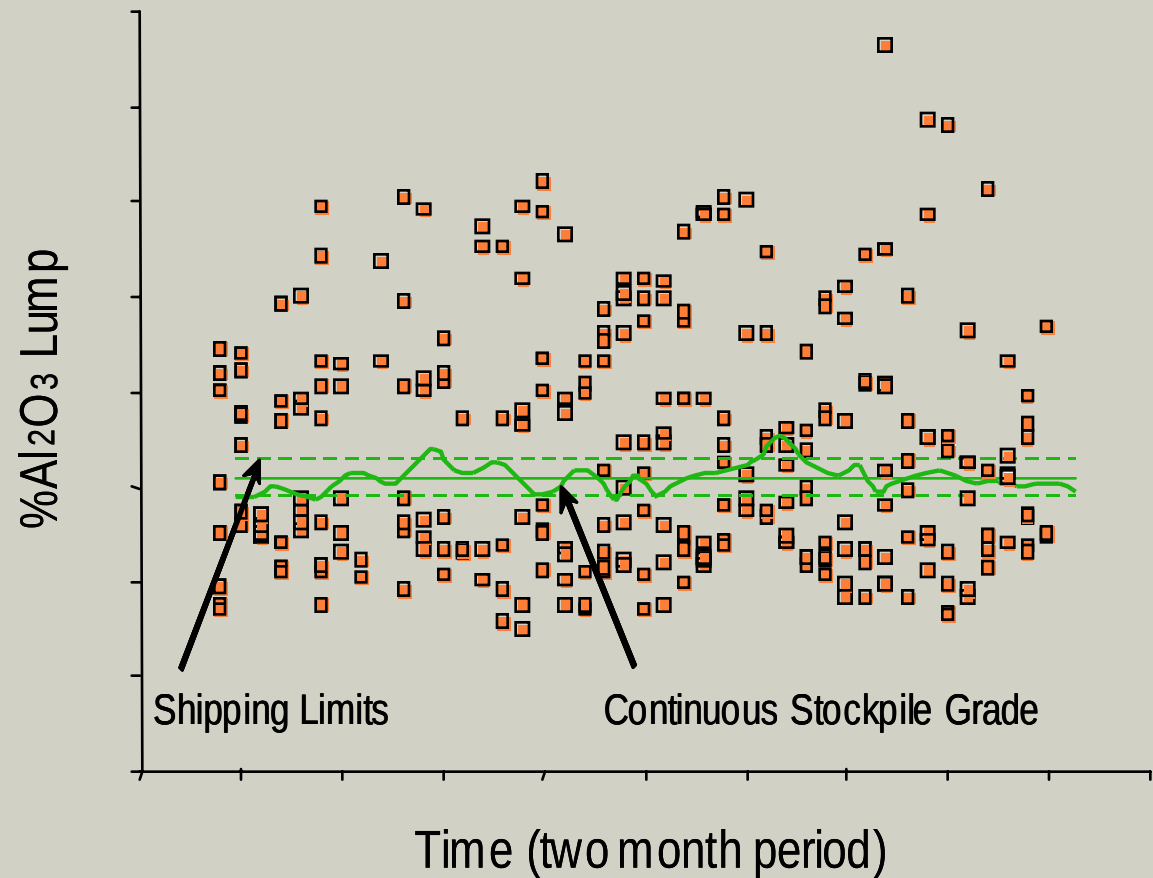


Newman Joint Venture Process Flow



Continuous Stockpile Management System

- Diverse ore grades at mines
- Computerised decision support system
- Intelligent sequencing of trains from mines
- On-grade lump & fines stockpiles at port



Long Term Approach to Quality Control

- Quality control starts up to 25 years before mining
- BHP Billiton has consistently met customers' quality expectations – through 40 years of experience and leading edge mining practices
- Blending starts at the mine planning stage and includes ore types and their physical and chemical properties.

Work Completed	Up to 25 years	Up to 10 years	Up to 5 years
Exploration	✓		
Infill Drilling		✓	✓
Winzing		✓	
Orebody Modelling		✓	✓
Mine Planning		✓	✓
Customer Samples		✓	✓
Iron Making Testwork		✓	✓
Quality Control Systems			✓

Growth Projects

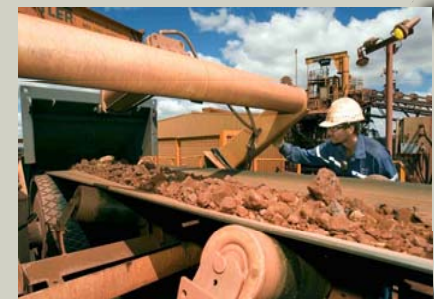
- **RGP2:** Completion expected mid 2006
 - OB18 & OB25
 - Port & Rail
- **RGP3:** Approved October 2005
 - Area C
 - Port & Rail
- **RGP4 & Beyond** Feasibility Study expected to be complete in 2007. Evaluating a range of further options for expansion beyond 152m tpa



Iron Ore - Crucial to the Nation and the State

- The Petroleum and Minerals sectors are worth around A\$40 billion to Western Australia;
- With a value of more than A\$11 billion, Iron Ore is the largest individual sector, recently taking over from crude oil and condensate;
- BHP Billiton Iron Ore is a significant contributor to Australia and WA:

	<u>A\$ million*</u>
– Federal Business Tax	451
– State Royalties & Taxes	136
– Local Rate Payments	2.3
– Payments to Local Contractors	658
– Community Contributions	3.7
– TOTAL	1,215



Developing Partnerships to Enhance Newman

- Expect to invest more than A\$100 million in the Pilbara over next decade – based on internationally recognised social research
- Service Delivery:
 - Developed MOUs with WA Government to address service issues (>A\$12 million)
- Local Infrastructure:
 - Newman Community Planning Process – Look to 2020
 - A\$3 million to improve local infrastructure, ie: playgrounds, parks, footpaths, etc.
- Alternative Economic Development & Capacity Building:
 - Indigenous arts skills program – developing retail businesses and export opportunities
 - Upgraded Newman Visitor's Centre





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