



Petroleum Briefing

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Monday 24 May 2010



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BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude any exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement, available at our website www.bhpbilliton.com.

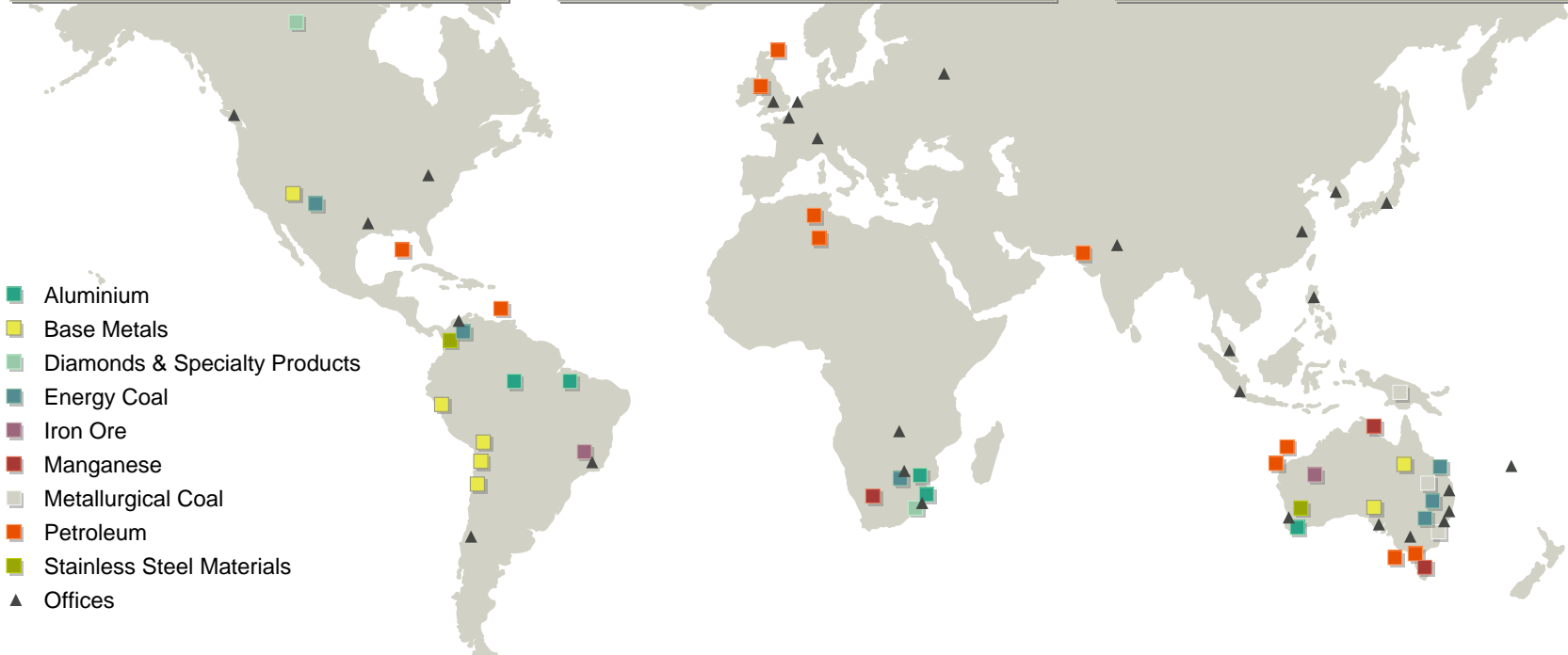
- BHP Billiton & Petroleum overview
- Petroleum performance
- Near term outlook
- Longer term opportunities
 - Exploration program
 - Pre-development / ongoing projects
 - Undeveloped gas resources

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BHP Billiton Corporation

A global upstream portfolio

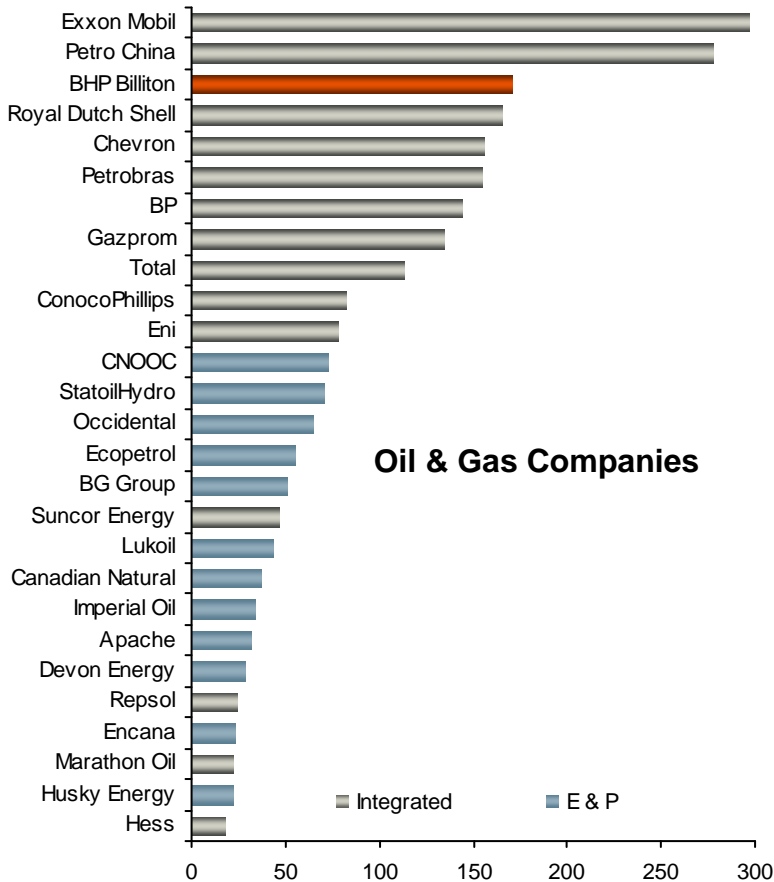
<p>Petroleum A 450kbd oil and gas exploration and production business</p>	<p>Aluminium #4 global producer of bauxite and #4 aluminium company based on net third party sales</p>	<p>Base Metals #3 global producer of copper, silver and lead</p>
<p>Diamonds & Specialty Products EKATI Diamond Mine is one of the world's largest gem quality diamond producers</p>	<p>Stainless Steel Materials #3 global nickel producer</p>	<p>Iron Ore One of the world's premier suppliers of iron ore</p>
<p>Manganese Operations produce a combination of ores, alloys and metal</p>	<p>Metallurgical Coal Produce and market high quality hard coking coals for the international steel industry</p>	<p>Energy Coal One of the world's largest producers and marketers of export thermal coal</p>



Note: Ranking based on production volumes. Location of markers indicative only.

The power and reach of a super-major behind BHP Billiton Petroleum

Market Capitalisation (US\$bn, 17 May 2010)

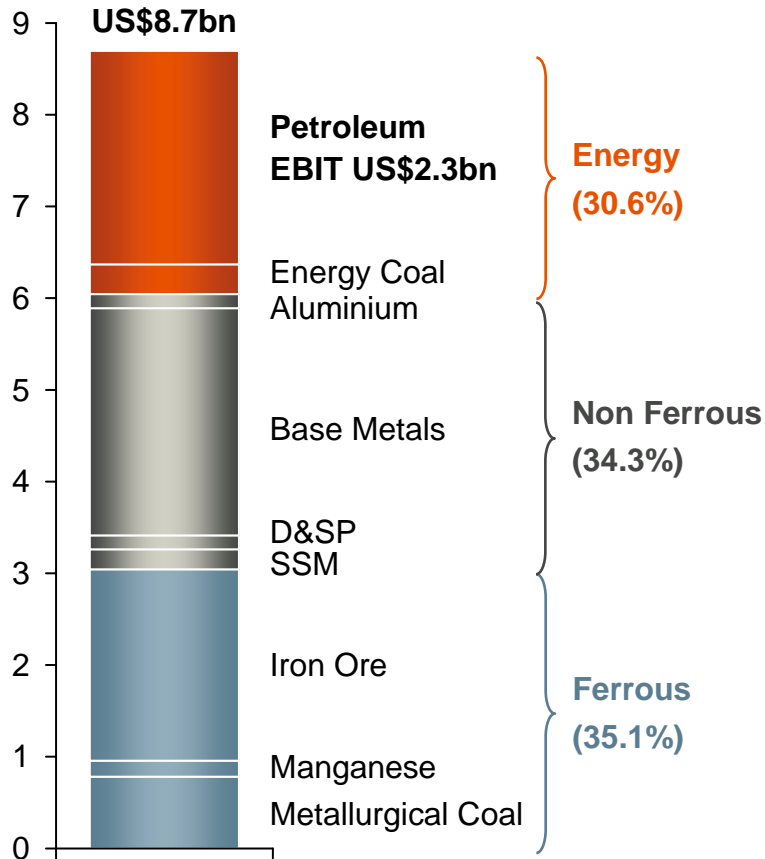


- BHP Billiton has the balance sheet to undertake large and complex projects
 - Diversified portfolio balances risk and provides flexibility
 - Long term view with continued investment through the cycles
- Petroleum has significant capability as a part of the BHP Billiton Group

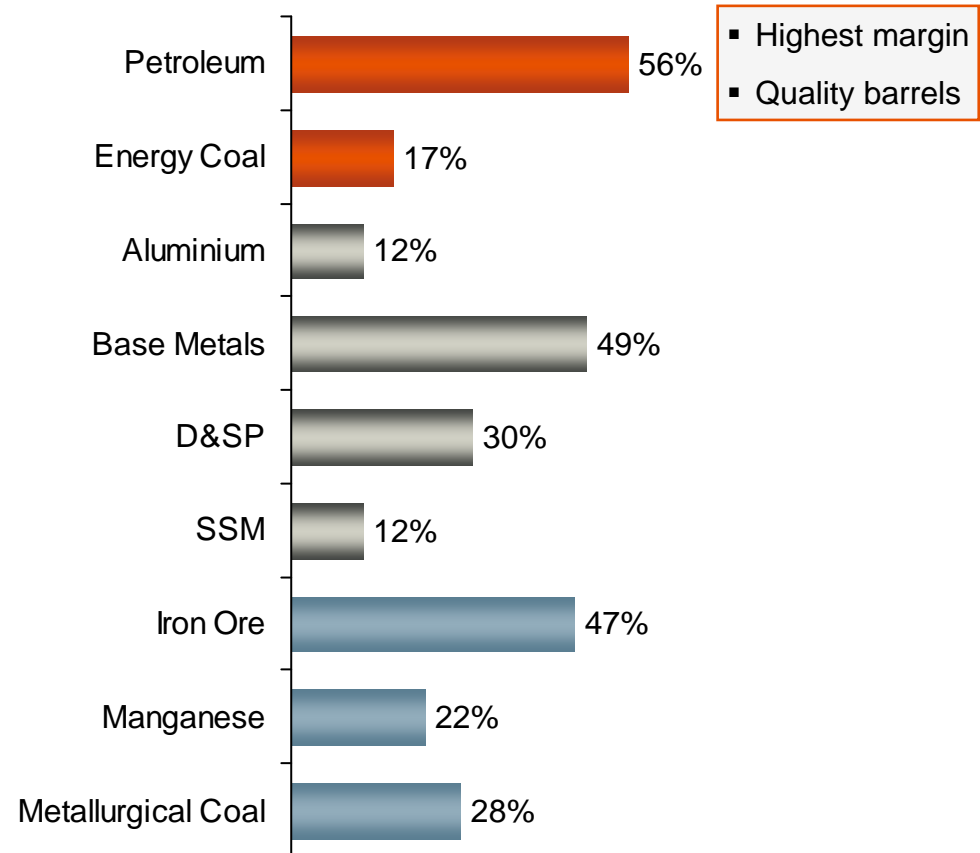
Source: Bloomberg.

Petroleum is a significant contributor to the BHP Billiton Group

Underlying EBIT (1H2010, US\$bn)



Underlying EBIT margin^(a) (1H2010, %)



(a) EBIT margin excludes third party trading.

Core Strategy

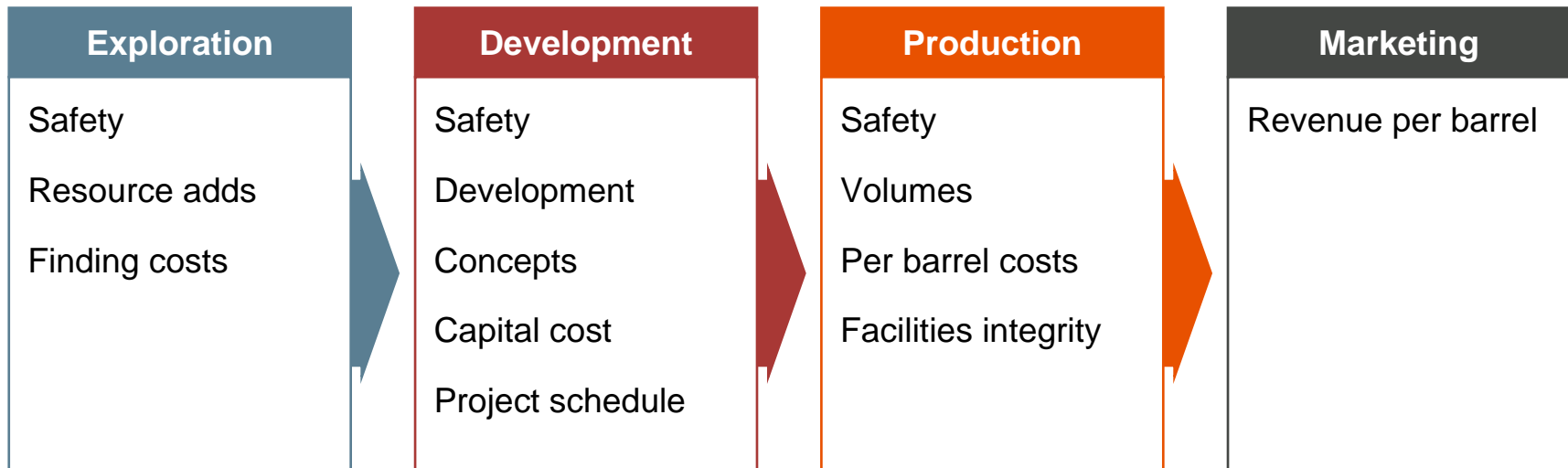
- Be functionally strong where we compete
- Fundamentals focus – safety, volume, cost
- Take large, operated positions with multiple long life options
- Explore over weighted to proven basins
- Pursue commercial opportunities that fit and add to corporate diversification

Large Positions



Very simple organisational model

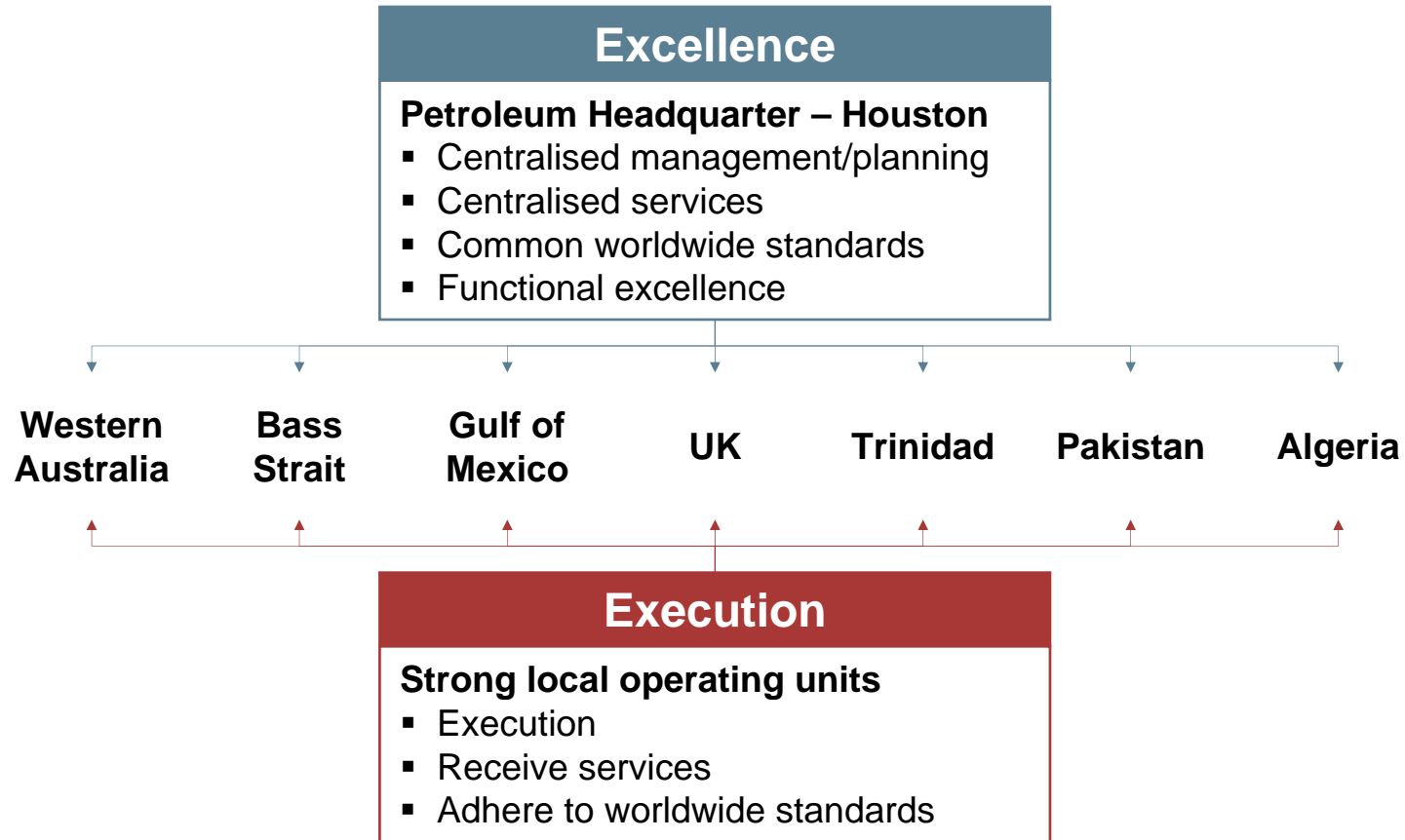
Global functional organisation



Global Support Functions

(HSEC, Planning, Human Resources, Finance, Legal, External Affairs and Information Technology)

Two organisational principles



	mboed	Employees	Employees/mboed
2007	310	1,350	4.3
2010	450+	1,566	3.4

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Outstanding performance metrics across the board

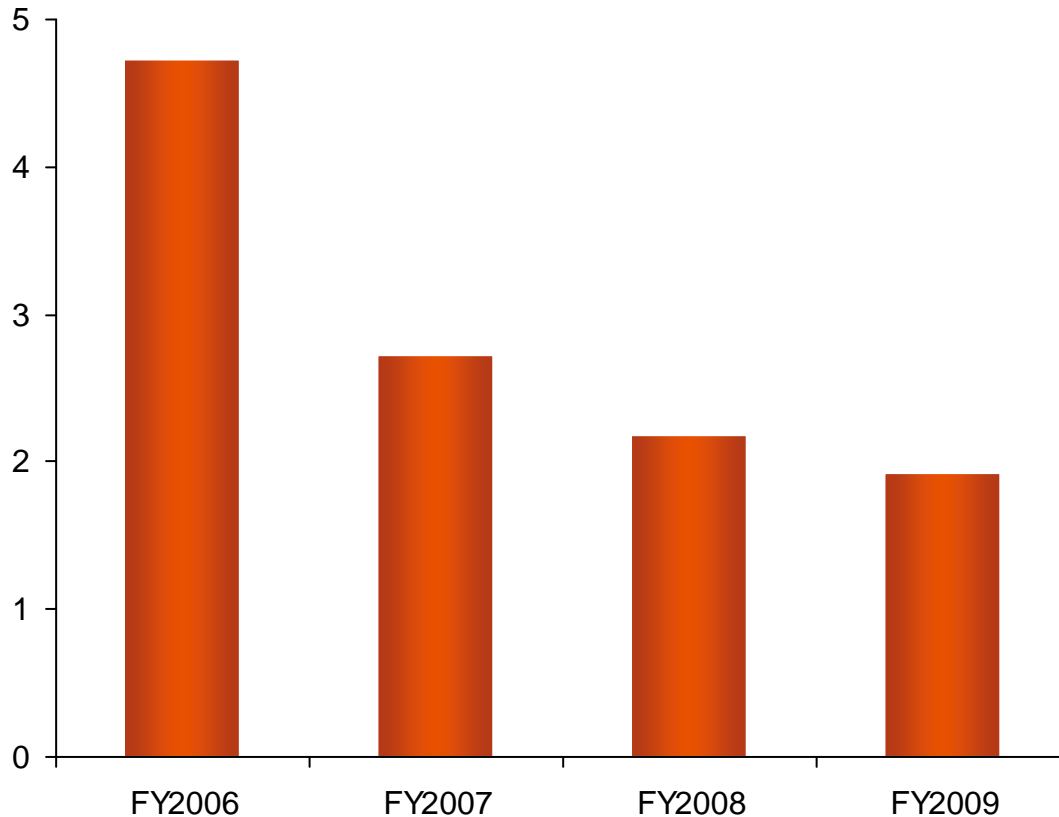
Three years of annual gains...

- Excellent safety performance
- 10% CAGR volume growth since FY2007
 - excellent fiscal terms
 - primarily liquids
- 100% reserves replacement FY2007-FY2009
- Low operating cost/boe
- Low depreciation per barrel for international independent oil and gas
- High quality barrels for top EBIT/boe margin
- Delivering highest EBIT return on capital employed among peers

Safety

Continuous improvement

Total Recordable Incident Frequency Rate (TRIFR) (Incidents per million hours worked)

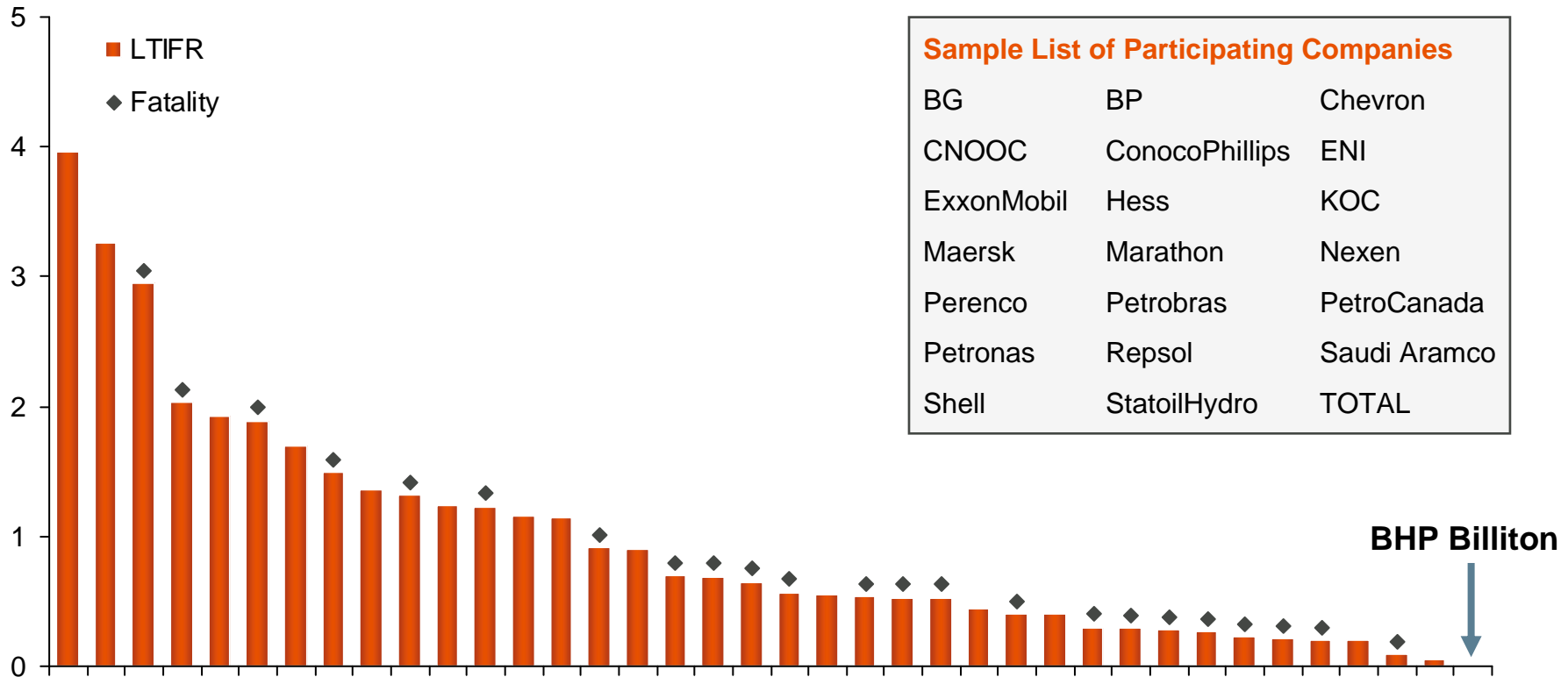


- FY2009 best ever safety performance for Petroleum
- 1.9 Total Recordable Incident Rate
- Zero Lost Time Incidents
- Zero fatalities
- Part of functional excellence approach

Safety

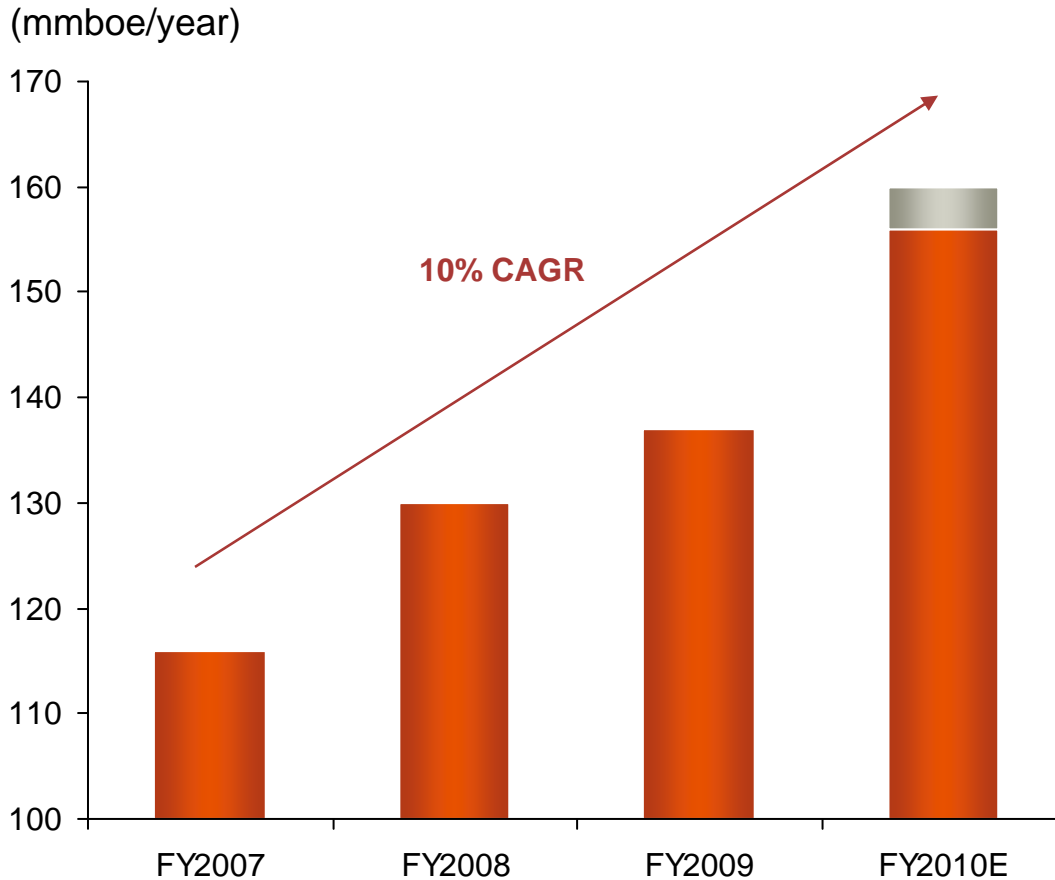
Lost Time Injury performance

BHP Billiton Lost Time Injury Frequency Rate (LTIFR)^(a)
(Injuries per million hours worked)



(a) From OGP Independent Study 2008. Results for 2009 study not available yet.

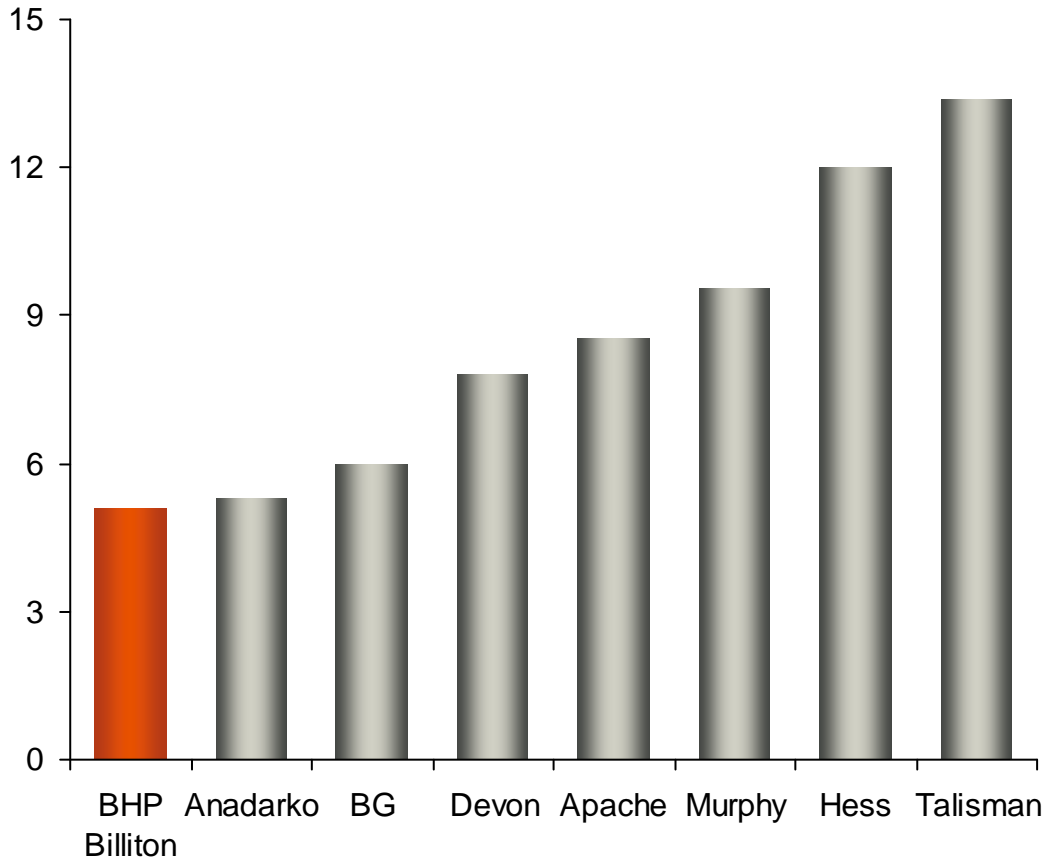
Volume history



- Expect strong FY2010 Q4 for another year of meeting our 10% growth target
- 3 strong long life areas
- Investing in similar opportunities

Operating cost

3 year average operating cost per boe, FY2007–FY2009 (US\$/boe)

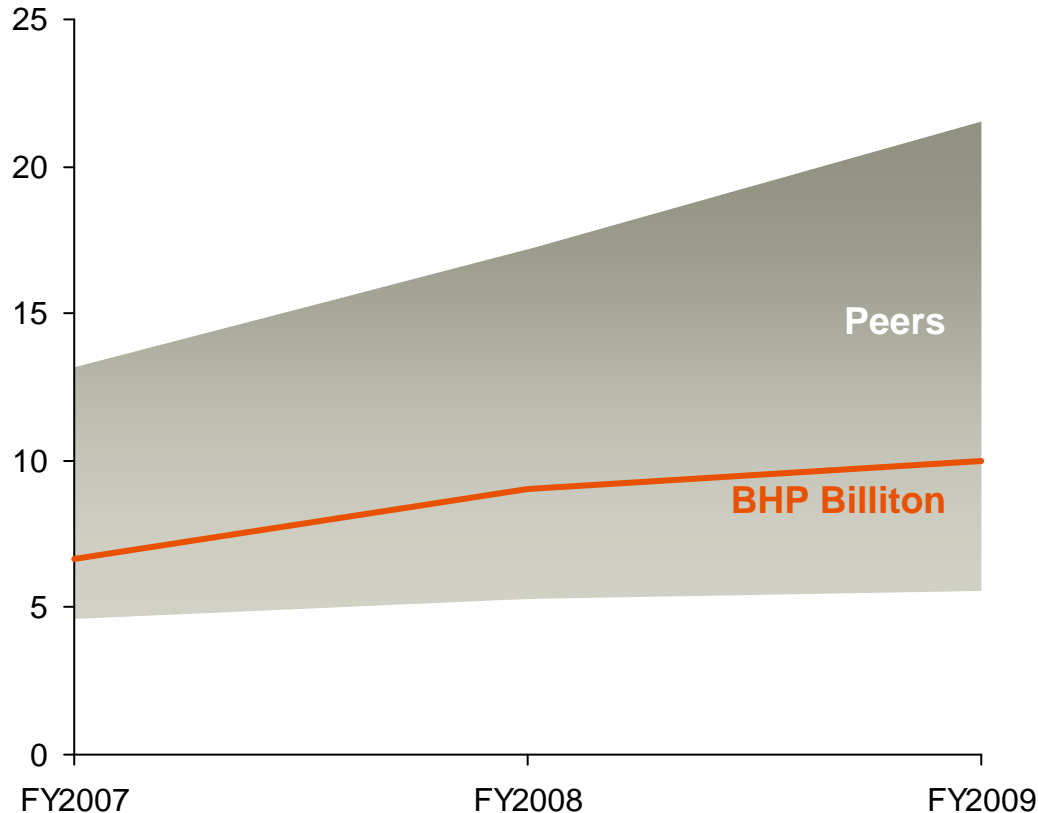


- Controlling cost in a difficult environment
- Delivering lower cost than any other peer with a diversified portfolio
- Significant focus on fundamentals
 - Equipment reliability / uptime
 - Maintenance / shutdowns
 - Aviation and marine logistics
 - Product transportation

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Depreciation

Depreciation per boe vs Peer Group (US\$/boe)

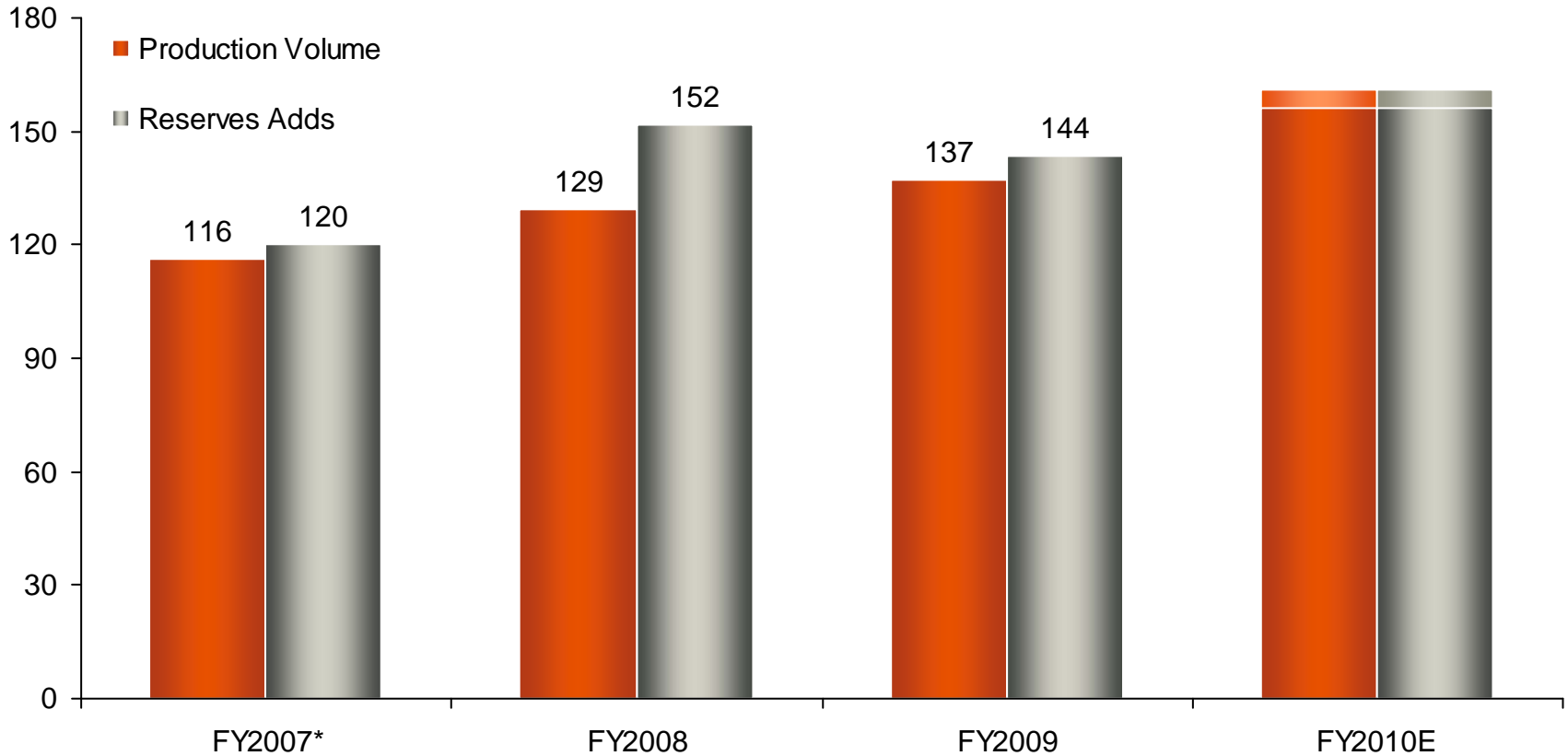


- BHP Billiton has competitive depreciation per boe despite recent higher cost developments
- Depreciation per boe remains below US\$12.50 into FY2010

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Reserve replacement

(net mmboe)

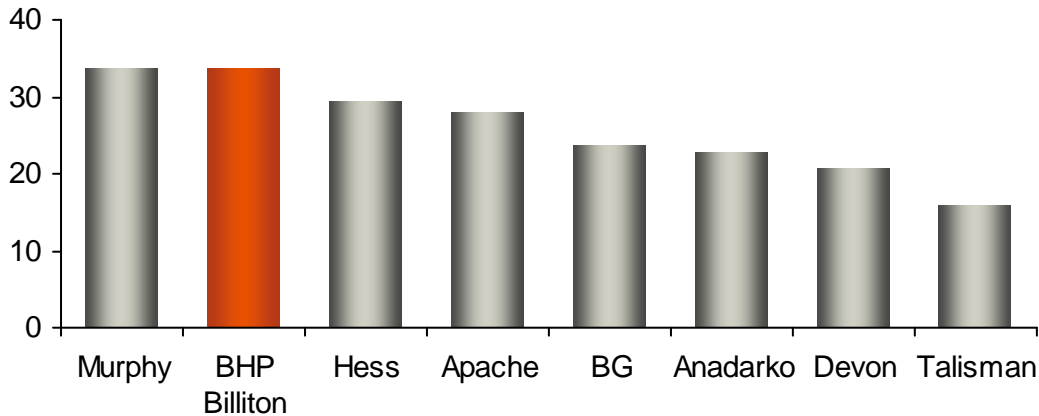


* Excludes asset sales.

EBIT margin

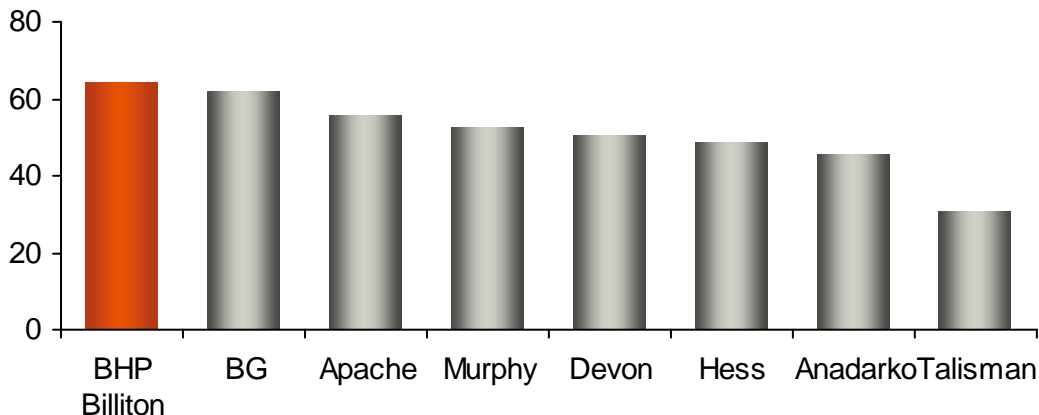
3 year average EBIT per boe, FY2007–FY2009

(US\$/boe)



3 year average EBIT margin, FY2007–FY2009

(% of revenue)

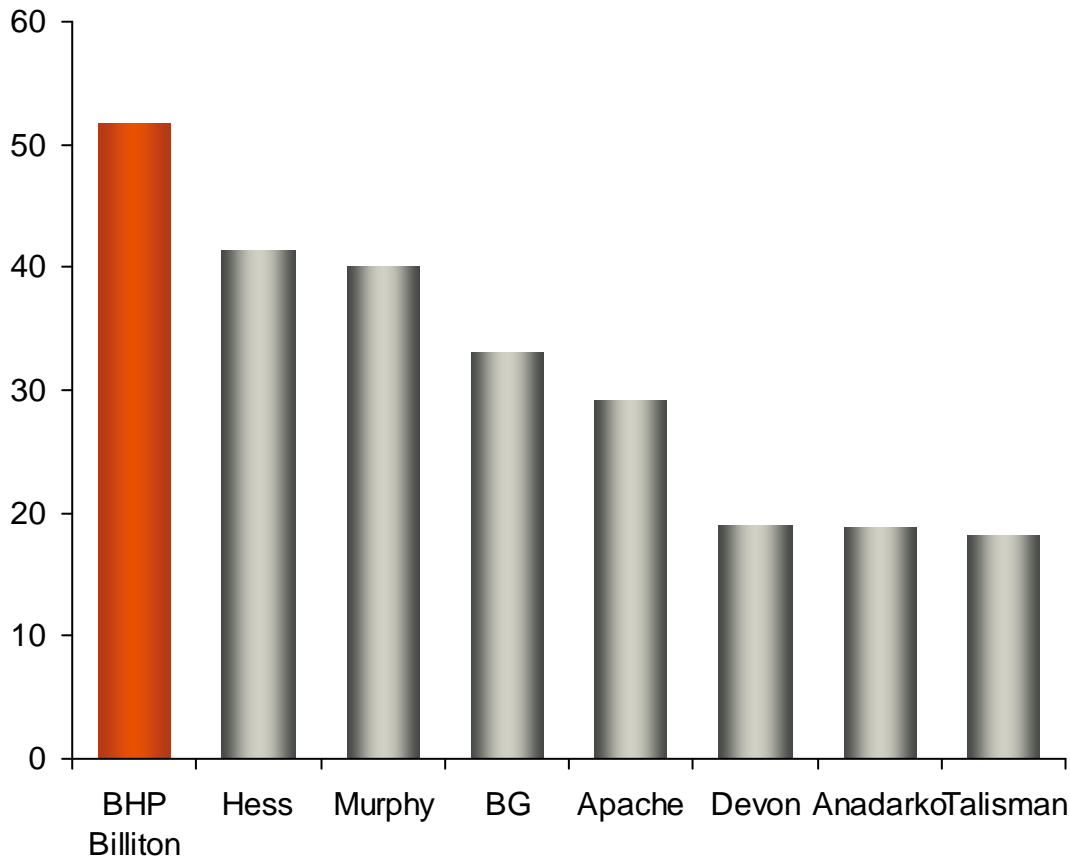


- Liquids priced barrels
 - FY2006: 62% of 310 mbd
 - FY2010: 73% of 450 mbd
- Top quality barrels for high realisations
- Combined with low cash and non-cash costs for best in class margin

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

EBIT return on capital employed

3 year average EROC (%, FY2007–FY2009)

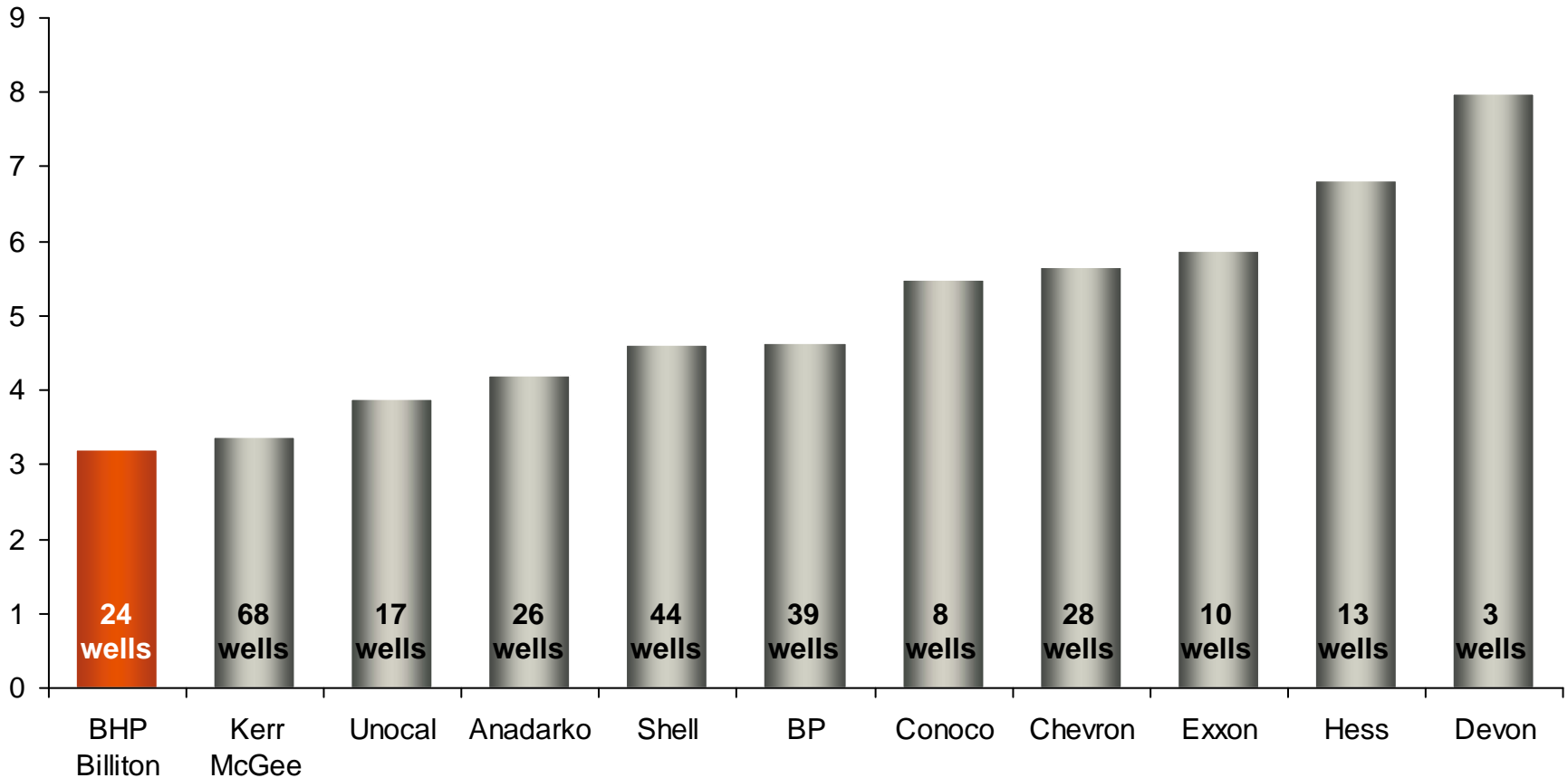


- Efficient capital investment program
 - Project costs as planned
 - Outstanding drilling performance
- All phases of execution handled well

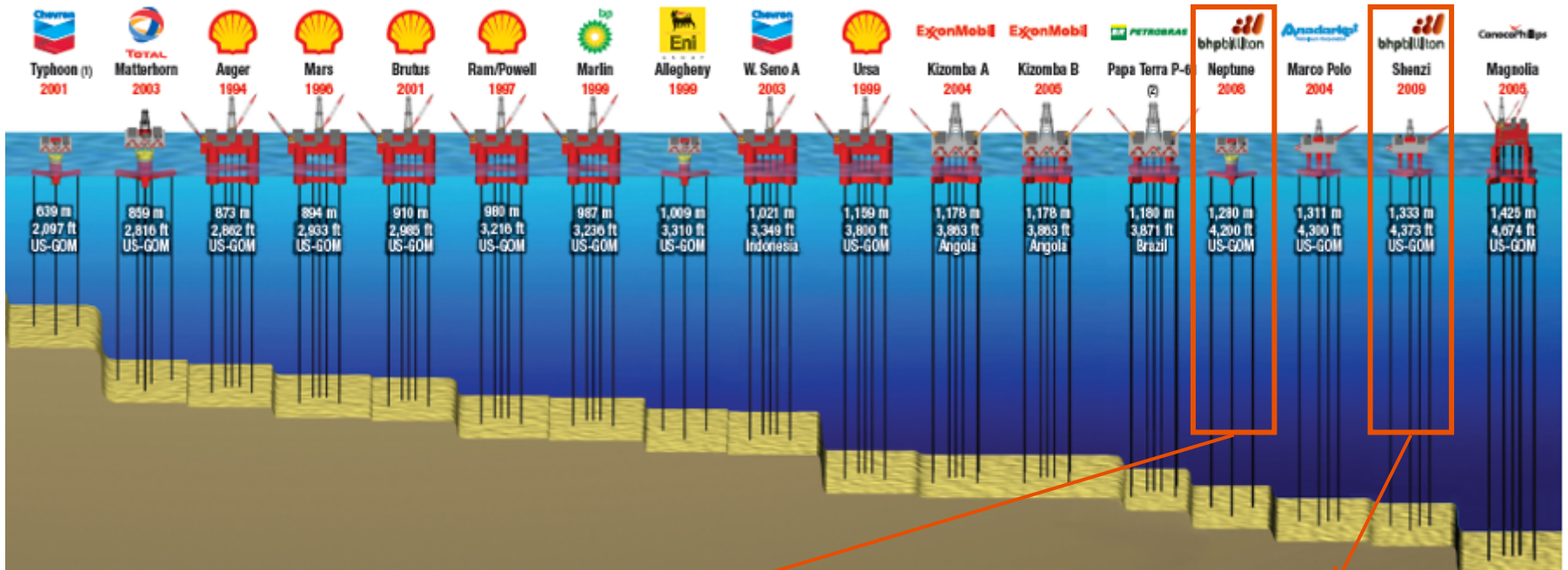
Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Industry leading drilling performance

Gulf of Mexico deepwater (>2,000 ft water depth) exploration and appraisal wells, CY2000–CY2008
(Days per 1,000 ft drilled)



We operate two of the world's deepest TLPs



- Scalable organisation
 - Low overhead
 - Employee count per boe down with 50% volume growth
- Production growth at 10% CAGR since FY2007
 - Projects done on time and on budget
 - Few delays
- Cost control
 - Low operation costs
 - Focused on the basics
- Highest EBIT return on capital employed amongst peers

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Program and Projects

- Oil
- Gas
- LNG

Gulf of Mexico

Mad Dog (23.9%)

- Resource continues to grow
- Significant new development

Atlantis (44.0%)

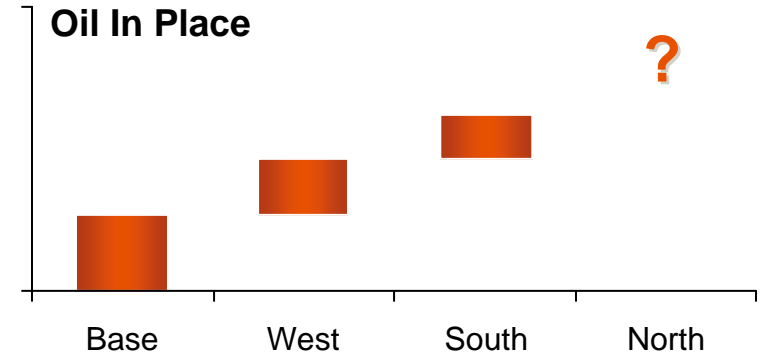
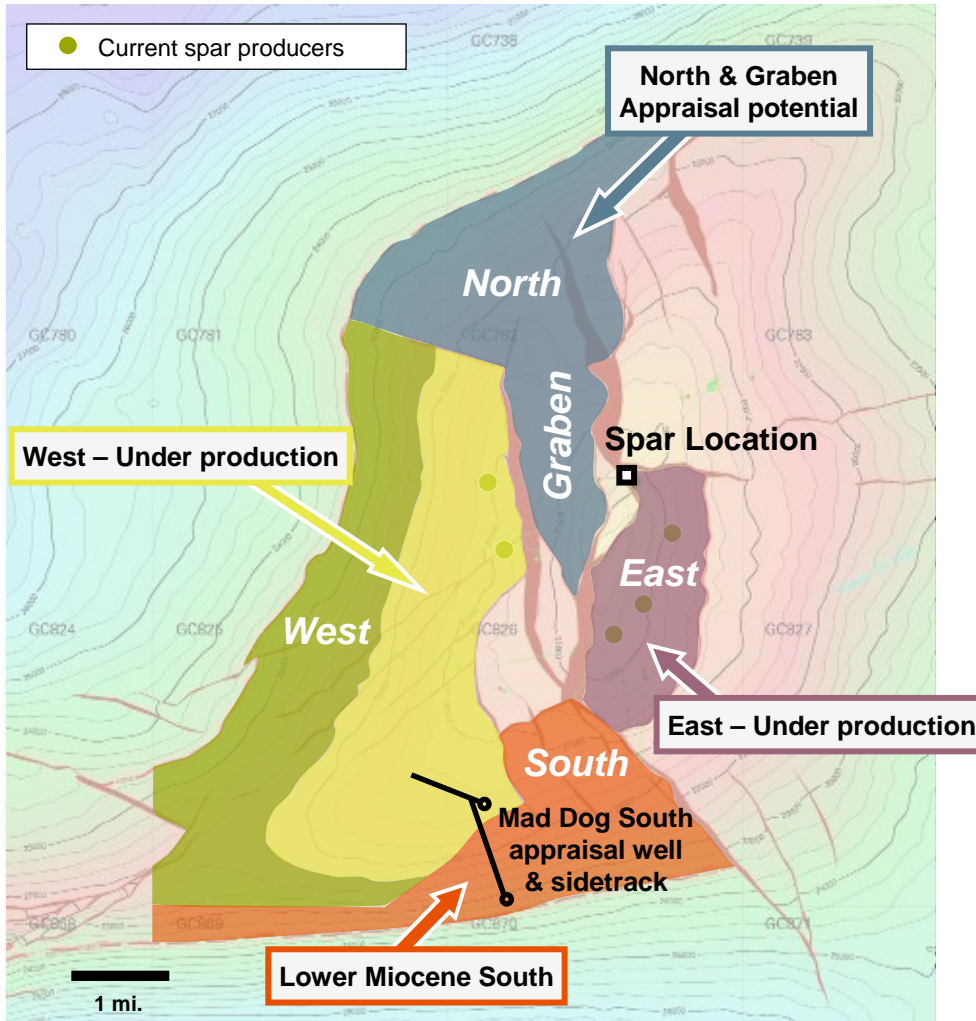
- South development and Water Injection
- North development getting started

Shenzi (44.0%)

- Strong base performance
- Development drilling

Petroleum HQ

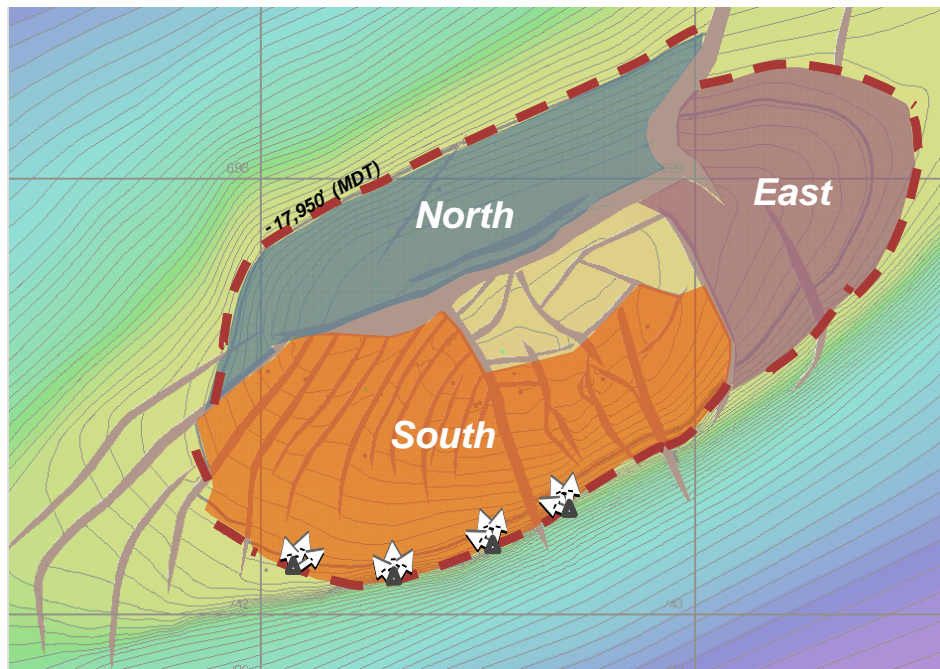
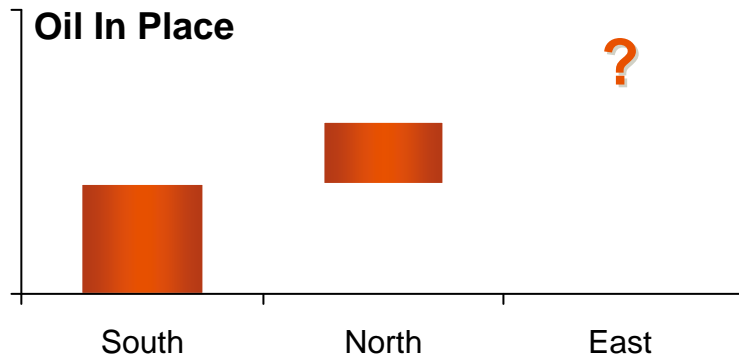
Mad Dog Continues to get bigger



- Current Spar cannot drain all discovered oil to date
 - West and South areas cannot be fully reached
 - Optimised development scheme could double ultimate recovery
 - Evaluating additional facility options
- North area to be appraised during FY2011 can be tied into main Spar for near term barrels

Atlantis

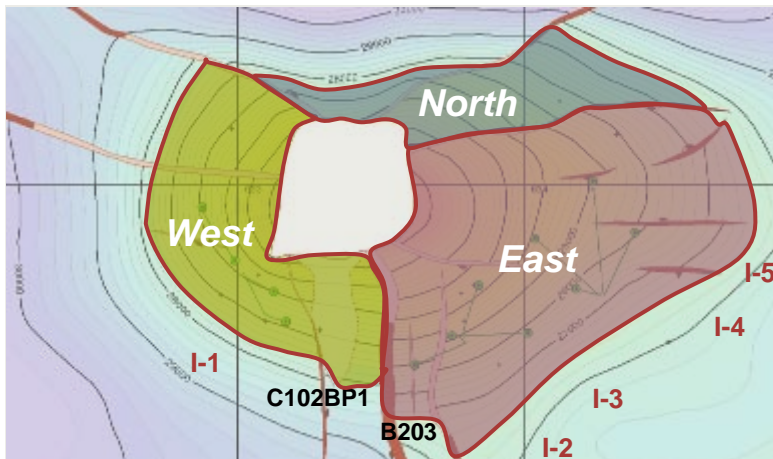
2nd largest field in Gulf of Mexico



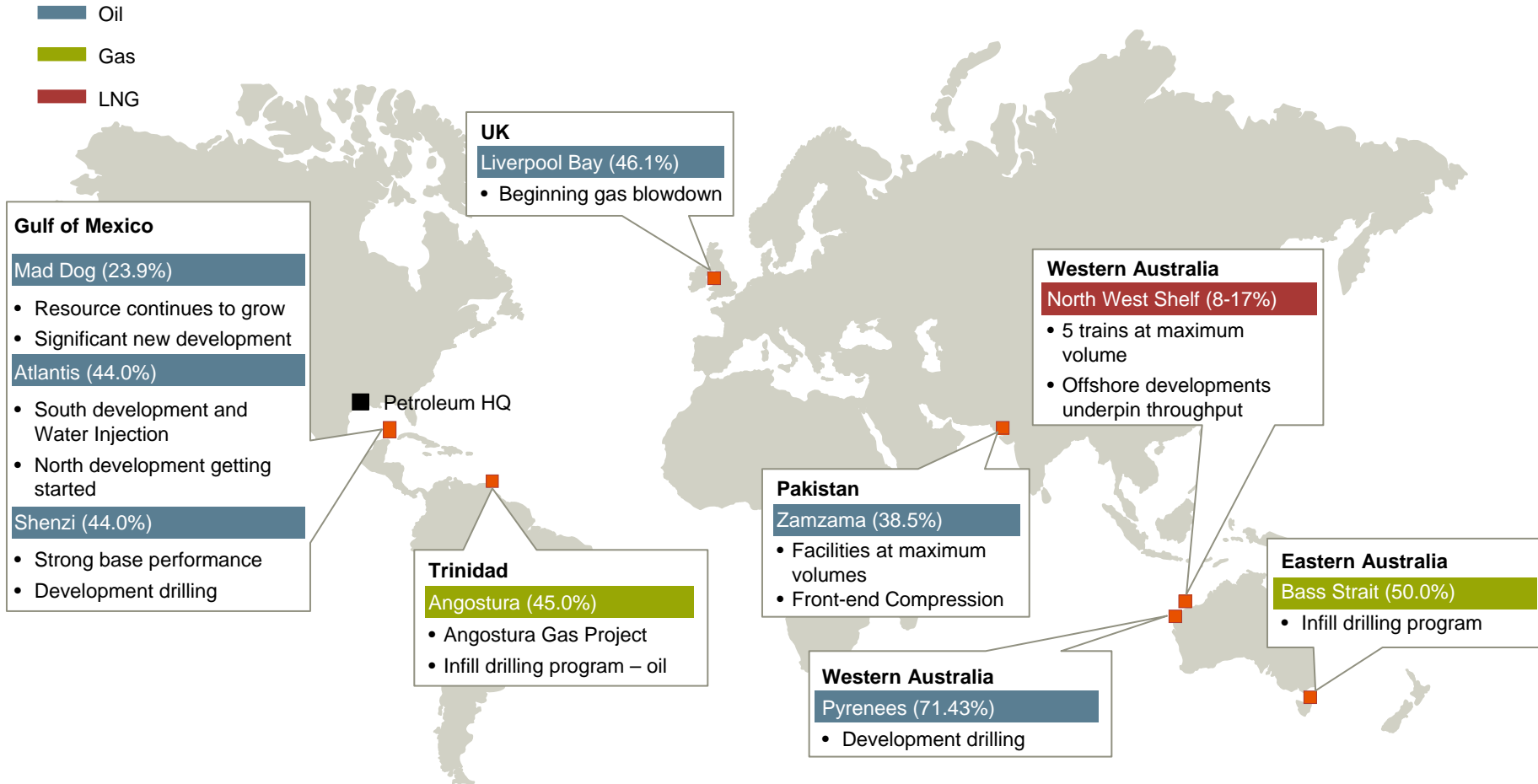
- Development drilling continues in the initial southern area
- South water injection project in progress
- Two wells drilled in the north
 - Two wells producing 50 mbd
 - Up to five more wells
- Ramping up to facility design of 200 mbd
- East appraisal in FY2011/FY2012



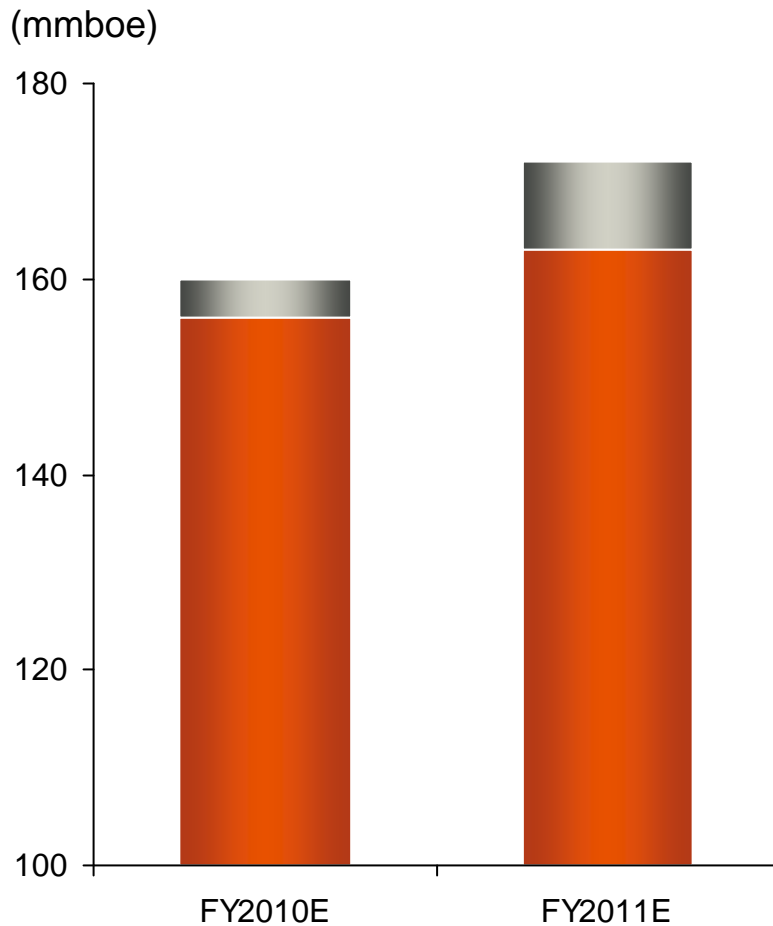
- Design capacity of 100 mbd
- Initial production 140 mbd
- One year into production still over 100 mbd
- Currently doing additional up-dip drilling
- Water injection project in progress



Program and Projects



FY2011 production outlook



FY2011 outlook

- Full year of Pyrenees volume
- Angostura gas project start-up
- Atlantis South drilling and water injection
- Atlantis North development
- Shenzi infill program
- At maximum capacity
 - Bass Strait
 - North West Shelf
 - Pakistan
- 8 to 10% volume growth potential

BP Gulf of Mexico incident

- 2 Atlantis rigs now drilling relief wells
- US Government drilling permit moratorium
- Significant uncertainty – low end of range

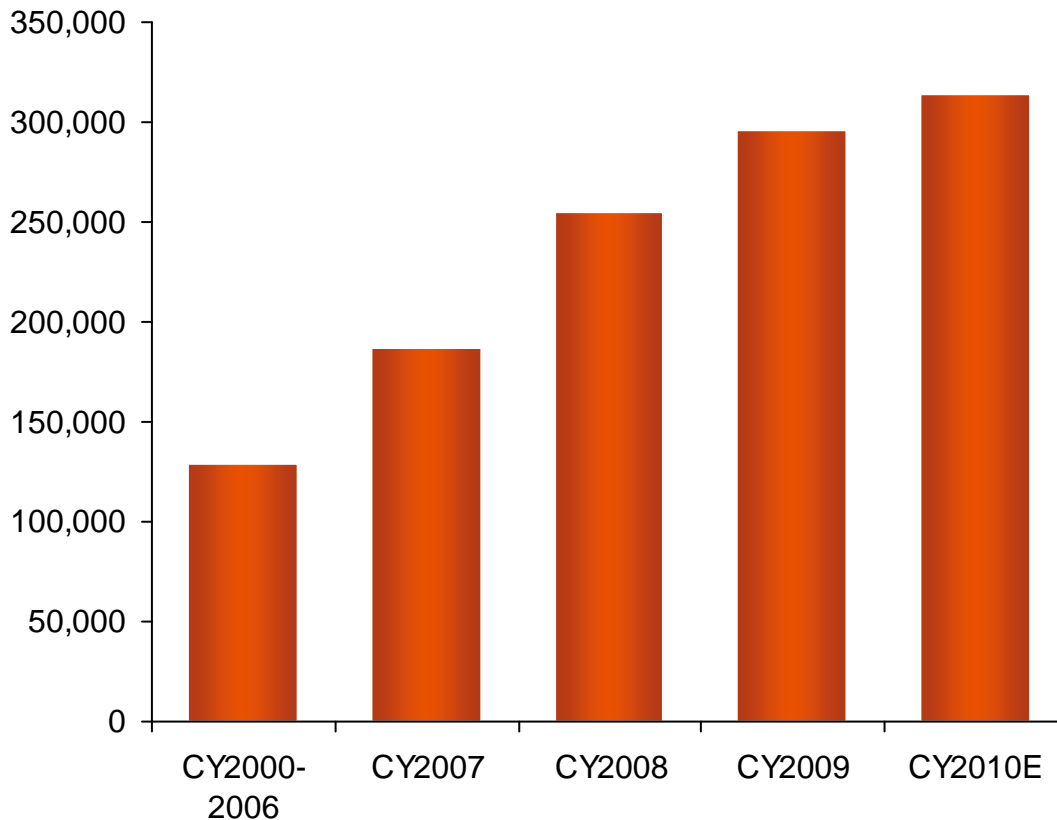
- Deep inventory of significant projects in existing areas underpinning production growth
 - Continued opportunity for high margin liquids growth at Atlantis and Mad Dog
 - Maintaining maximum capacity at Pyrenees, North West Shelf and Bass Strait
 - Additional gas production facilities at Trinidad and Pakistan

- Healthy FY2011 production growth potentially impacted by very recent deep water Gulf of Mexico uncertainty

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Changing the exploration game

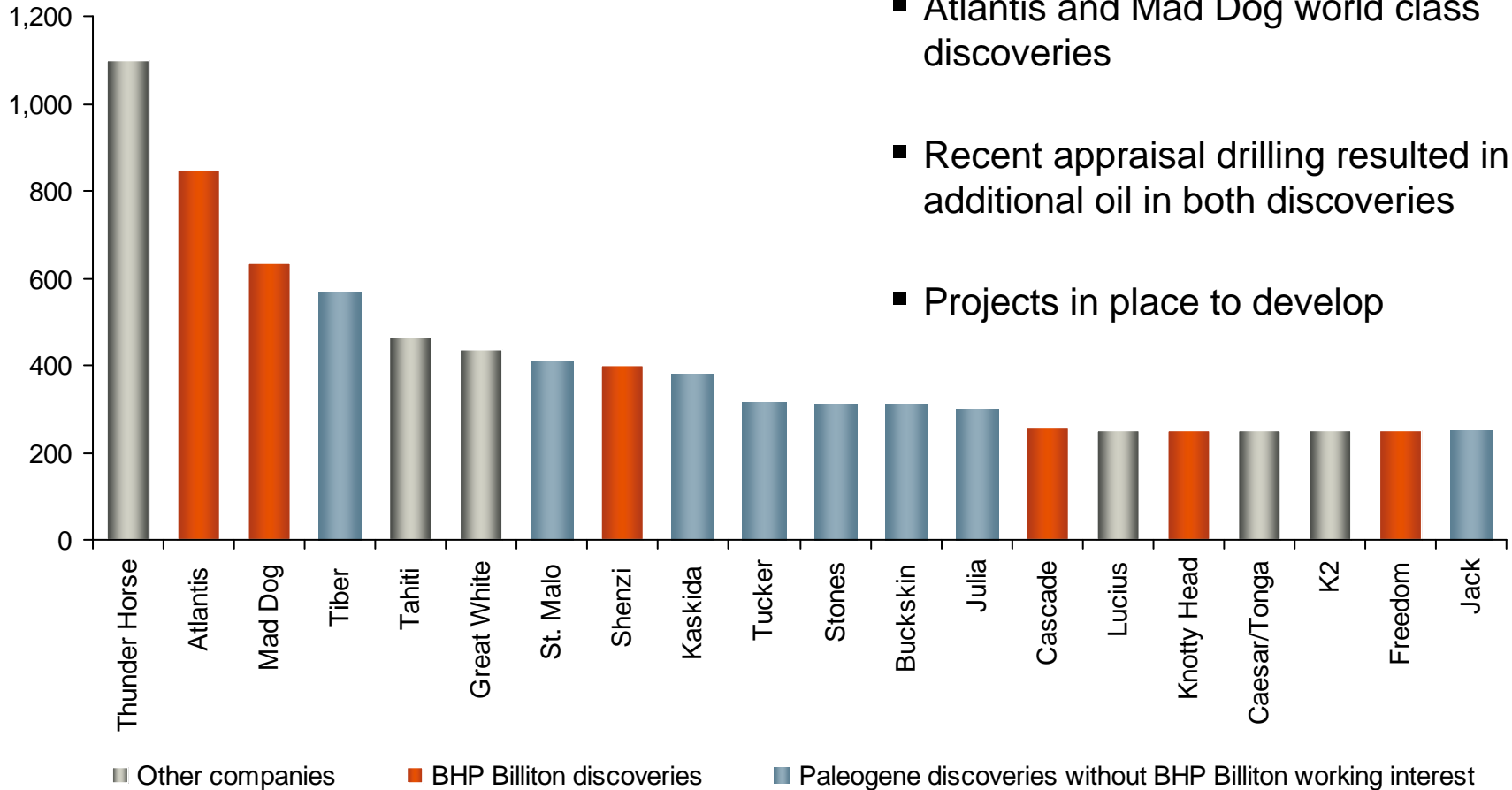
Cumulative acreage captured (km²)



- Tripled land capture after low activity period pre CY2006
- Current focus on existing core areas and areas where oil and gas has been found
- Operated and world class sized prospects
- Material to BHP Billiton Corporation

Top 20 discoveries in the Gulf of Mexico since 1995

Recoverable oil (mmboe)



Source: Wood Mackenzie.

Building material positions in proven basins

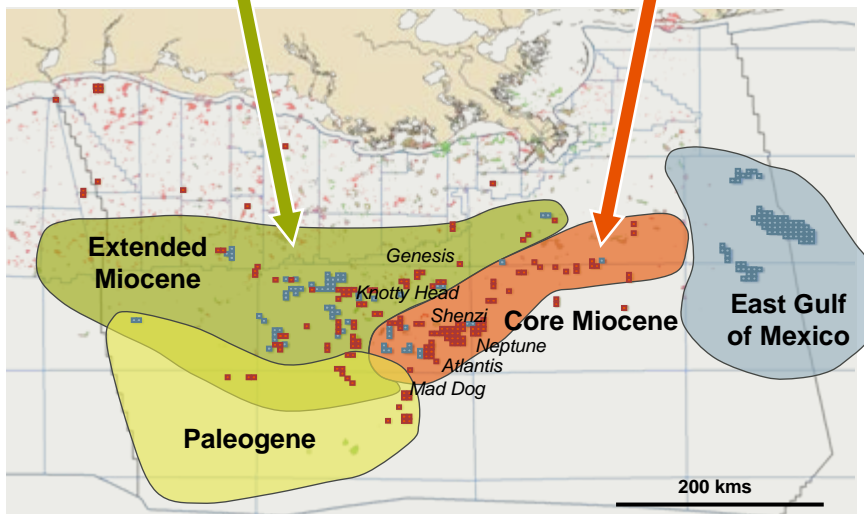
Gulf of Mexico

Miocene Play Extension:

- Stepout from core play
- Strong position with captured leads and running room

Core Miocene Play:

- Delivery area, mature, high success rate

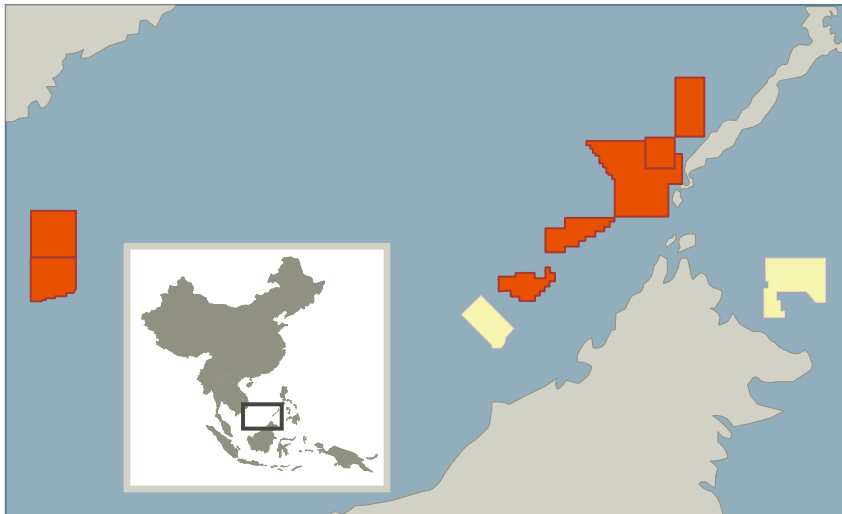


- New Gulf of Mexico leases, October 2007-March 2010
- Prior BHP Billiton

- Extending our footprint with 300+ blocks in inventory to date
- Top tier capture rate in recent lease sales
 - Knotty Head appraisal: ✓
 - Double Mountain: **uneconomic**
 - Firefox: **dry**
 - Deep Blue: **in progress**

Building material positions in proven basins

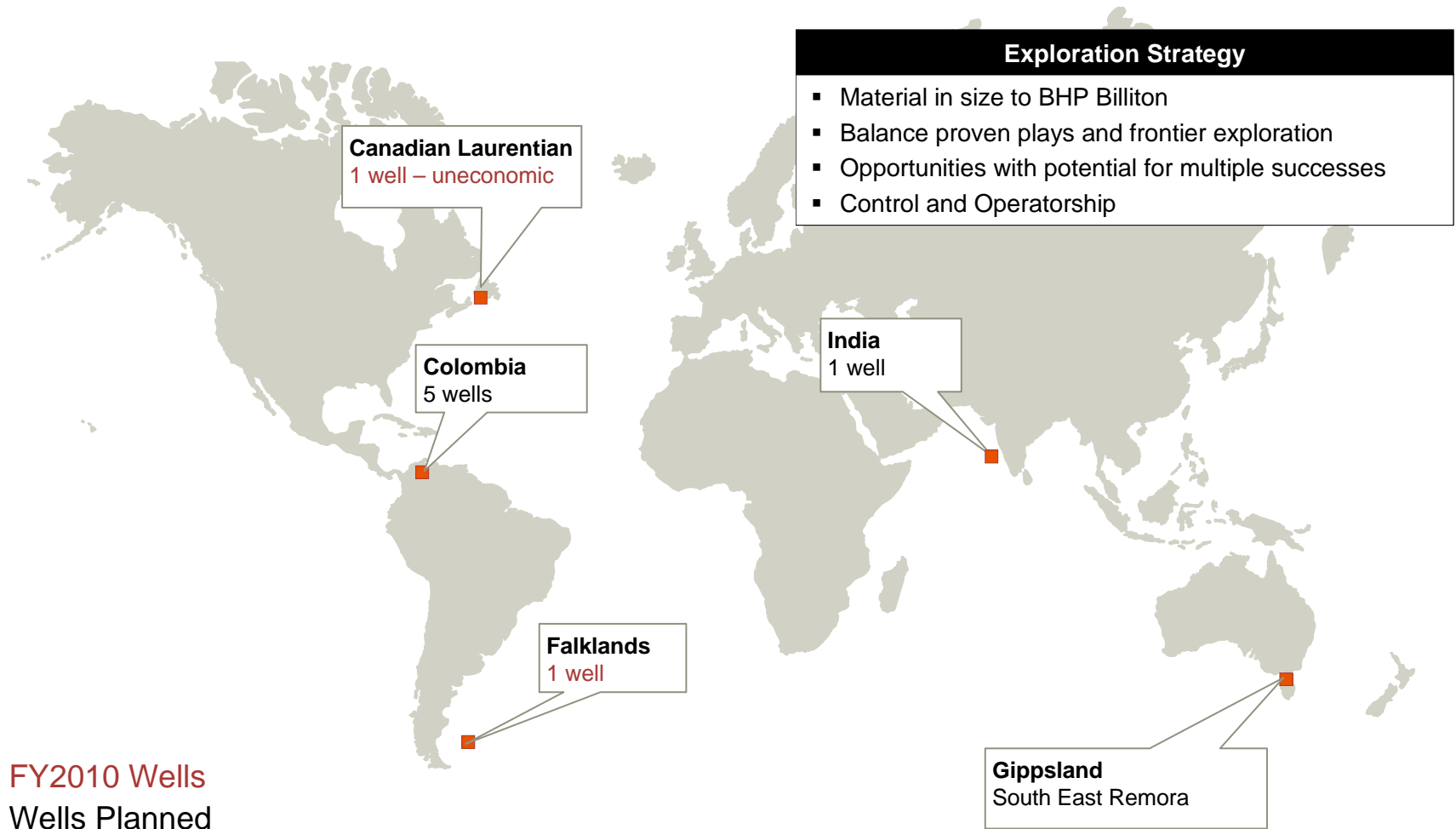
South China Sea Area



- BHP Billiton operated
- BHP Billiton non operated

- Multiple countries (Vietnam, Malaysia and Philippines) but same rocks
- Material position captured in a prolific basin (50 billion boe discovered to date)
 - Philippines Dabakan: **small gas discovery**
 - Malaysia Cerah: **dry**
- Additional drilling second half CY2010

Frontier tests for significant opportunities



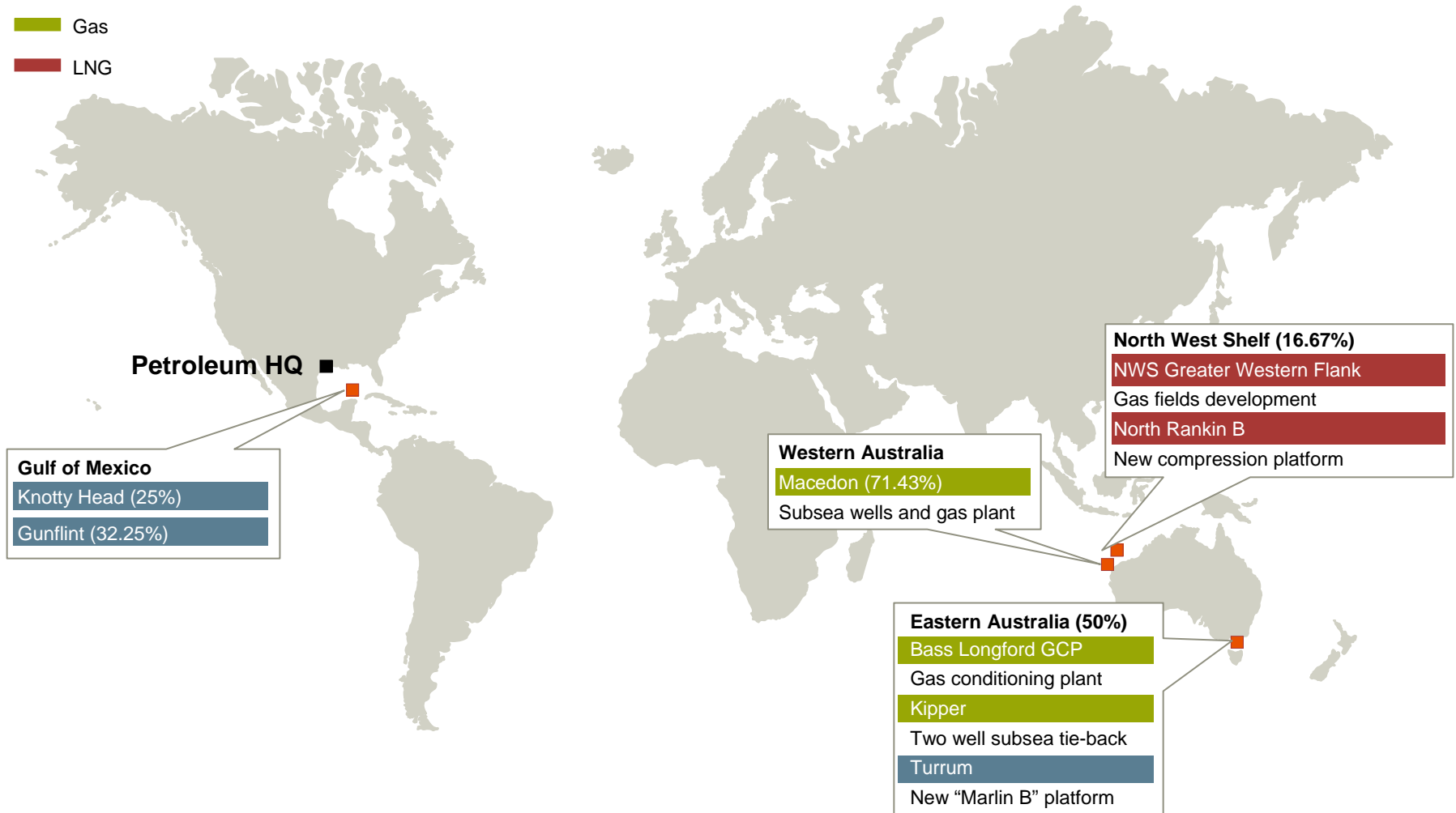
Exploration Program summary

- Targets to impact BHP Billiton
- 75% Proven – 25% Frontier
- Have rebuilt acreage position
- Increased activity – increased spending
- First real exploration in 8 to 10 years
- Below planned results – higher exploration expense
- Three year program in good locations with good partners

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Pre-development / ongoing projects

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- LNG



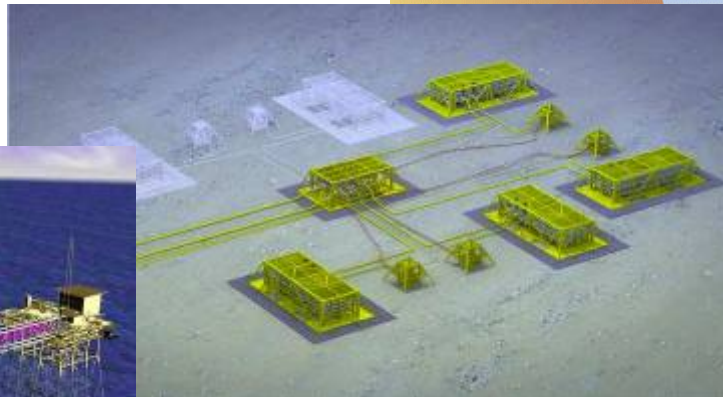
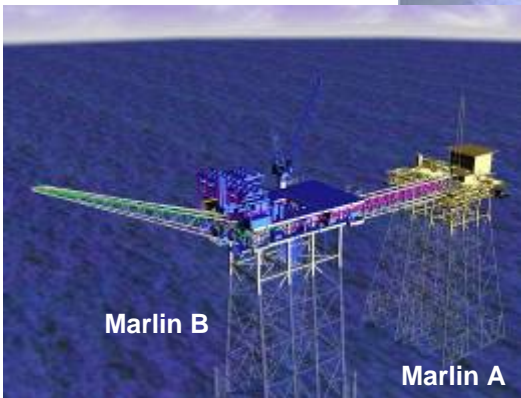
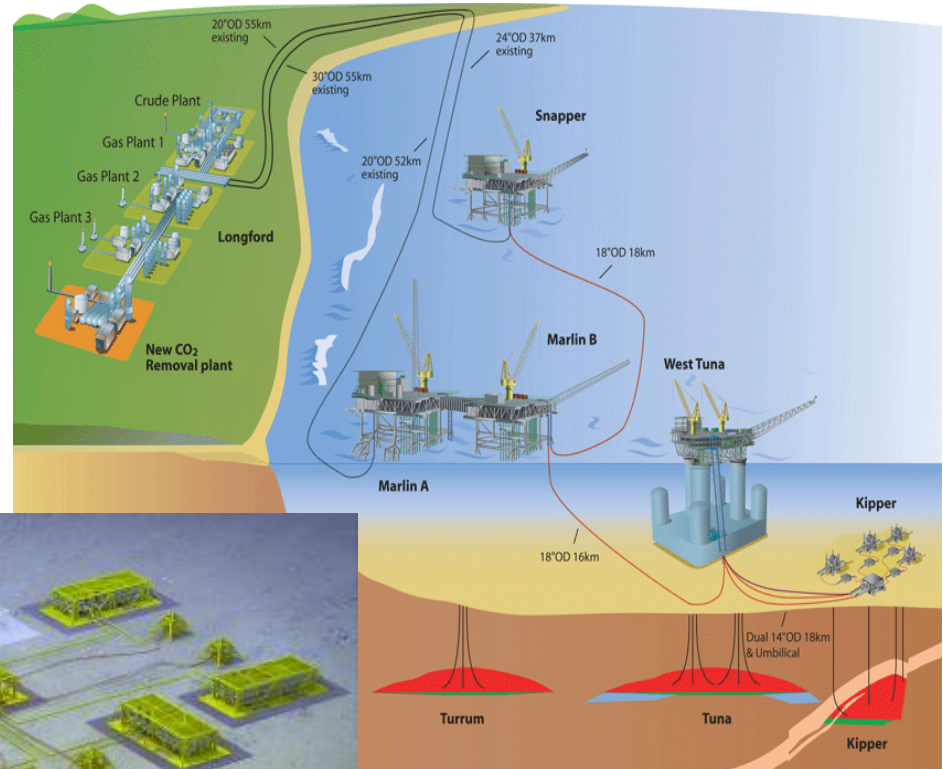
North West Shelf – North Rankin B



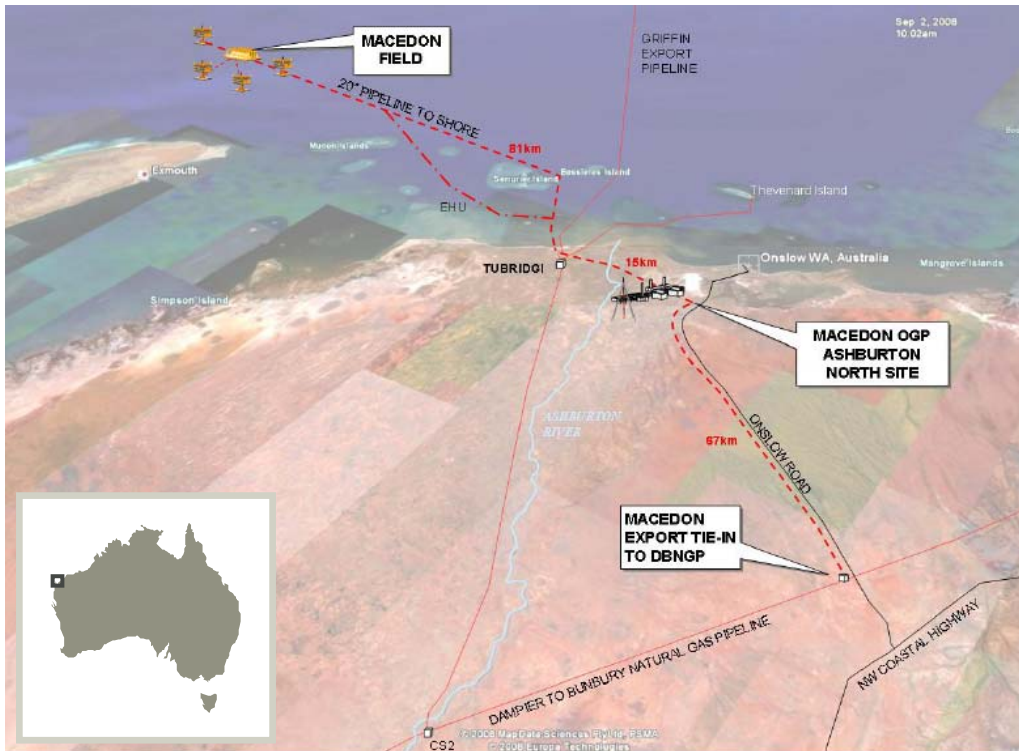
- US\$850 million net BHP Billiton development
- Underpins trains 1-5 NWS LNG
- Start up late CY2012

Bass Strait – Kipper / Turrum

- US\$1.1 billion net BHP Billiton development
- Projects keep volumes at facility maximum
- Drilling and construction in progress
- Cost and schedule under review



West Australia – Macedon



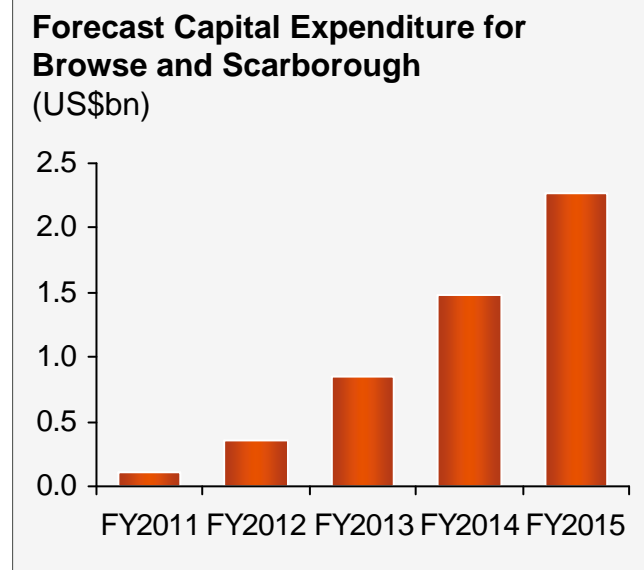
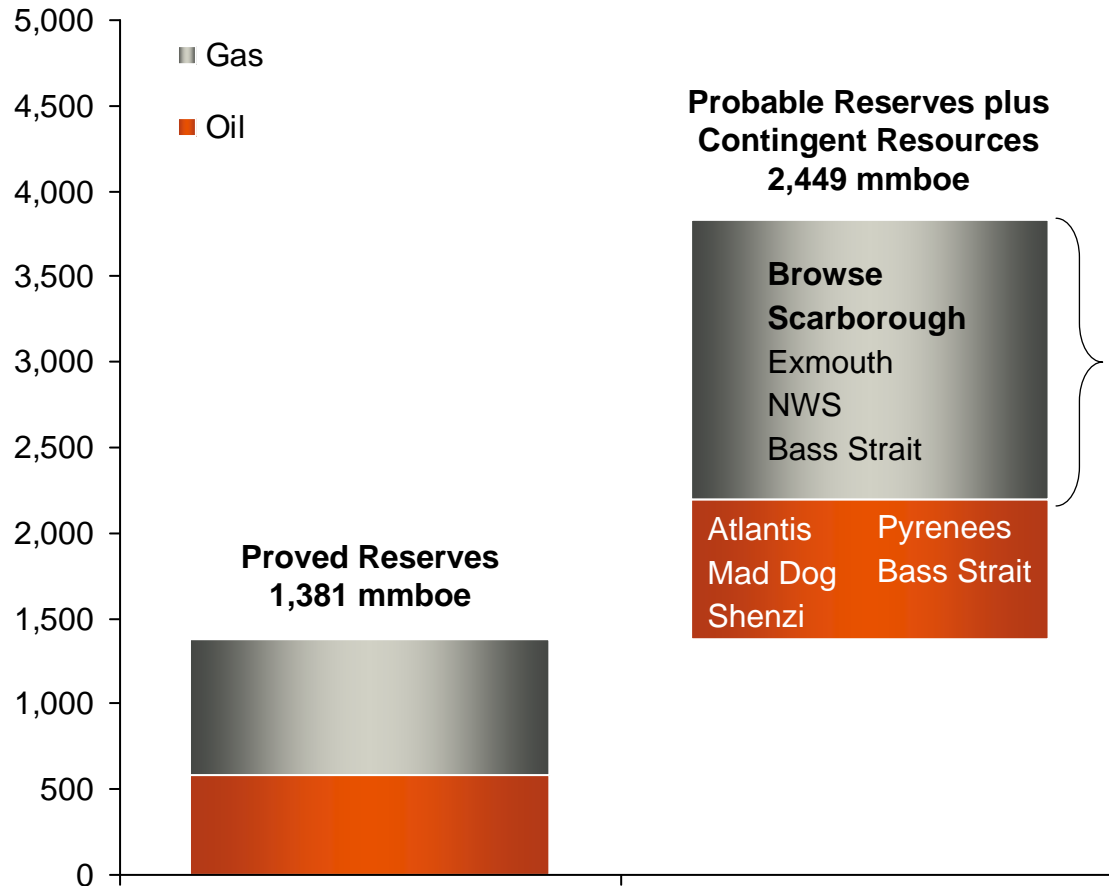
- Sanction planned mid CY2010 and first gas expected CY2013
- FEED engineering complete and regulatory approvals in progress.
- 200 mmscfd plant design

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Significant resource position for long term growth

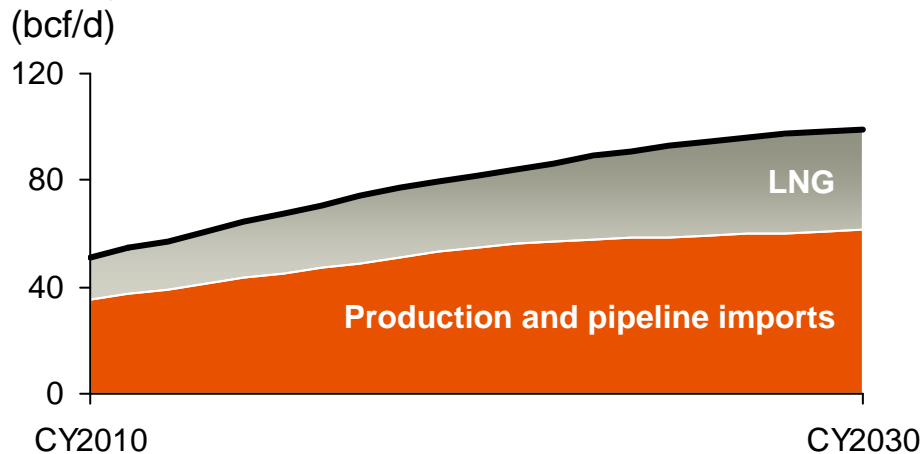
Reserves and Resources 3.831 mmboe

(mmboe, as at 30 Jun 2009)



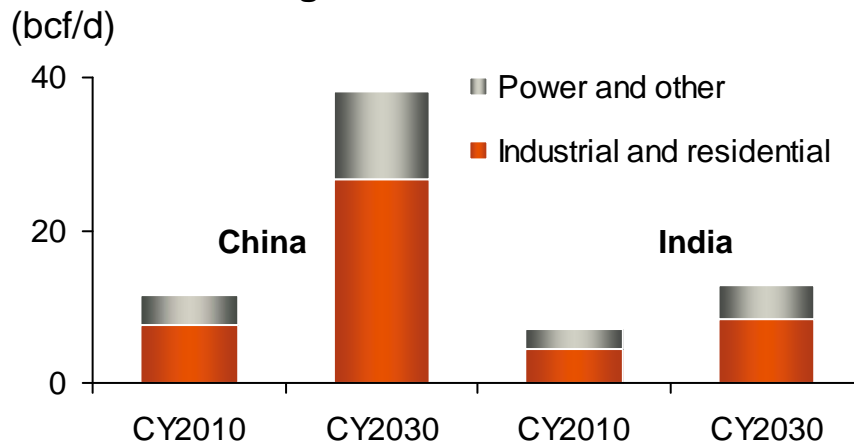
For a market with strong demand fundamentals

Asia gas supply



- Asia expected to require 300 mtpa (40 bcf/d) of LNG by CY2030
- Demand growth driven by
 - high GDP growth
 - rapid urbanisation
 - government policy support for increased gas consumption

China and India gas demand



Source: BHP Billiton.

Browse LNG – long term growth opportunity

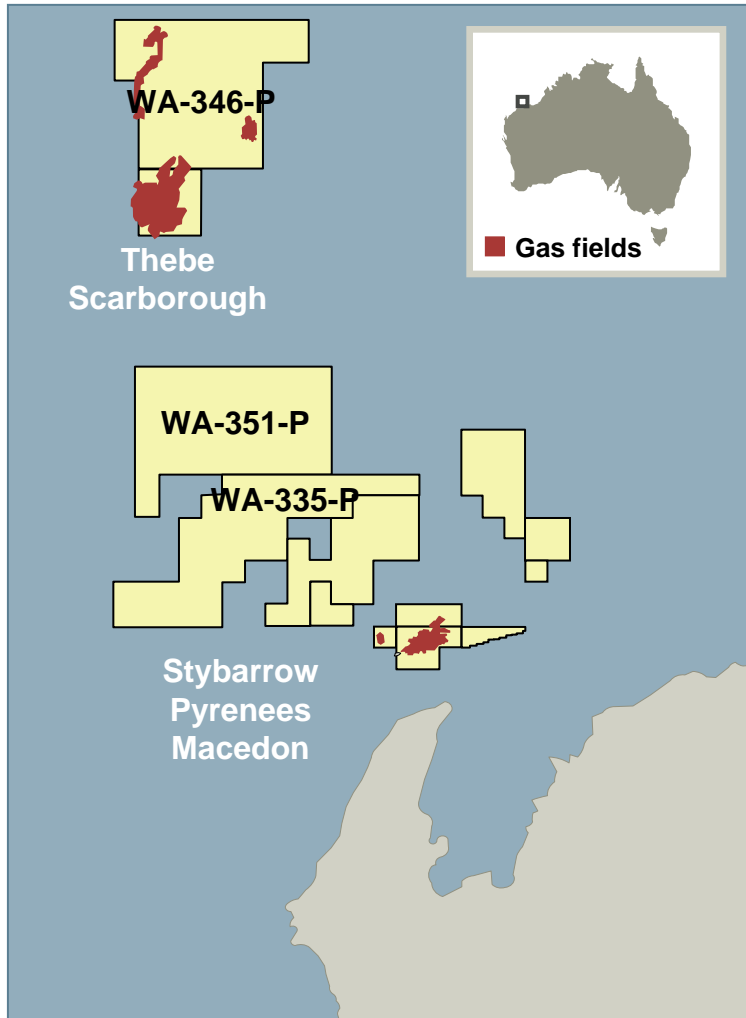


- Three large gas field with 14 tcf recoverable reserves (Source: Wood Mackenzie)
- Retention Lease accepted with commitment to US\$1.25 billion work program (100%)
- Basis of Design work started for upstream facilities and downstream LNG plant



Source: Woodside.

Scarborough/Thebe – long term growth opportunity



- High equity giant gas fields with 10 tcf recoverable reserves in area
 - Thebe 100% BHP Billiton
 - Scarborough 50% BHP Billiton
- US\$15-20 billion dollar investment (100%) expected for development of upstream facilities and LNG plant
- Concept select studies progressing and site geotechnical survey work commenced
- Planning for FEED commencement FY2011
- Strong BHP Billiton position currently
 - Production
 - Projects
 - Exploration

- **An integral part of BHP Billiton Group**

- Strong performance in key commodity
- Strong functional capability

- **Performance**

- Consistent delivery of results in key metrics
- Highly competitive versus peers

- **Nearer term**

- Continuing strong growth potential into FY2011; Gulf of Mexico spill uncertainty
- Driving investment in multiple world class projects and drilling

- **Longer term opportunities**

- Rejuvenated exploration program; results improvement over time
- Advancing world class resources in Western Australia



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resourcing the future