

Petroleum Business Briefing

Sydney/London

November 2002



Overview of Today's Briefing

- Introduction, Growth and Project Updates

Philip Aiken, President & Chief Executive Officer, Petroleum

- Production and Performance

Greg Robinson, Chief Financial Officer, Petroleum

- Exploration and Business Development

Steven Bell, President Exploration & Business Development, Petroleum

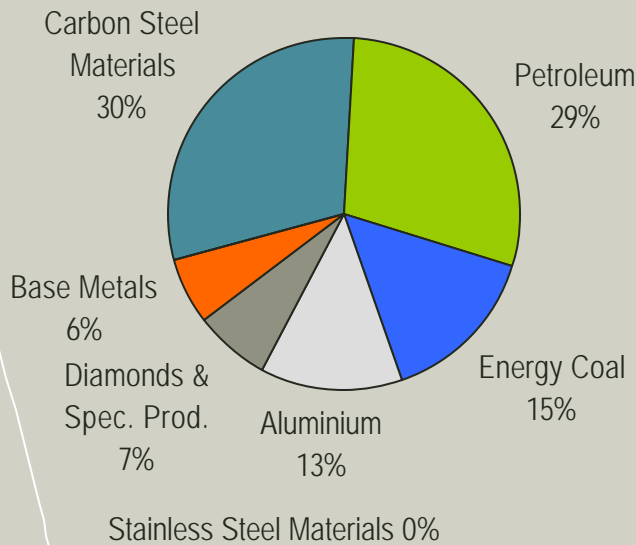
- Conclusion & Questions

Philip Aiken, President & Chief Executive Officer, Petroleum

BHP Billiton – Outstanding Diversification

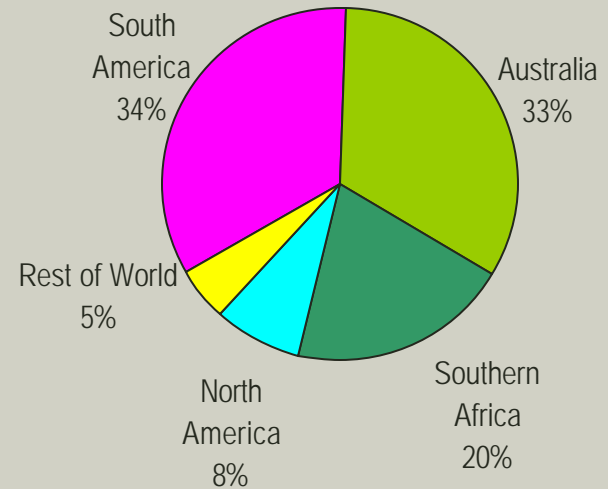
By Commodity

Customer Sector Group EBIT:



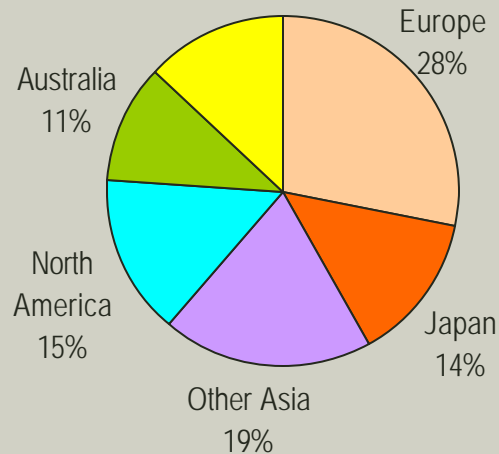
By Geography

Net Operating Assets:



By Market

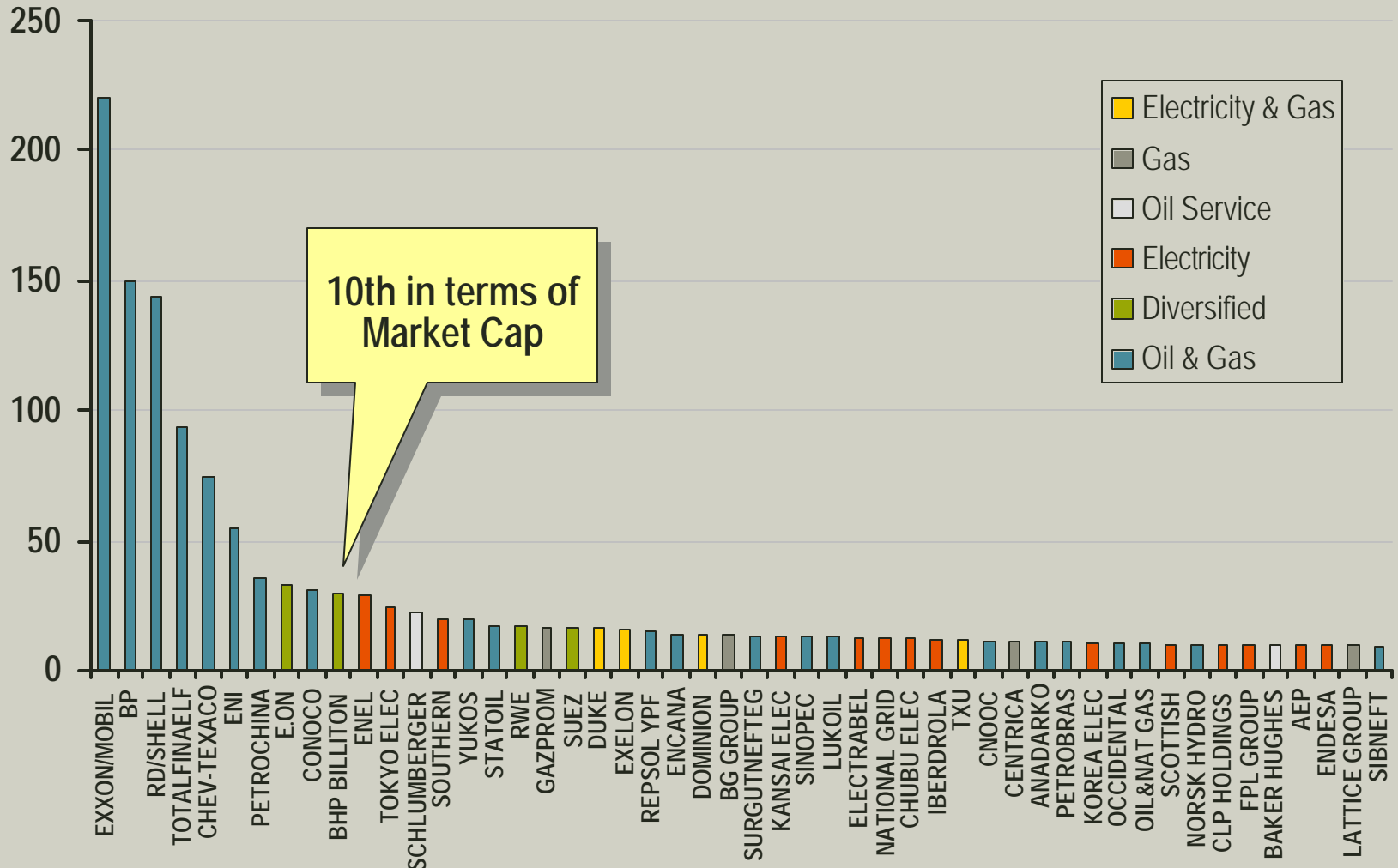
Sales:



Data for FY 2002 - 30 June 2002

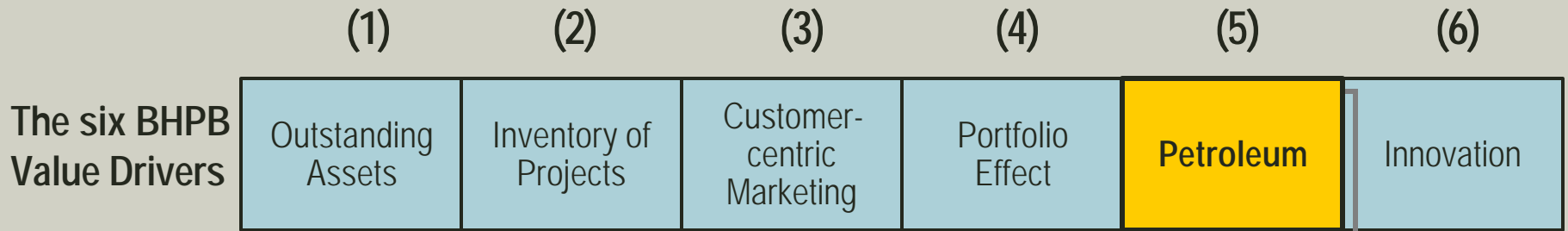
BHP Billiton – a small to medium player in a huge energy industry

Market Capitalisation of the Top 50 Energy Companies (PFC Energy 50)
October 2002 (US\$ Billion)



Source: The Petroleum Finance Company

Petroleum – our role in BHP Billiton



Petroleum is one of the key Value Drivers



Petroleum:

Outstanding Assets	Innovation	Customer-centric Marketing	Inventory of Projects	Portfolio
Bass Strait North West Shelf	GoM Deepwater Contract Creativity	LNG LPG Domestic Gas Oil/Condensate	Mad Dog, Atlantis Zamzama Minerva Ohanet/ROD	Geographical spread Portfolio spread

Efficiency:

- Top quartile Net Income/boe
- Top quartile Return on Capital
- Top of second quartile F&D costs
- Second quartile Finding Costs

Petroleum – Financial Year 2002

Turnover	US\$2.8 billion
EBIT	US\$1.1 billion
Operating capital employed	US\$2.9 billion
Total production	134 million barrels of oil equivalent
Average daily production	367,000 boe per day
Total proved reserves	1.46 billion boe
Staff and direct contractors	1,600
Main centres	Melbourne, Perth, Houston, London

Petroleum Executive Committee

An experienced management team



Petroleum – our current operations and exploration



- Main Offices
- Marketing Offices
- Production

- High margin oil exploration & production
- Gas Commercialisation
- Access to Discovered Resources

Growth Area Highlights – FY 2002

- **High Margin Exploration**

- Mad Dog sanctioned & Atlantis sanctioned with partial funding
- Significant acreage acquisitions (GoM, Trinidad, Brunei, Brazil, South Africa)
- Promising exploration well results for GoM & Trinidad
- Interests in GoM Caesar/Cleopatra transportation infrastructure acquired

- **Commercialisation of Gas Resources**

- Minerva sanctioned
- Fourth train progressing and China LNG SPA signed (in FY 2003)
- Zamzama FFD sanctioned

- **Discovered Resources**

- Ohanet & ROD developments on track

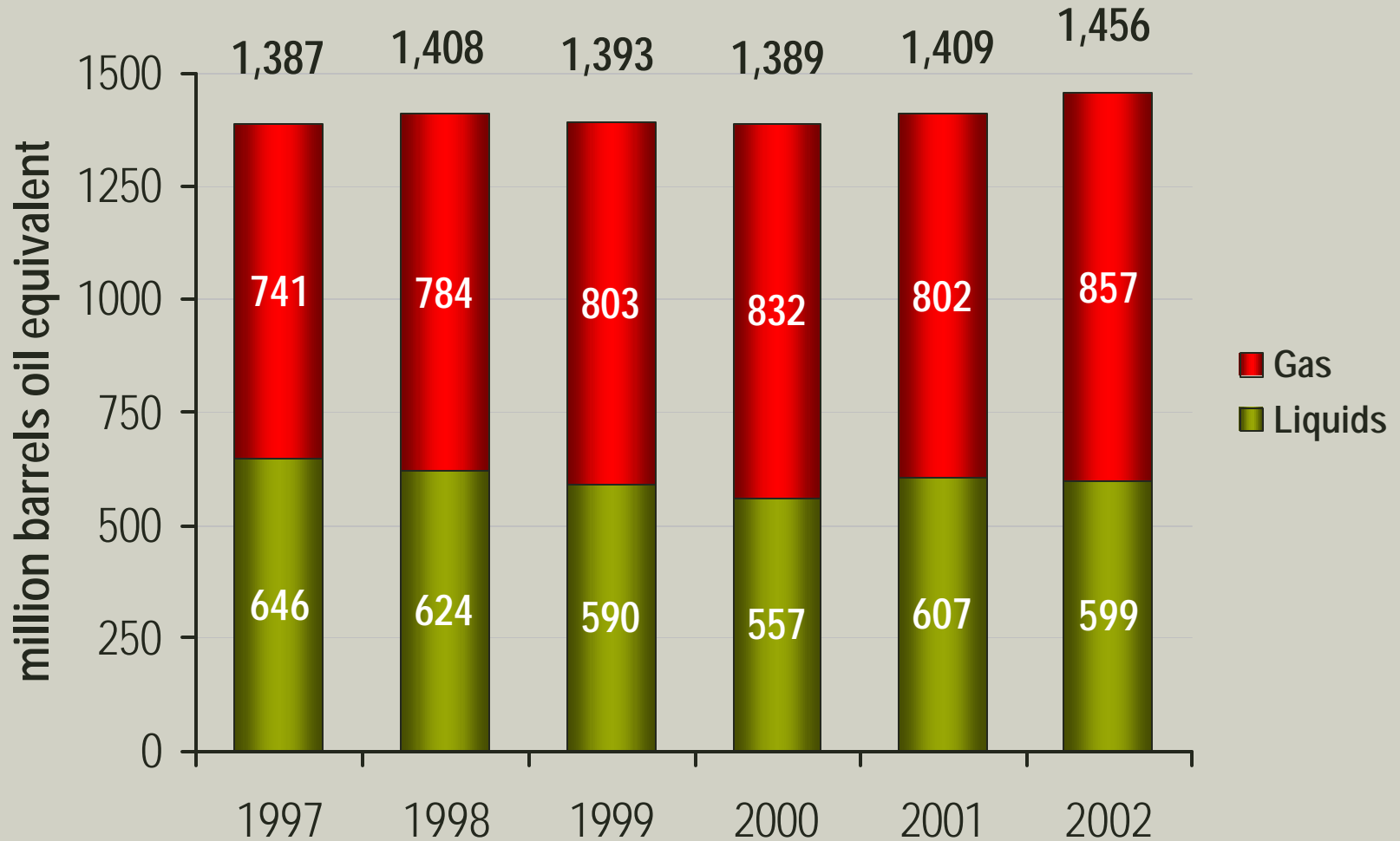
I will be talking to these in a moment, as well as looking at our reserves position ...

Producing Assets Highlights – FY 2002

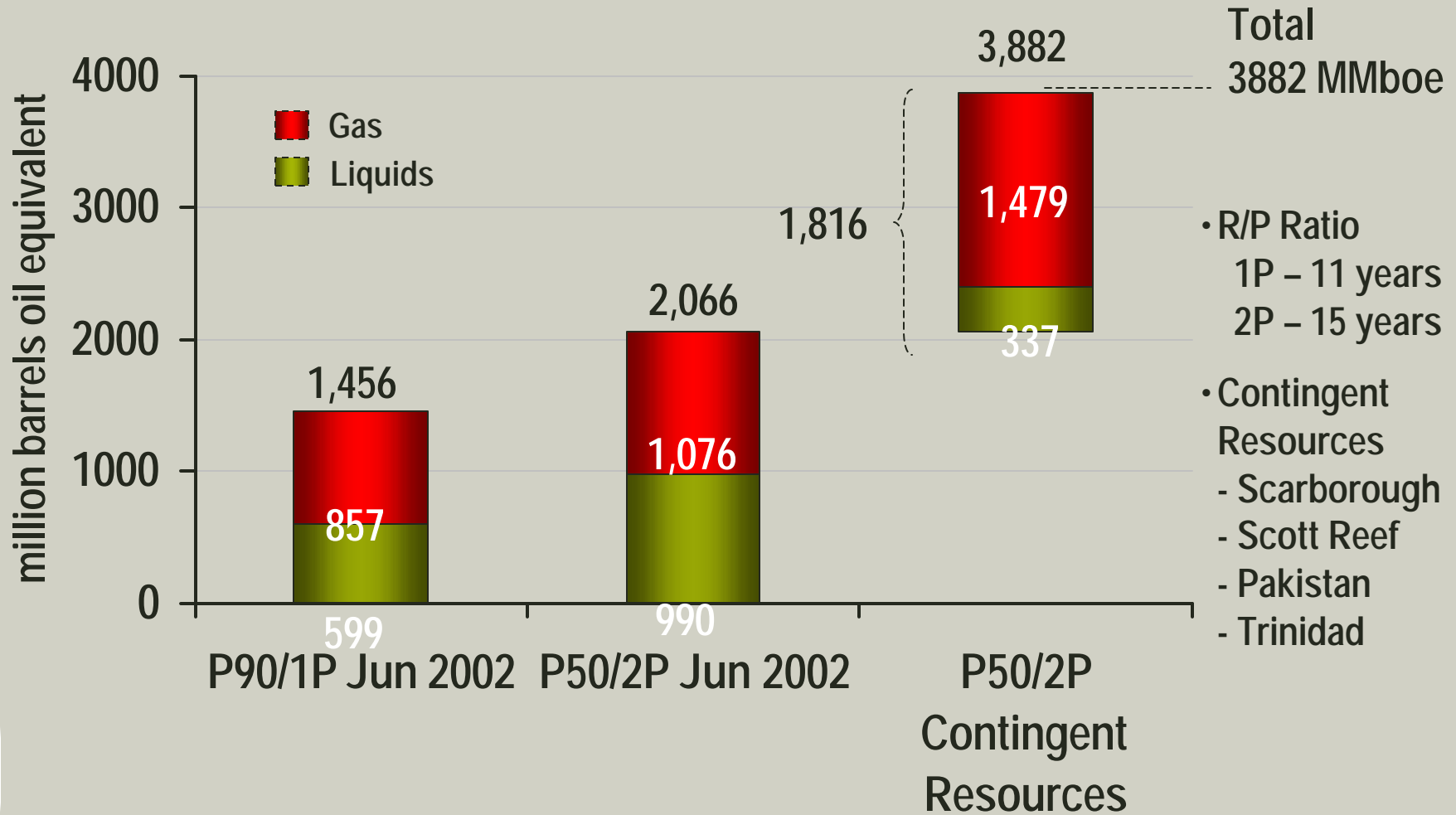
... and Greg will address these ...

- **Bass Strait** – Bream pipeline construction underway, Longford restoration work continuing, northern margin seismic survey and West Tuna infill program completed
- **Liverpool Bay** – record production achieved and Hamilton East gas tie-back completed
- **North West Shelf** – fourth train & second trunkline construction on track, and Echo Yodel completed ahead of schedule
- **Griffin** – Griffin 9 infill well completed
- **Laminaria** – stage two enhancement project completed
- **Bruce** – infill drilling program commenced
- **America's producing** – Typhoon production commenced

Our Proved Reserves (P90 or 1P)



Our FY 2002 Reserves and Contingent Resources



Petroleum FY 2002 Health, Safety & Environment Performance

- BHP Billiton's goal is zero harm to people and the environment
- We have been continuously improving our HSE performance and over the year:
 - Lost Time Injury (LTI) rate has decreased from 1.09 to 1.03
 - No significant environmental incidents
- Our HSE highlights for the year include:



- APPEA Safety Improvement Award
- Australia Operated Asset Team achieved ISO 14001 certification
- Ohanet Construction Project achieved seven million man-hours LTI free

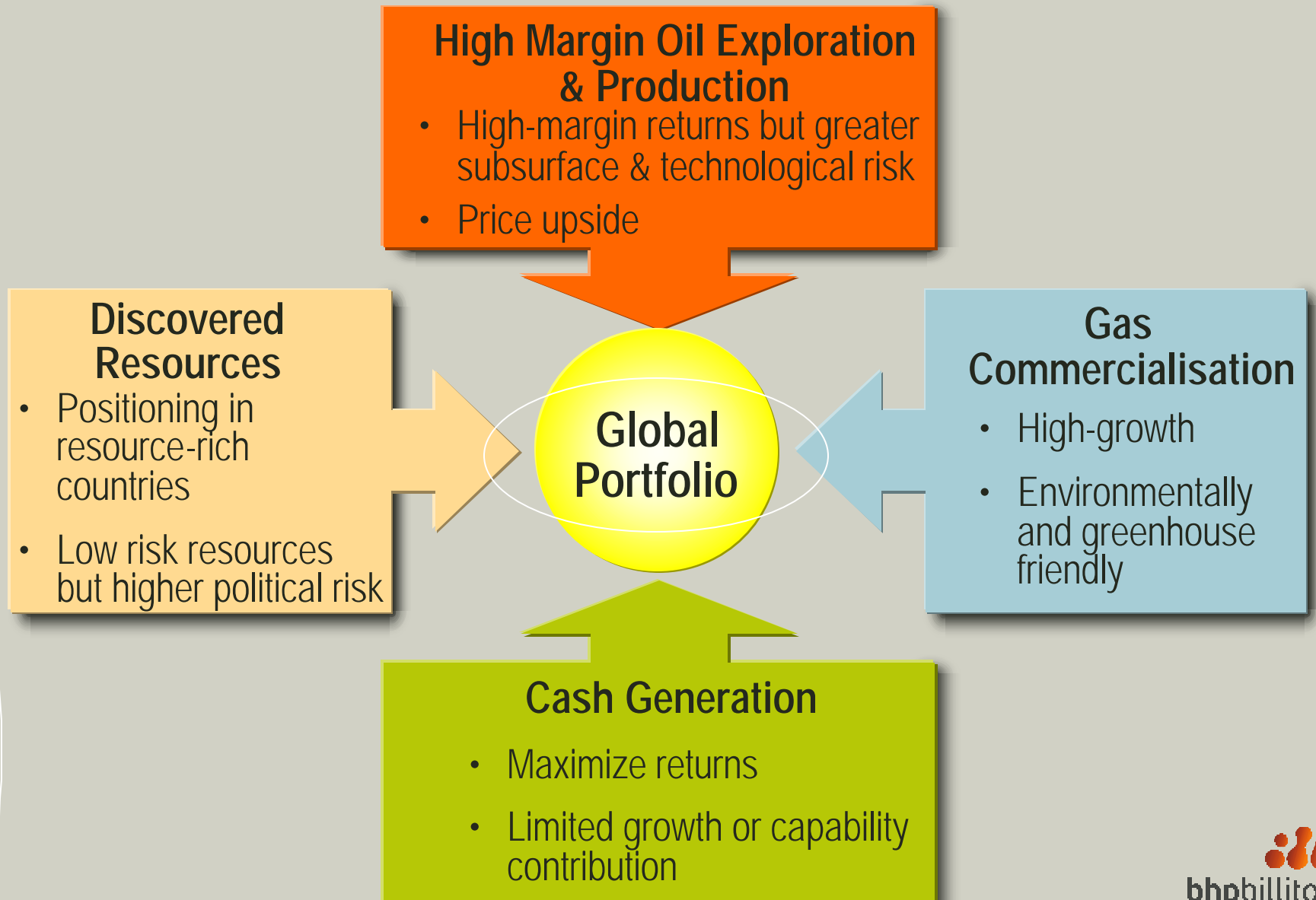
Petroleum FY 2002 Social & Community Activities

- BHP Billiton is committed to sustainable development and corporate social responsibility
- We aim to contribute positively to the welfare of our staff and the communities in which we live and work
- Our community activities for the year include:



- **Pakistan** – participation in community health clinics, primary schools, vocational training centres & microcredit schemes
- **Liverpool Bay** – initiatives focused on providing employment, supporting the local economy and education
- **Minerva** – focus on local schools and job training opportunities

Petroleum Growth Strategies Overview



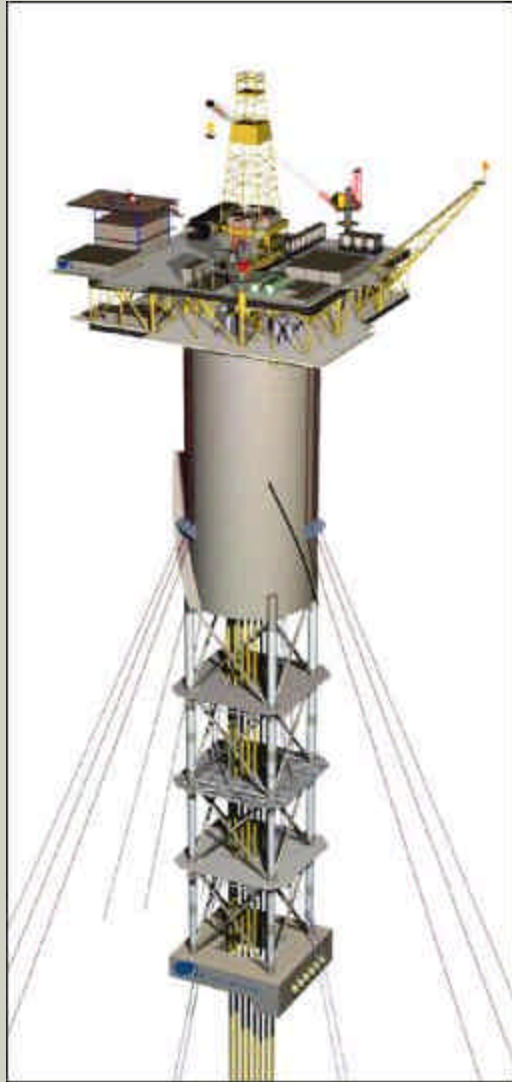
High Margin Oil Exploration and Production Overview



- Gulf of Mexico
- Trinidad
- Australia, Africa, Brazil, Brunei
- Other opportunities
 - access, position long term
 - deepwater and others

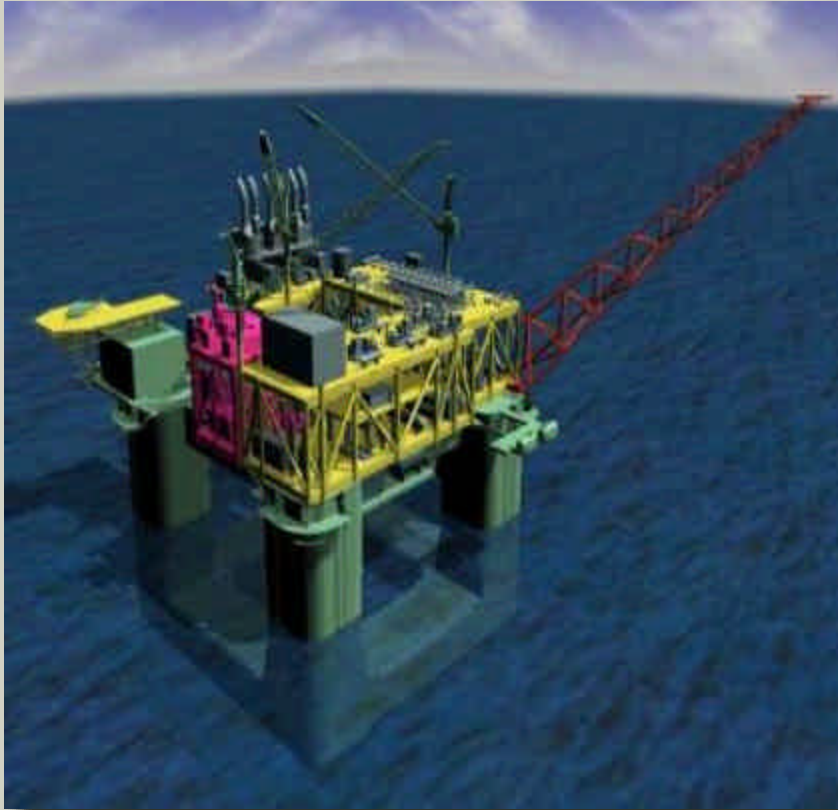
I will address the project progress, Steve will talk about the exploration ...

High Margin Oil E&P – Mad Dog Development



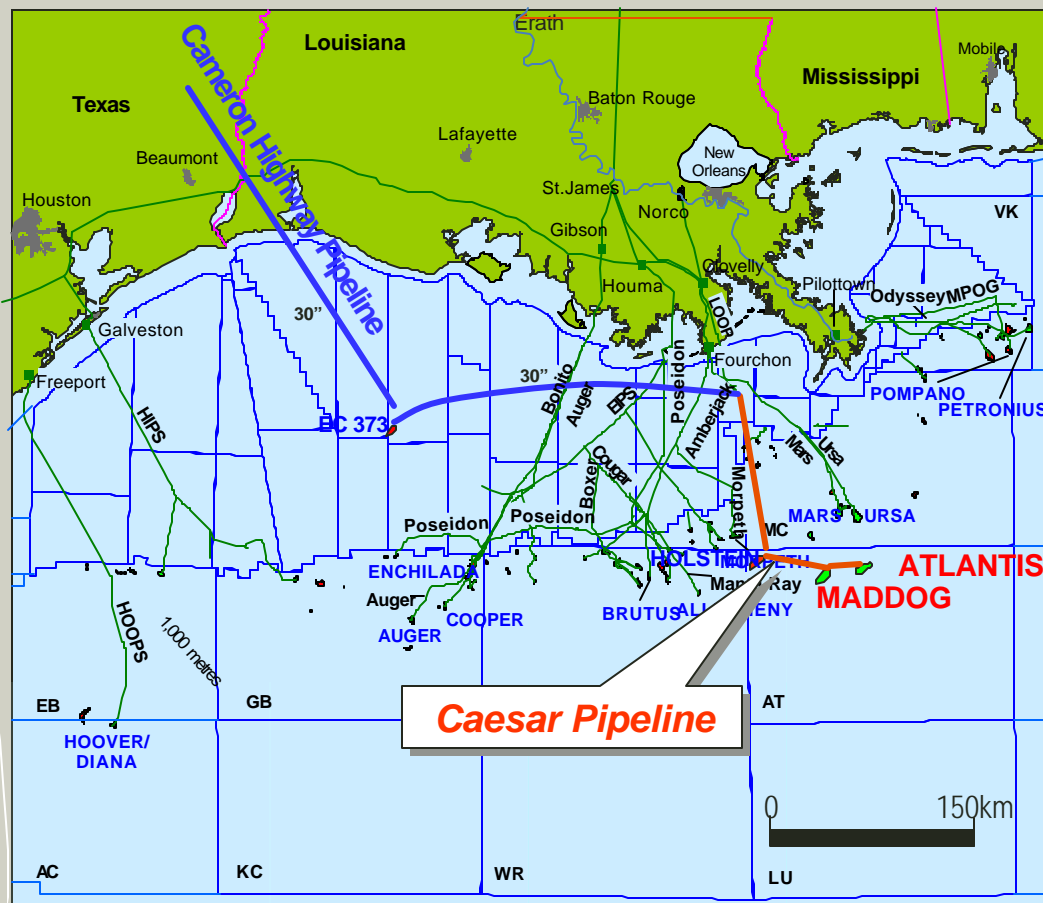
- BHPB interest 23.9%
- Capex (BHPB share) US\$335 million
- First production December 2004
- Truss Spar facility
- Hull fabrication started July 2002 – ahead of schedule
- Topside fabrication started August 2002 – ahead of schedule
- Pre-drill wells commencing November/December 2002
- Gross reserves 200-450 MMboe
- Gross capacity 80 Mbbbl/d
40 MMcf/d
- Wells 12 initial producers
- Accommodation 130 (drilling & operations)

High Margin Oil E&P – Atlantis Development



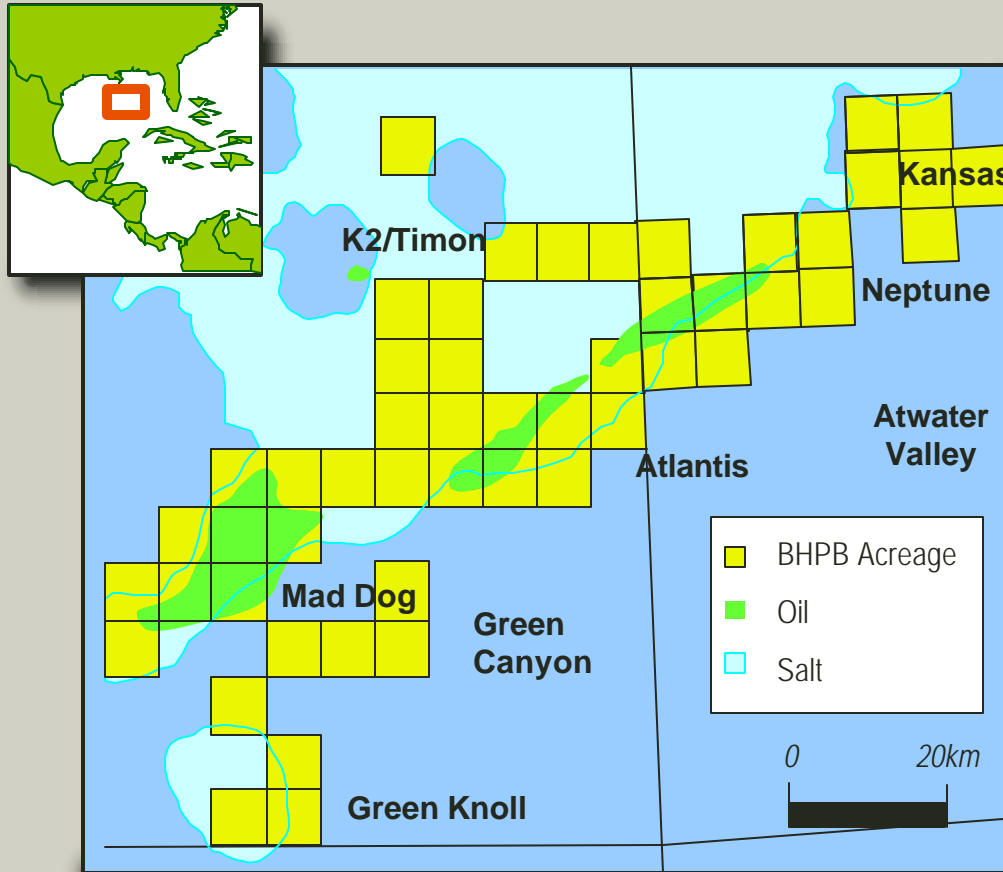
- BHPB interest 44%
- BHPB part sanction US\$355 million
- Gross capex >US\$2 billion
- Gross reserves 575 MMboe
- Gross capacity 150 Mbbbl/d
180 MMcf/d
- Water Depth >6000 feet
- Moored production/quarters
Semisubmersible
- Third largest GoM field
- FEED studies, define costs
- Full BHPB sanction November 2002
- First production: late 2005/early 2006

High Margin Oil E&P – Caesar/Cleopatra Transportation Infrastructure



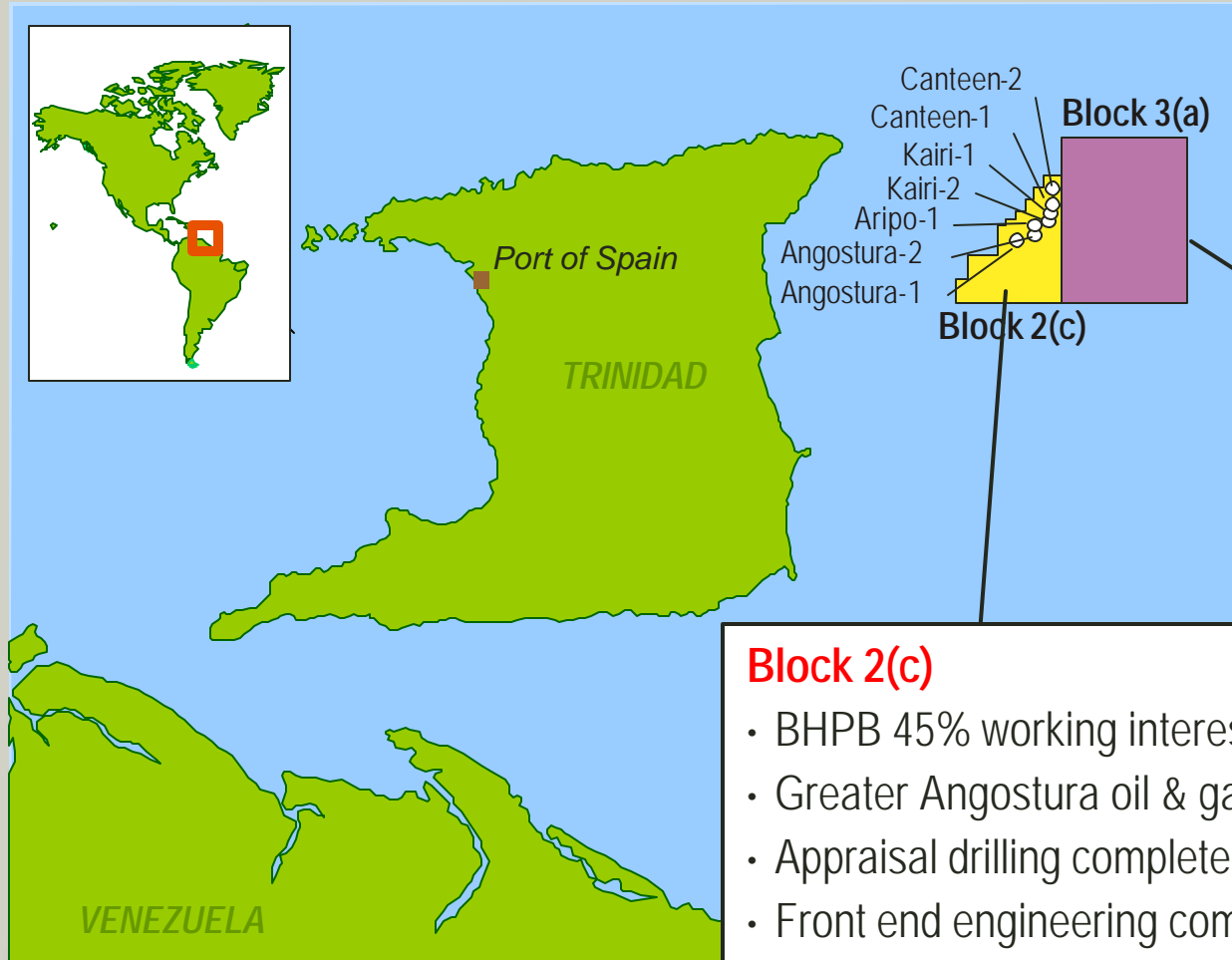
- Underpinning volumes from Mad Dog, Atlantis, Holstein
- Link to Cameron Highway
- BHPB interest
 - 25% Caesar
 - 22% Cleopatra
- Capex (BHPB share) US\$100 million
- Caesar capacity 450,000 bbl/d
- Cleopatra capacity 500 MMcf/d
- Upside transportation value potential
- BP operated

High Margin Oil E&P – Neptune Development



- BHPB – operator
- BHPB interest – 50%
- Further appraisal drilling in 2002
- Development planning studies underway

High Margin Oil E&P – Trinidad Development and Exploration



Block 3(a)

- BHPB 30% working interest
- PSC signed in April 2002
- 3D Seismic survey underway
- Exploration drilling to commence by mid 2003

Block 2(c)

- BHPB 45% working interest
- Greater Angostura oil & gas field
- Appraisal drilling completed
- Front end engineering completed
- Sanction target Q3 FY 2003
- First oil by end CY 2004

Gas Commercialisation Overview



- North West Shelf
 - Train 4 progress
 - China Agreement
 - Domgas (Methanex)
- Other LNG
 - Korea potential
 - Taiwan potential
- Pakistan – Zamzama
- Eastern Gas
 - Bass Strait
 - Minerva

Gas Commercialisation – China LNG Supply



- 3.3 million tonnes per annum of LNG over 25 years
- Supply commences 2005 to Guangdong LNG terminal
- Sales and Purchase Agreement signed
- Equity arrangements being progressed with China National Offshore Oil Company (CNOOC)
- NWS Venture/Chinese Shipping Company/COSCO/China Merchant to establish ship owning and management company

Gas Commercialisation – Zamzama



- BHPB – operator
- BHPB interest – 38.5%
- Awarded Dadu block in 1995
- First gas discovered 1998 with Zamzama 1
- Zamzama 2 appraisal program in 1999
- Good prospectivity, significant and growing gas demand

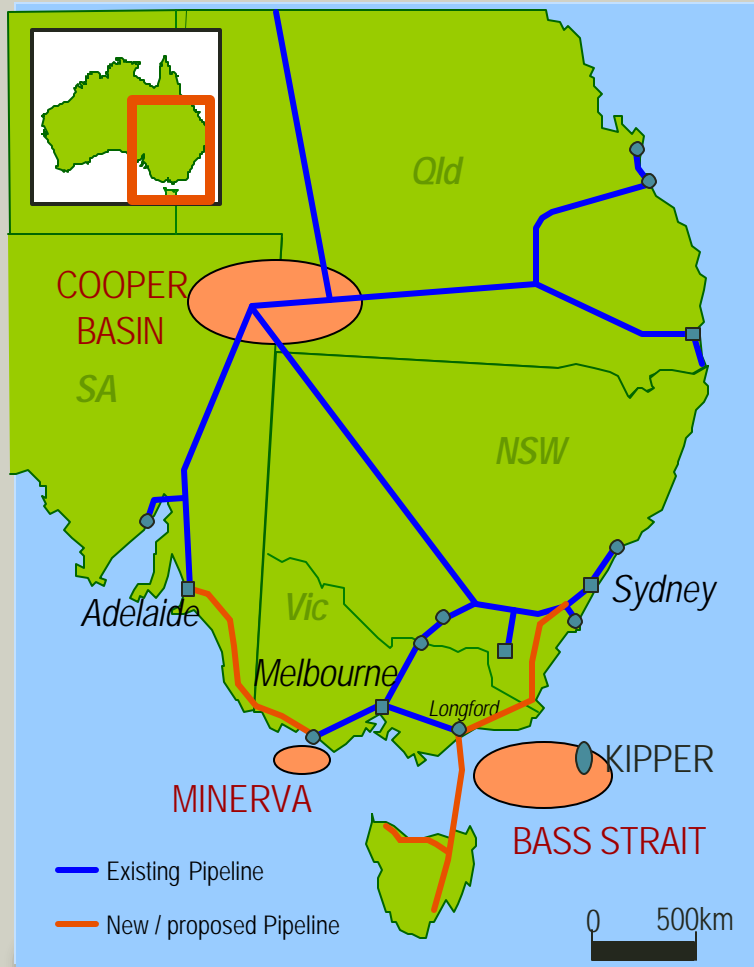
Gas Commercialisation – Zamzama



- Full field development announced March 2002
- Brownfield development based on existing production asset
- Further gas sales agreements completed to cover supply of up to 320 MMcf/d gross
- Development progress – 50% complete
- First gas in 2003
- Expected field life of 20 years
- Gross capex ~ US\$100 million
- BHPB capex – US\$40 million

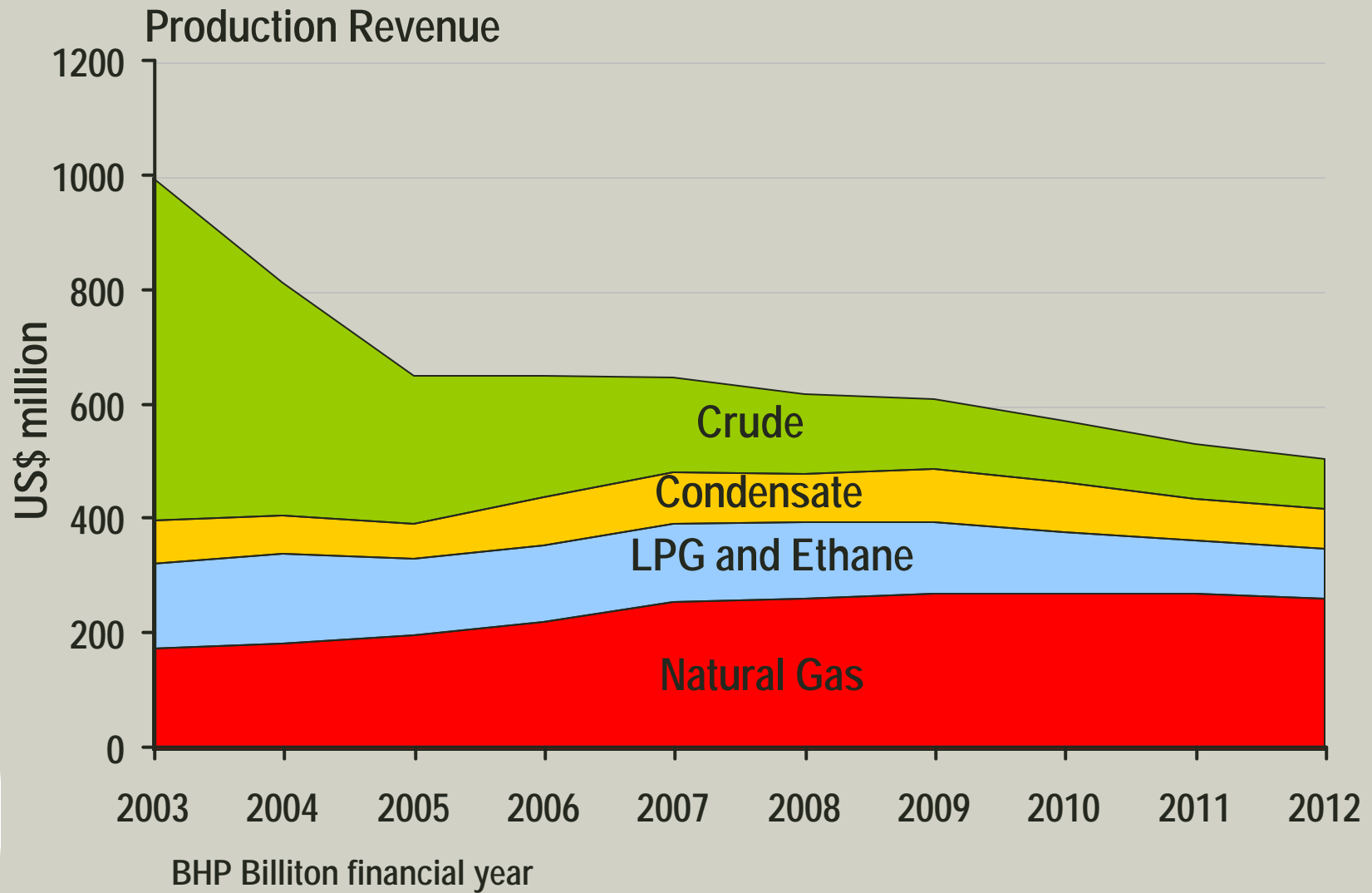


Gas Commercialisation – Eastern Australia Gas Overview

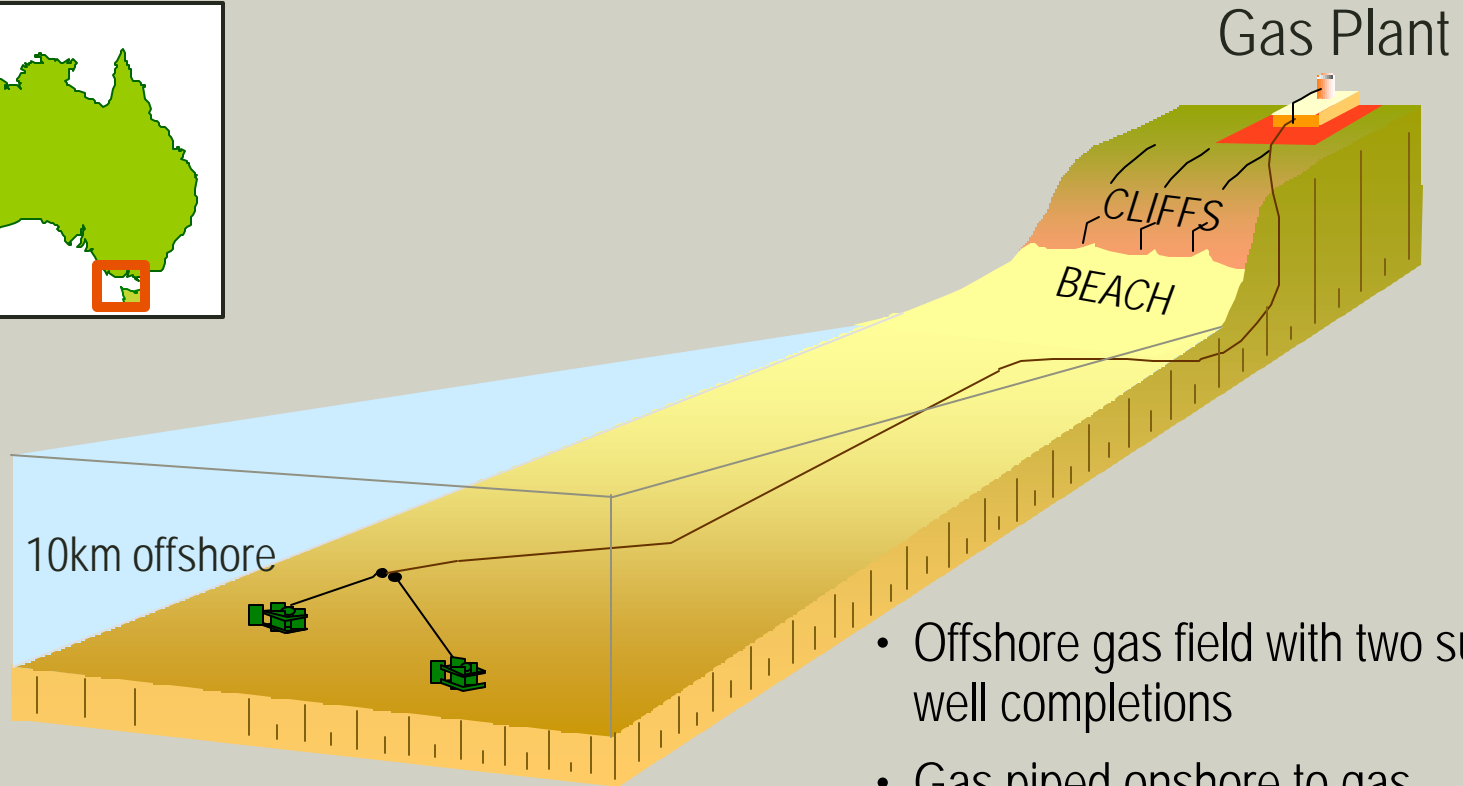
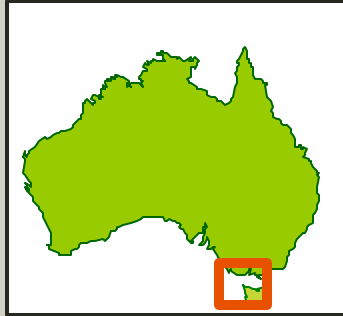


- Infrastructure
 - Eastern Gas Pipeline
 - Tasmania Pipeline
 - South Australia Pipeline
- Downstream
 - Market liberalisation
 - Uncommitted Bass Strait reserves
- Upstream
 - Minerva sanctioned
 - 45% of SA market
 - 20% of the NSW market
 - Kipper studies continue

Gas Commercialisation – Bass Strait Potential Revenues



Gas Commercialisation – Minerva Development



- Offshore gas field with two subsea well completions
- Gas piped onshore to gas processing facility
- Construction commenced
- First gas due early 2004
- 10 year field life

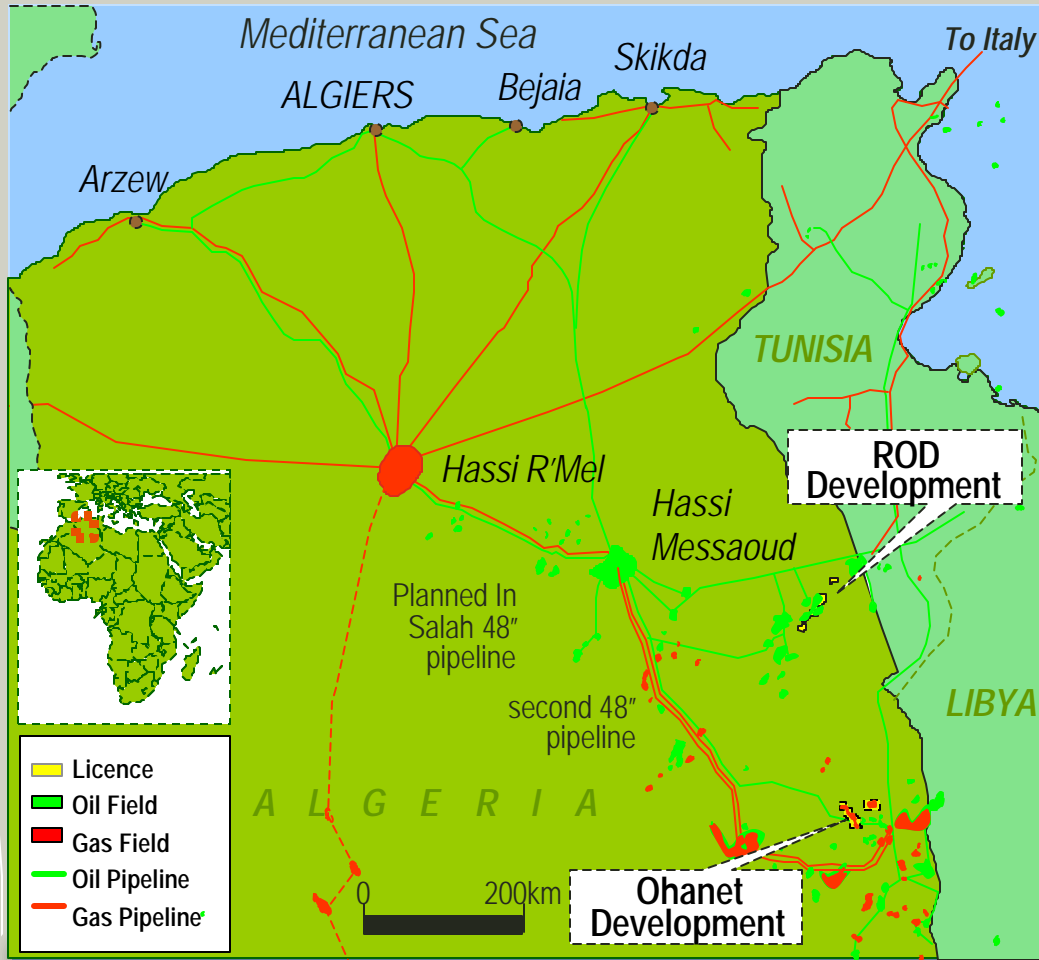
Full Field Production	150 TJ/d gas
Capital Expenditure	US\$137 million gross
Sales Reserves (2P)	296 Bcf & 1.24 MMbbl
BHPB Ownership	90%

Discovered Resources Overview



- North Africa
 - Algeria: Ohanet wet gas development
 - Algeria: ROD oil fields
- Middle East
 - Evaluation of opportunities

Discovered Resources – Algeria Overview



Ohanet

- Wet gas development
- BHPB – 45% interest
- 700 MMcf/d processing facility
- First gas target FY 2004
- Capex (gross) US\$1 billion
- Construction progress 73%
- Strong HSE performance

ROD

- Central process facility at BRN
- BHPB – 35% interest
- Production 80,000 bbl/d
- First oil 2004
- Capex (gross) US\$500 million
- Development drilling – 8 wells to date
- Site preparations underway

Growth Overview – Projected Capital for Sanctioned Projects

Total sanctioned projects – US\$2.5 billion

Project	BHPB share US\$M	Product
Zamzama	40	gas
Bream pipeline	50	gas
GoM Infrastructure	100	oil/gas transport
Minerva	123	gas
ROD	192	oil
NWS LNG 4 th train	235	gas
Mad Dog	335	oil
Ohanet	464	gas/condensate
Atlantis*	1000	oil
TOTAL	2,539	

*part sanctioned to date US\$355 million – final cost will depend on FEED studies

Petroleum Production Forecast

...excluding exploration success

