

Next presenter ...

**Production & Performance:**

**Greg Robinson**

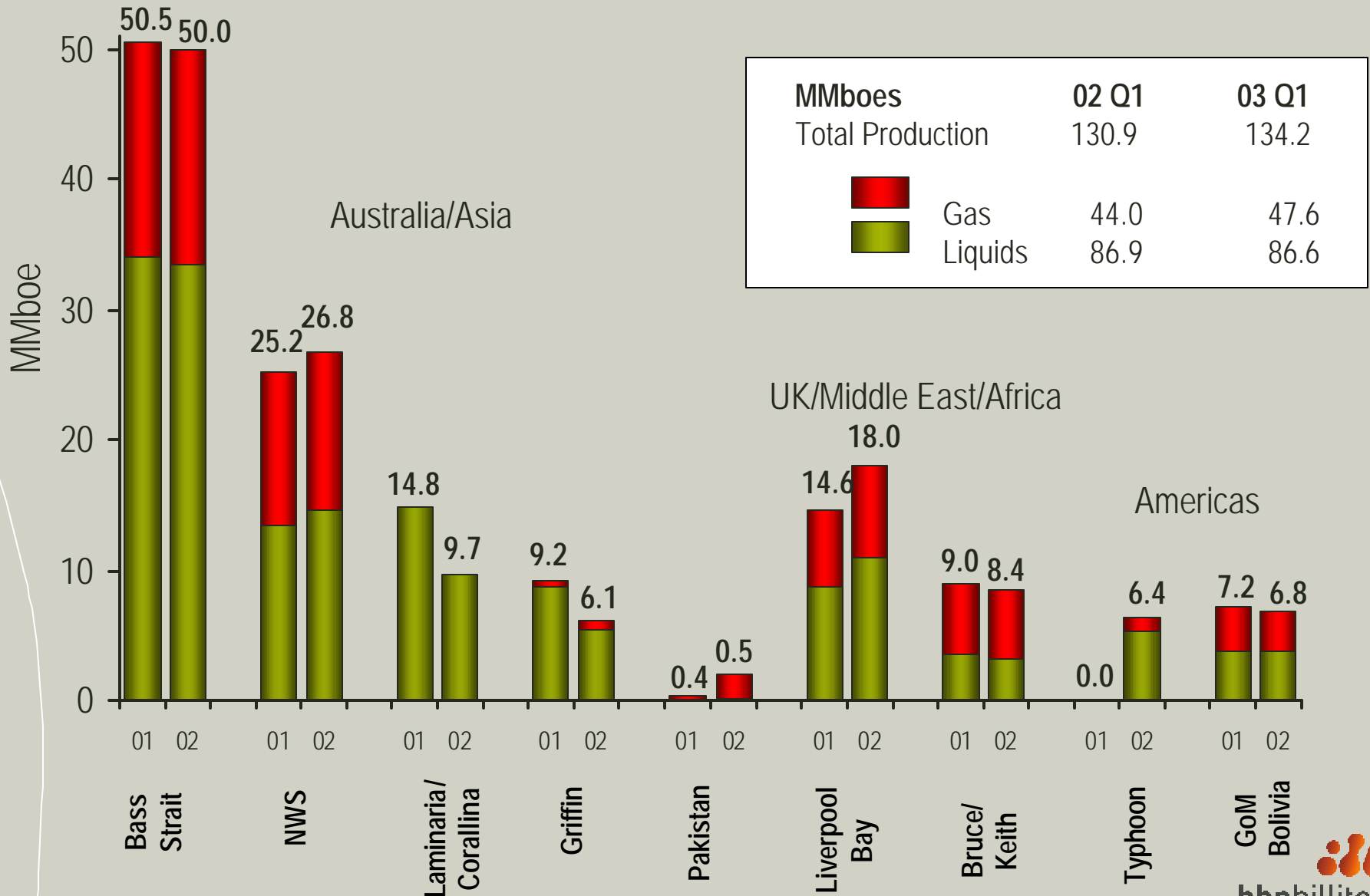
**Chief Financial Officer**

**BHP Billiton Petroleum**

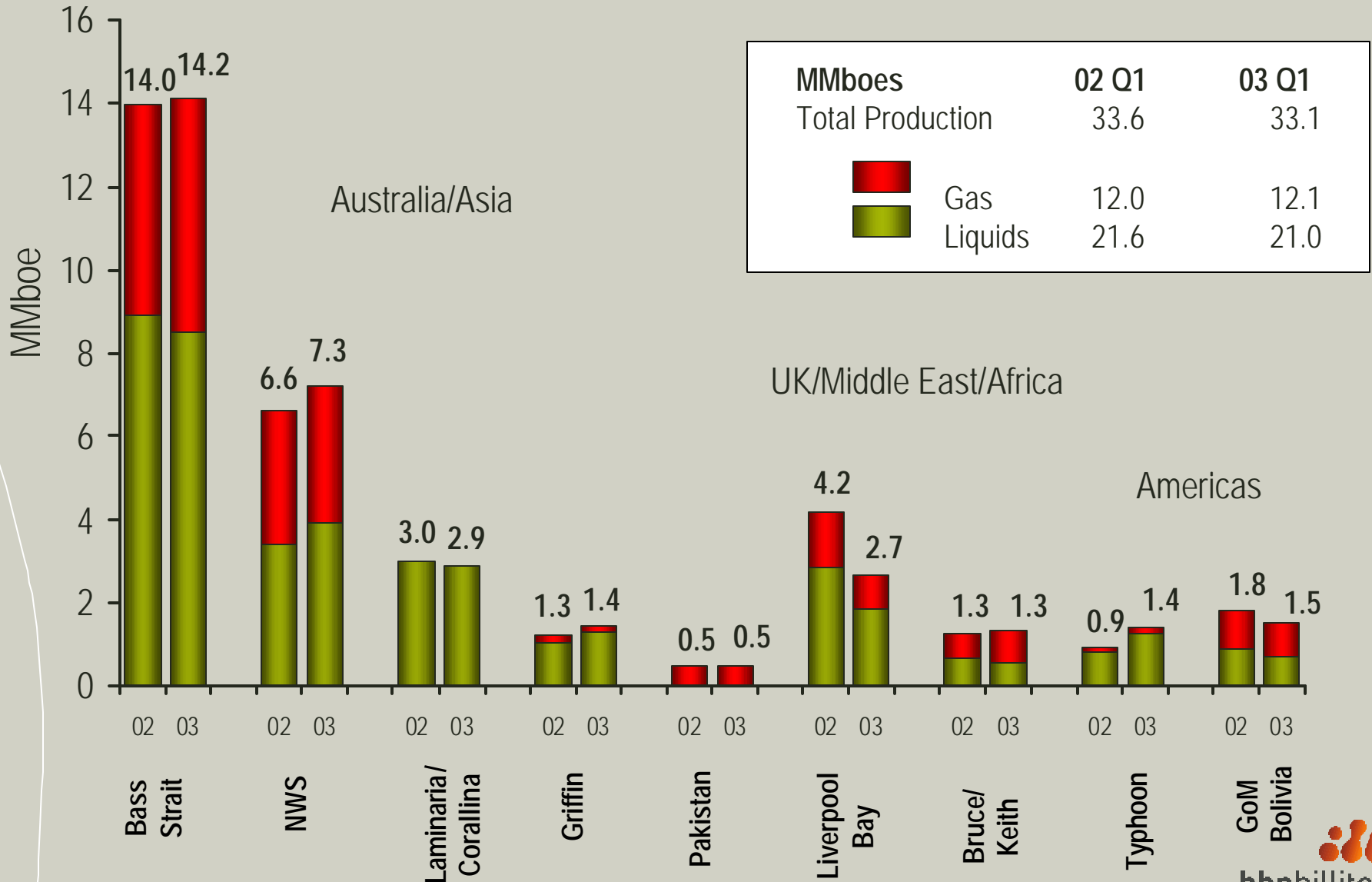
# Petroleum Financial Overview

	FY 01 Full Year	FY 02 Full Year	FY 02 Qtr 1	FY 03 Qtr 1
Production (MMboe)	130.9	134.2	33.6	33.1
Ave Realised Oil Price (US\$)	28.04	22.58	25.32	26.97
EBIT (US\$M)	1,407	1,073	325	384
EROC (%)	58	44	51	52
Capital Exp (US\$M)	459	711	134	239
Exploration (US\$M)	206	288	74	37
Exploration Capitalised (%)	30	47	54	43

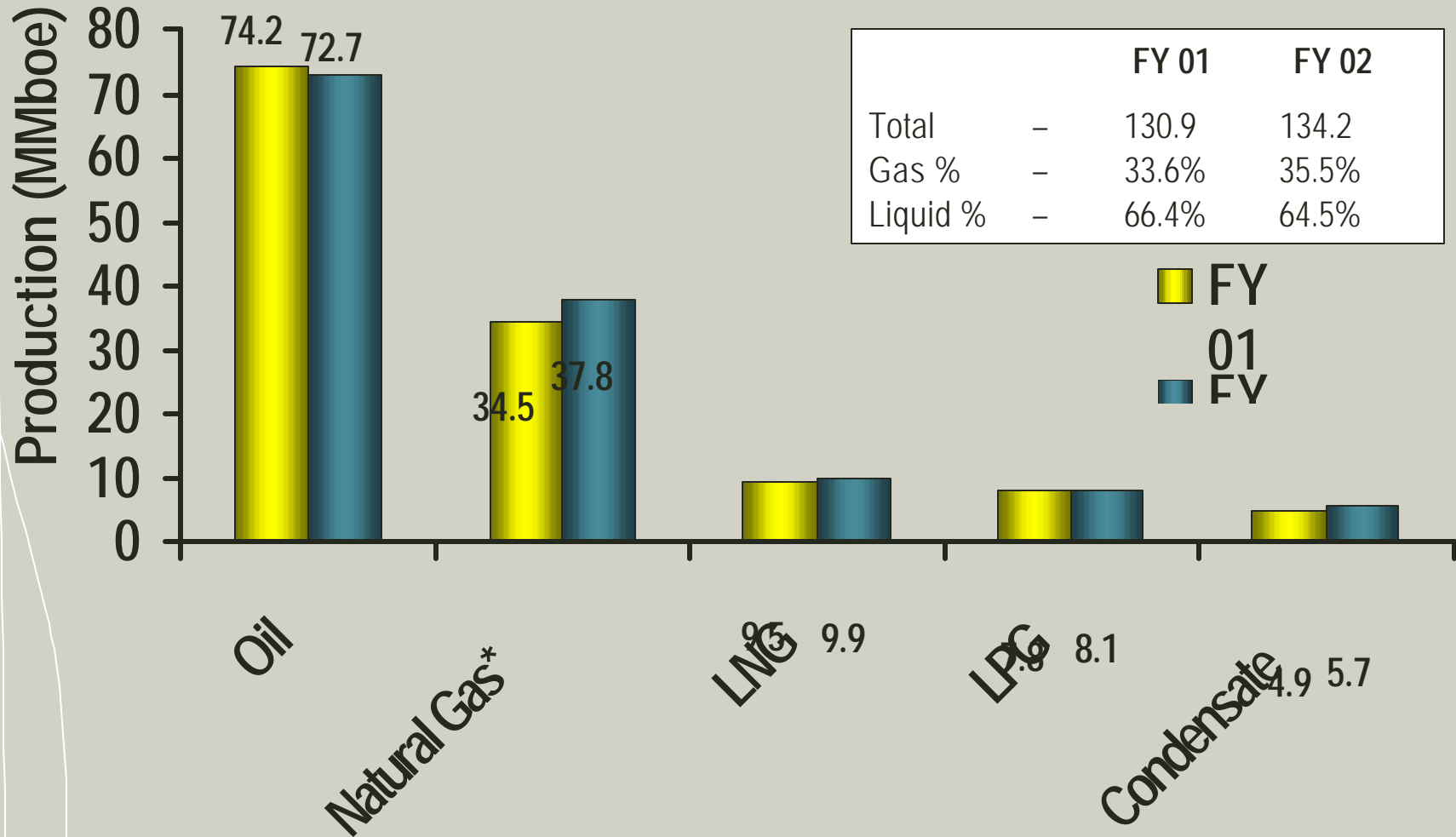
# Petroleum FY 2002 Production by Asset



# Petroleum Quarterly Production Comparison for Assets



# Petroleum Production by Product



		FY 01	FY 02
Total	-	130.9	134.2
Gas %	-	33.6%	35.5%
Liquid %	-	66.4%	64.5%

\* Includes Ethane

# FY 2002 – Bass Strait Overview



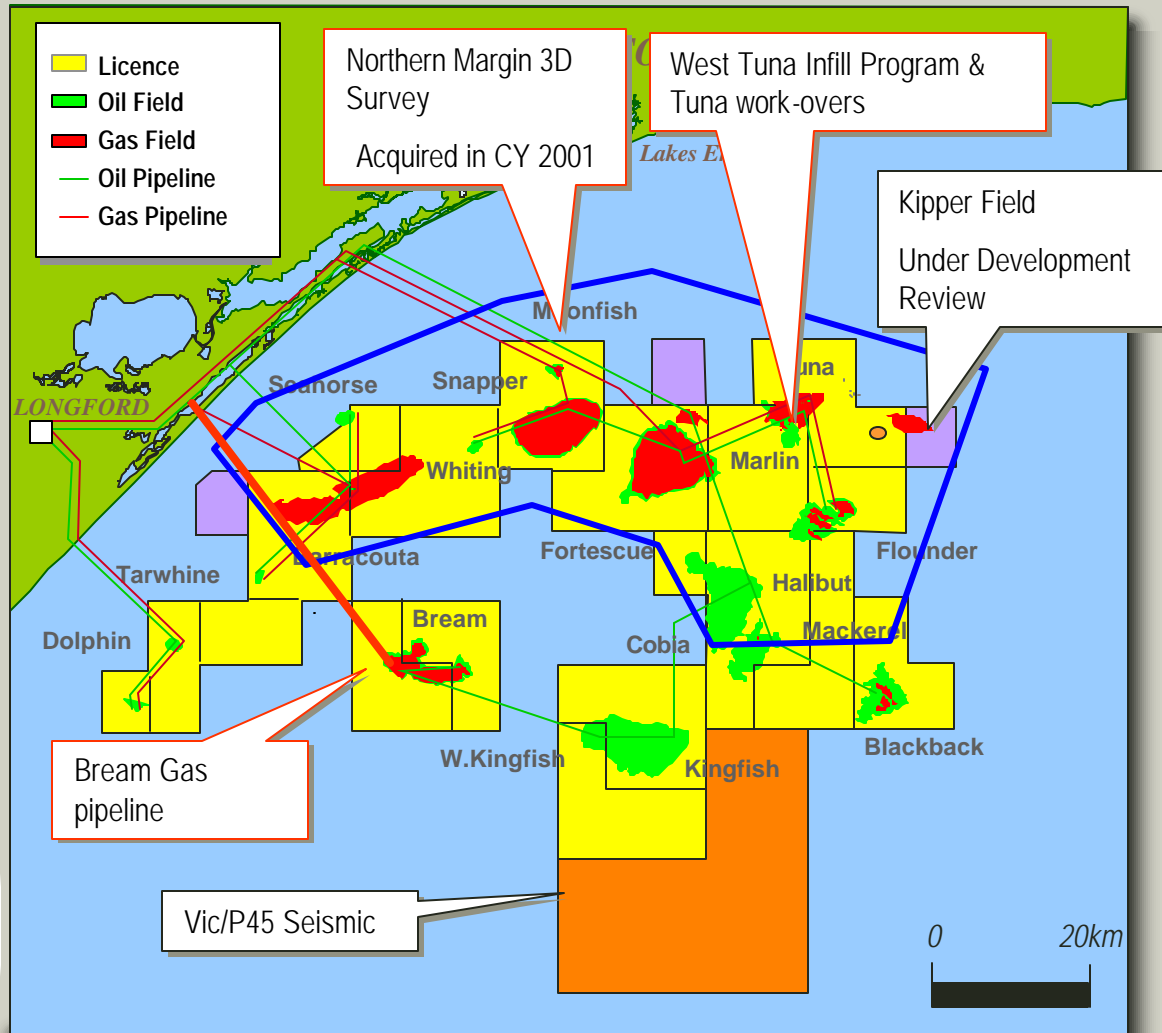
- Bass Strait JV began producing 1968
- Bass Strait represents nearly 40% of Petroleum's business
- FY 2002 higher oil production due to West Tuna infill drilling program and higher customer demand for gas volumes

Net Reserves (2P)	600 MMboe
BHPB Interest	50% (non-operated)

# Bass Strait Financials

	FY 01 Full Year	FY 02 Full Year	FY 02 Qtr 1	FY 03 Qtr 1
EBIT (US\$M)	542	410	124	156
Capex (US\$M)	55	109	21	41
Net Production (MMboe)	50.5	50.0	14.0	14.2

# FY 2022 – Bass Strait Highlights



## Upgrading Infrastructure

- **Longford Plant Restoration** – circa US\$300M gross over 5 years
- **Long Island Point** - c US\$100M gross of projects including major restoration of LPG storage tanks

## Mitigating Liquids Decline

- **Bream Gas Pipeline** – c US\$100M gross investment with first gas Q1 2003
- **Infill drilling on West Tuna, Tuna, Flounder** - c US\$85M gross over 2 years

## Future Growth Opportunities

- **Northern Margin Seismic** – c US\$28M gross survey completed with a drilling campaign expected FY 04/FY 05

# FY 2002 – North West Shelf Overview



- SPAs being finalised with five Japanese customers
- NWS Venture committed to ongoing investment
- Train 4 under construction:
  - 4.2 mtpa
  - 42 inch, 135 km trunkline
  - One LNG shipping carrier
  - Start-up mid 2004
  - Gross capex US\$1.4 billion

Net Reserves (2P)	590 MMboe
BHPB Interest	16.67%

# North West Shelf Financials

	FY 01 Full Year	FY 02 Full Year	FY 02 Qtr 1	FY 03 Qtr 1
<b>EBIT (US\$M)</b>	481	408	121	153
<b>Capex (US\$M)</b>	43	75	22	33
<b>Net Production (MMboe)</b>	25.2	26.8	6.6	7.3

# FY 2002 – Laminaria/Corallina Overview



- Stage 2 enhancement project completed – two infill wells
- Higher oil production than expected due to better reservoir performance
- Peak production reached FY 2001
- Declining production from 2004

Net Reserves (2P)

24 MMbbl gross

BHPB Interest

Laminaria – 32% (working); Corallina – 25% (working)

# Other Australia/Asia Region Financials

	FY 01 Full Year	FY 02 Full Year	FY 02 Qtr 1	FY 03 Qtr 1
<b>EBIT (US\$M)</b>	362	177	59	56
<b>Capex (US\$M)</b>	13	52	4	9
<b>Net Production (MMboe)</b>	24.4	17.8	4.7	4.8

Includes Laminaria/Corallina, Griffin, Pakistan and Buffalo (FY 01 only)

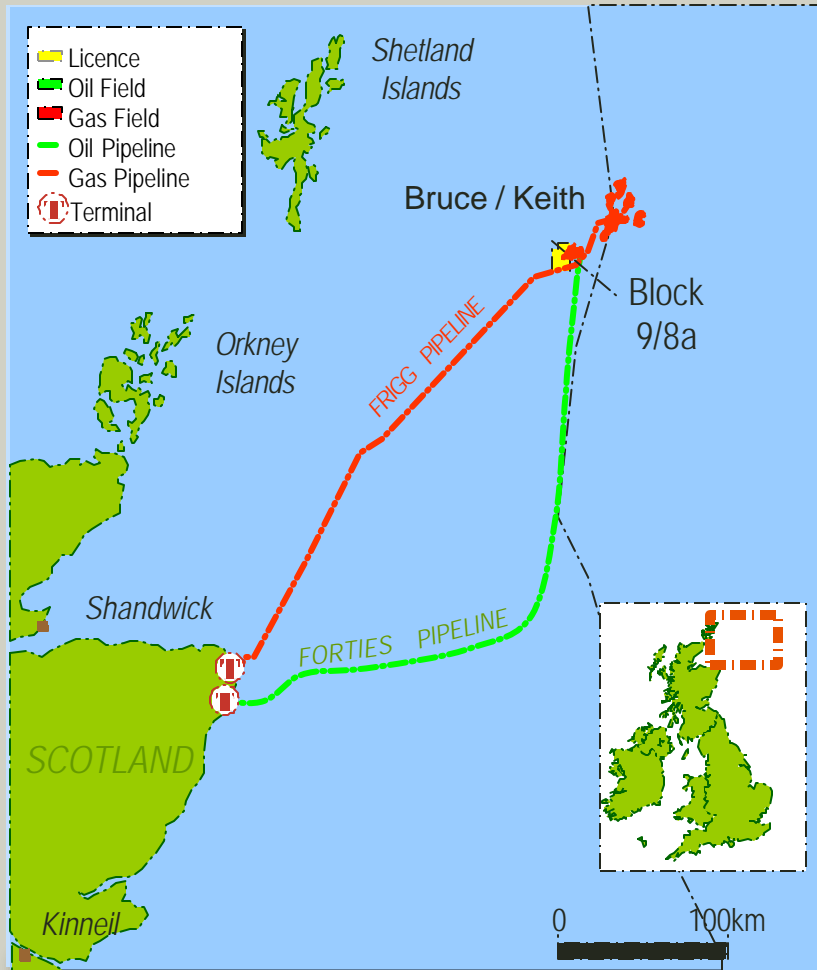
# FY 2002 – Liverpool Bay Overview



- Our largest operated asset, comprising five offshore oil and gas fields in Irish Sea
- Produces 2.4% of UK oil and 2.8% of UK gas
- Good HSE Performance
- Record production in FY 2002
- Continued focus on maximising production volumes and reducing cost base

Net Reserves (2P)	93 MMboe
BHPB Interest	46.1% (operator)

# FY 2022 – Bruce and Keith Overview



## Bruce

- First production 1993
- Gas sales contract renegotiated
- Infill drilling completed – more planned for FY 2003

## Keith

- First production November 2000

Net Reserves (2P)

52 MMboe

BHPB Interest

Bruce – 16%

Keith – 31.83% (operator)

# UK / Middle East / Africa Region Financials

	FY 01 Full Year	FY 02 Full Year	FY 02 Qtr 1	FY 03 Qtr 1
<b>EBIT (US\$M)</b>	255	252	64	38
<b>Capex (US\$M)</b>	173	289	65	66
<b>Net Production (MMboe)</b>	23.6	26.4	5.5	4.0

Includes Liverpool Bay, Bruce and Keith

# FY 2002 – Typhoon Overview



## **Typhoon**

- BHPB – 50% interest
- Production commenced July 2001
- Topsides of mini-tension leg platform being modified to handle Boris production

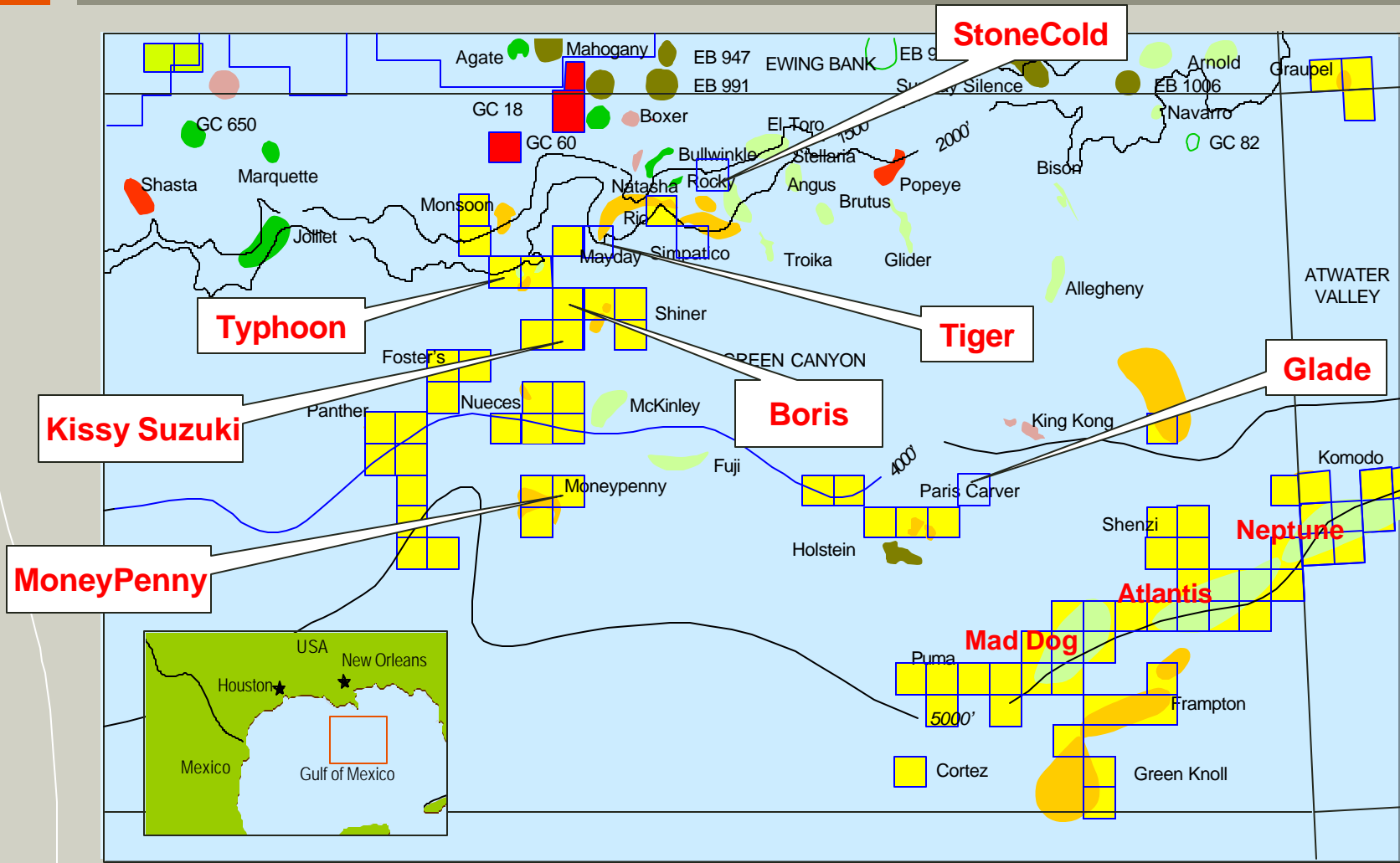
## **Boris**

- BHPB – 50% working interest; operator
- Completing Boris-1, installing flowline and umbilical hookup
- First production target is December 2002 (13 months from discovery)

## **FY 2003 Activities**

- Completing seismic processing to better delineate infill drilling opportunities
- Re-completing/sidetracking existing wells for added production

# Typhoon near-field and other opportunities

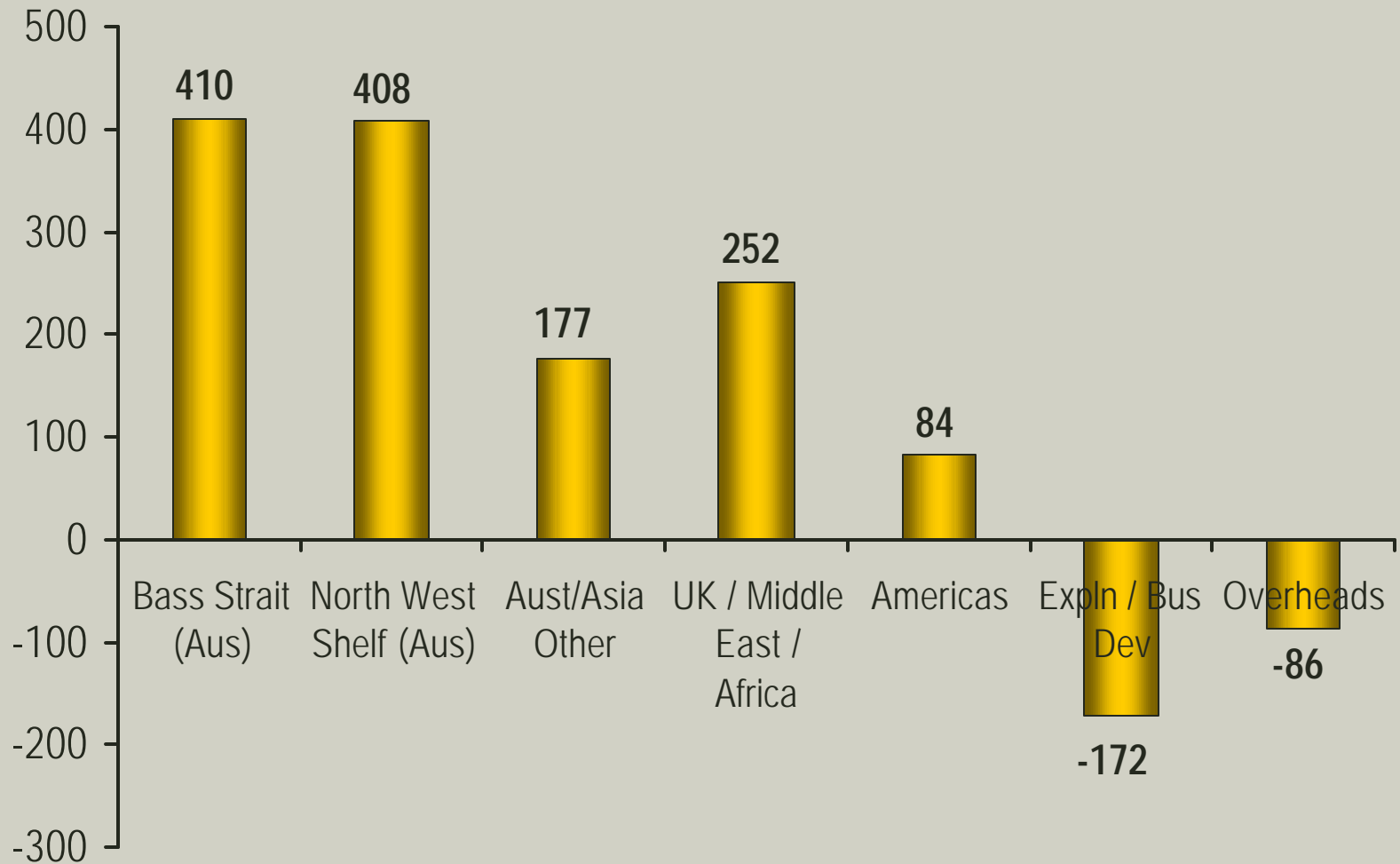


# Americas Region Financials

	FY 01 Full Year	FY 02 Full Year	FY 02 Qtr 1	FY 03 Qtr 1
<b>EBIT (US\$M)</b>	55	84	18	29
<b>Capex (US\$M)</b>	166	186	22	90
<b>Net Production (MMboe)</b>	7.2	13.2	2.8	2.8

Includes Typhoon, GoM and Bolivia

# Petroleum FY 2002 EBIT by Producing Asset



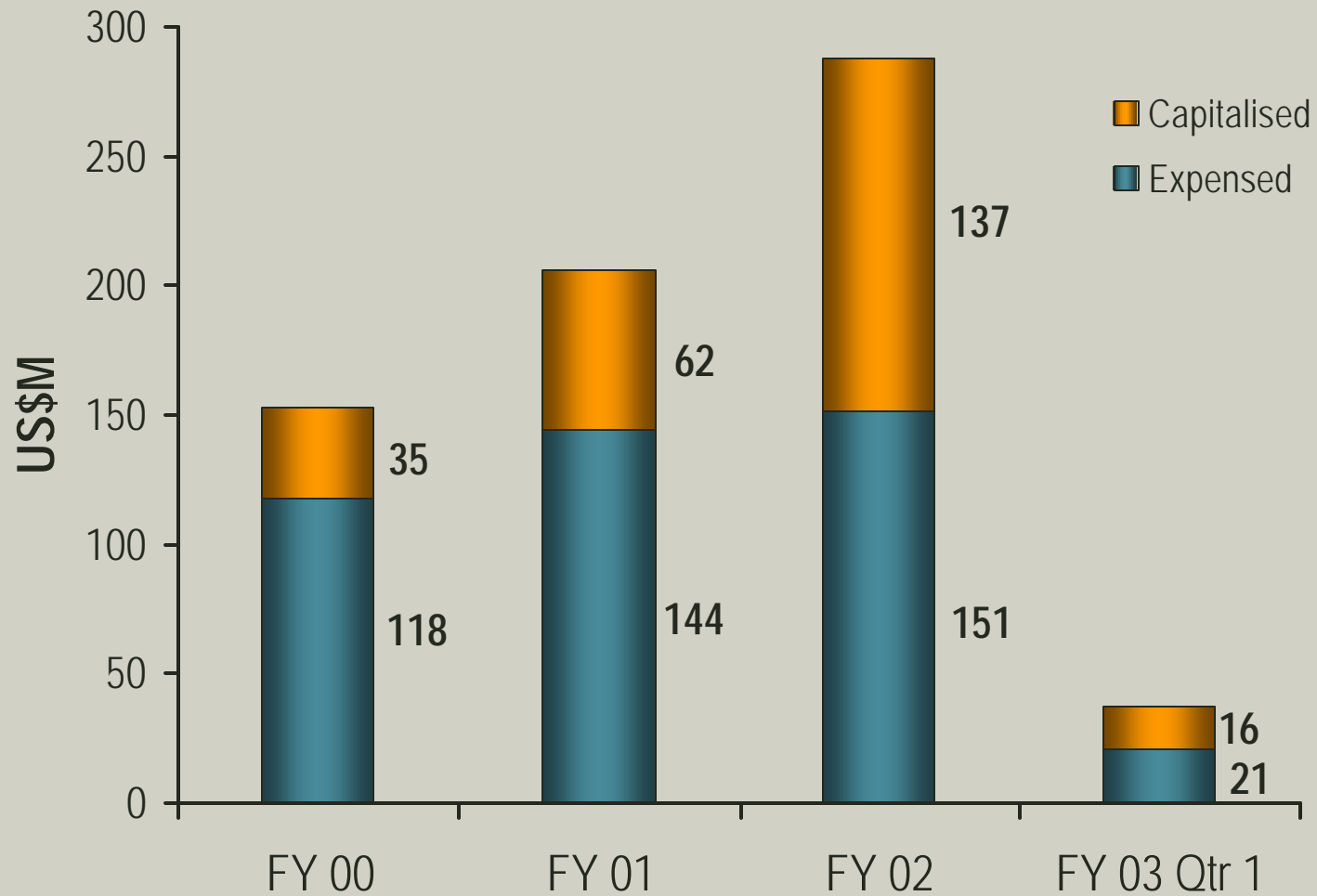
**FY 02 EBIT US\$1,073 million**

## Petroleum Efficiency Targets

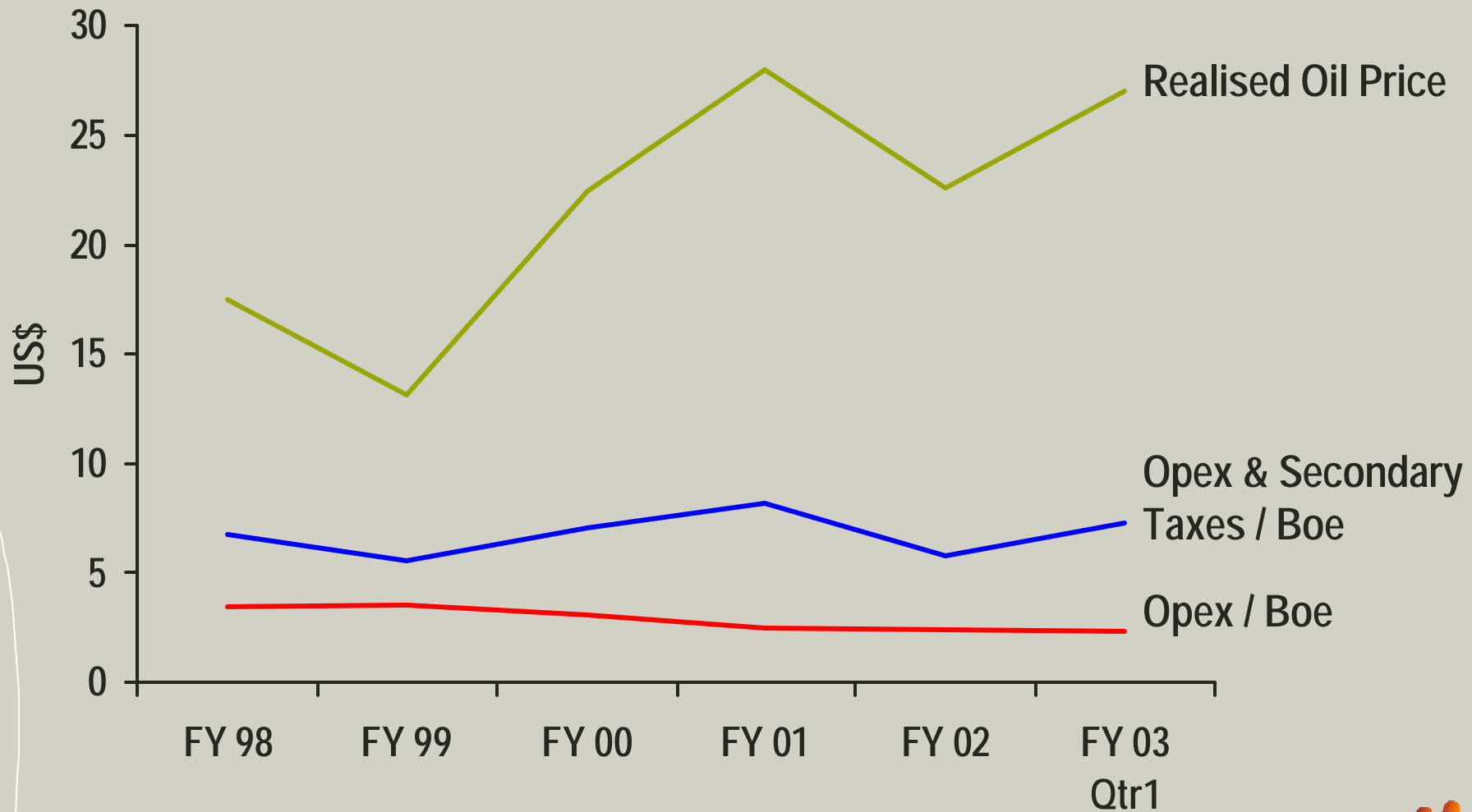
US\$/boe	FY 06 Target	FY 02 Actual*
Finding Costs	1.50	1.29
Finding & Development	4.50	4.08
EBIT	6.00	9.20

\* Three year average

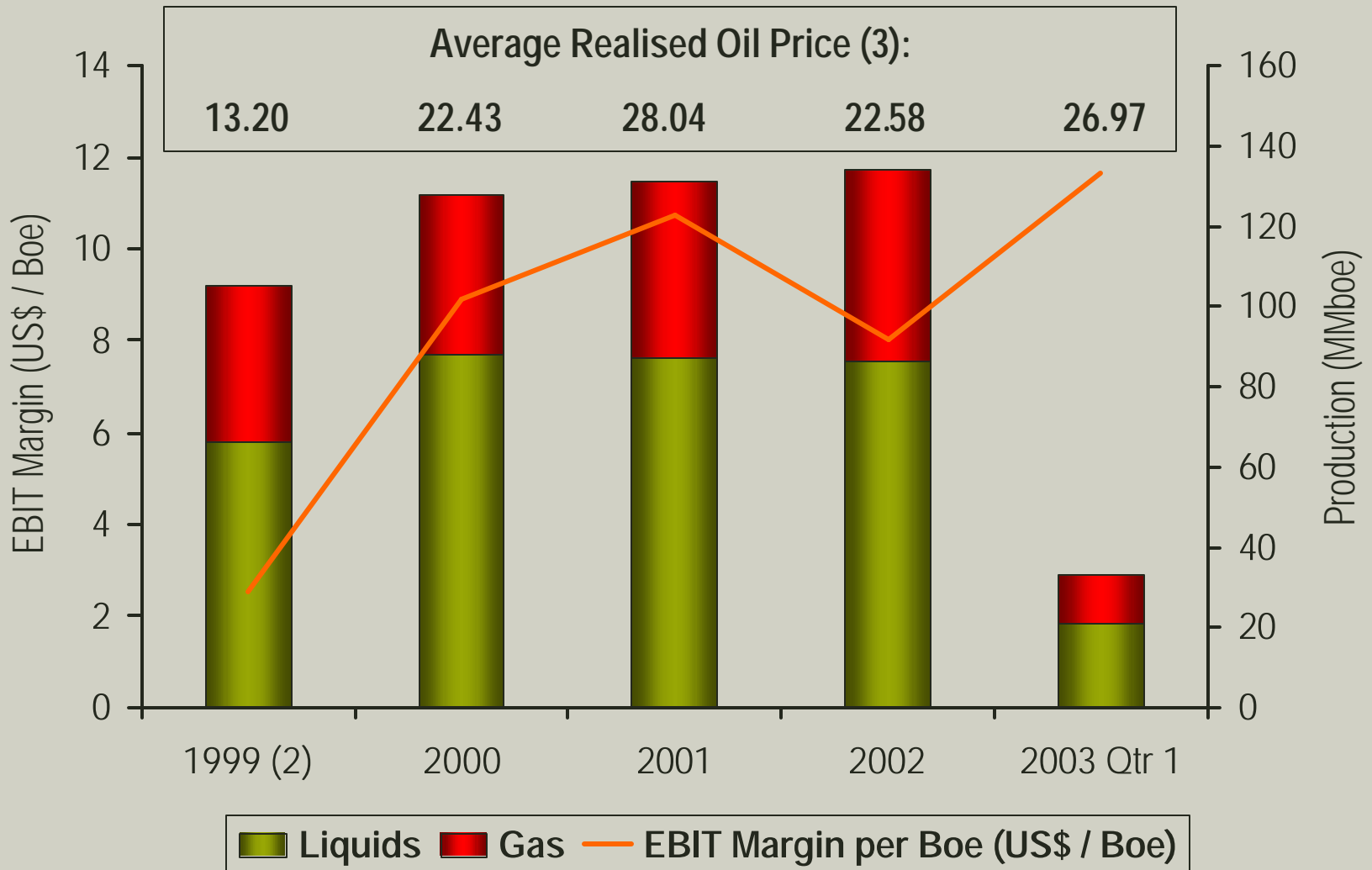
# Exploration – Capitalised vs Expensed



# Petroleum Operating Margin



# EBIT Margin vs Production

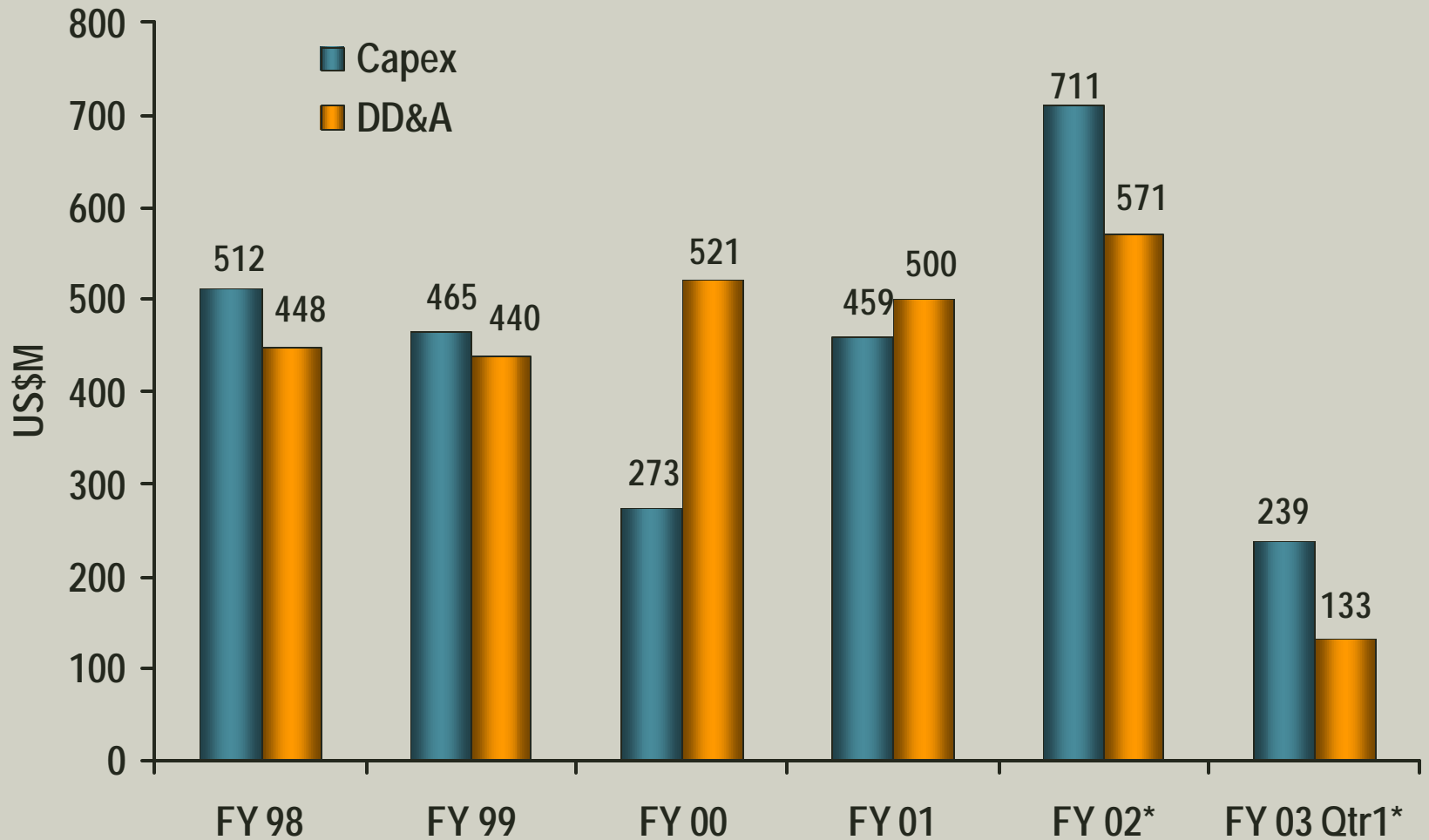


Note 1: all years EBIT results 12 months to 30 June

Note 2: 1999 EBIT Margin impacted by Longford Incident

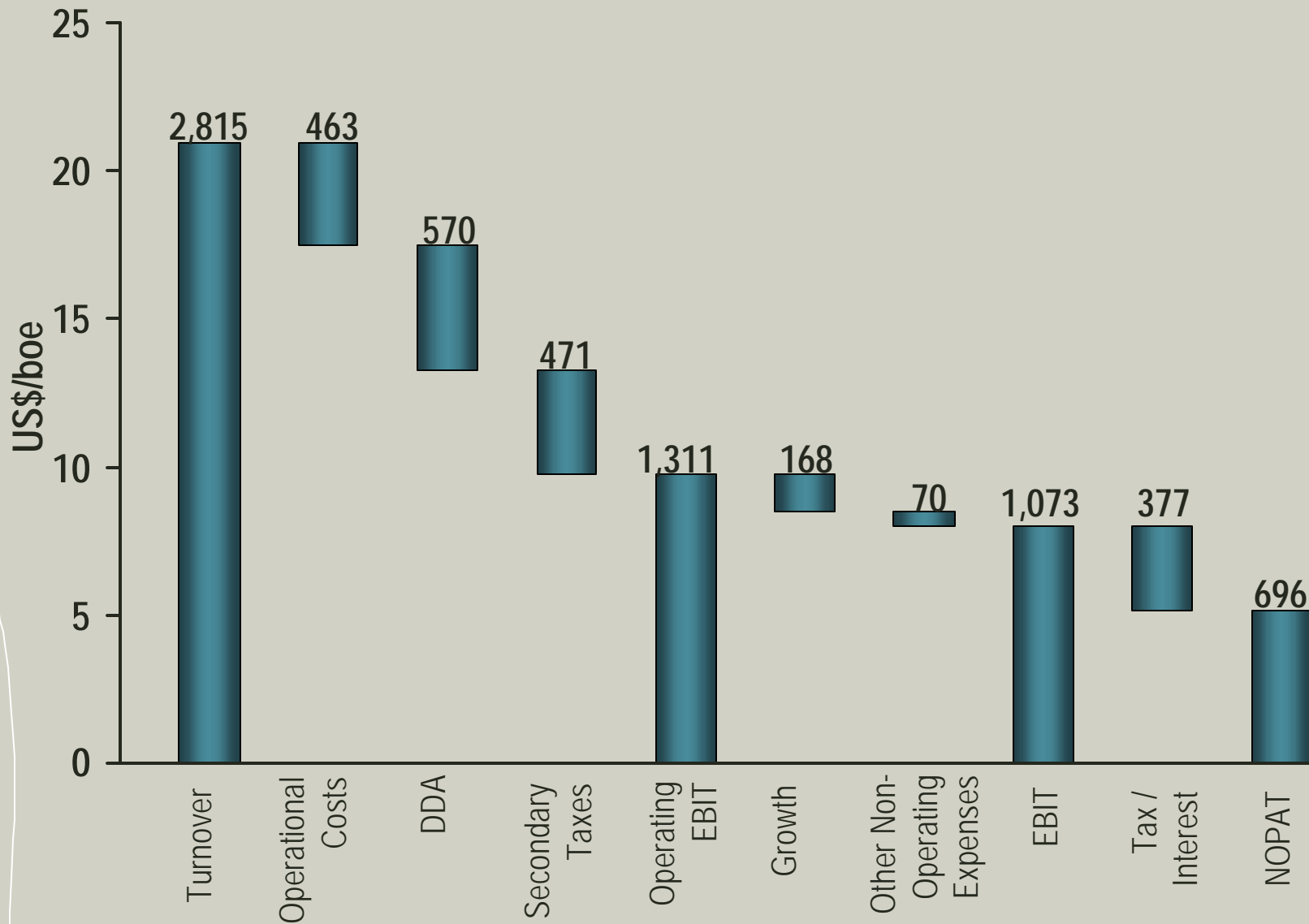
Note 3: Av. Realised Oil Price quoted for 2000 and 2001 net of Commodity Hedging; 2000 price is 13 months to 30/06/2000

# Development Expenditure vs Depreciation, Depletion & Amortisation



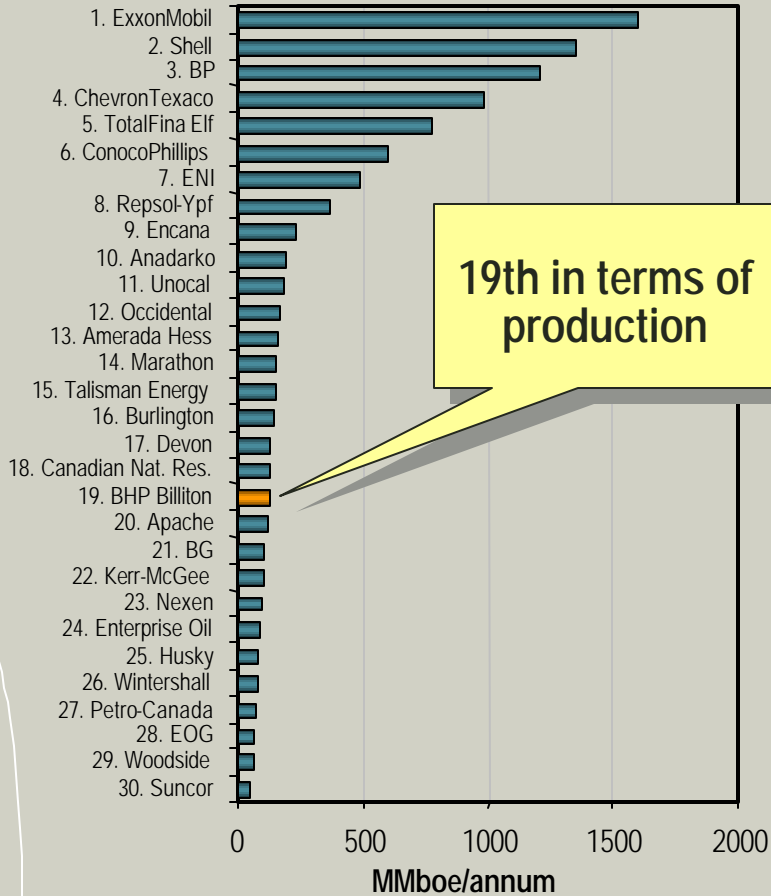
\* Includes investment expenditure in GoM infrastructure

# Margin Analysis – FY 2002



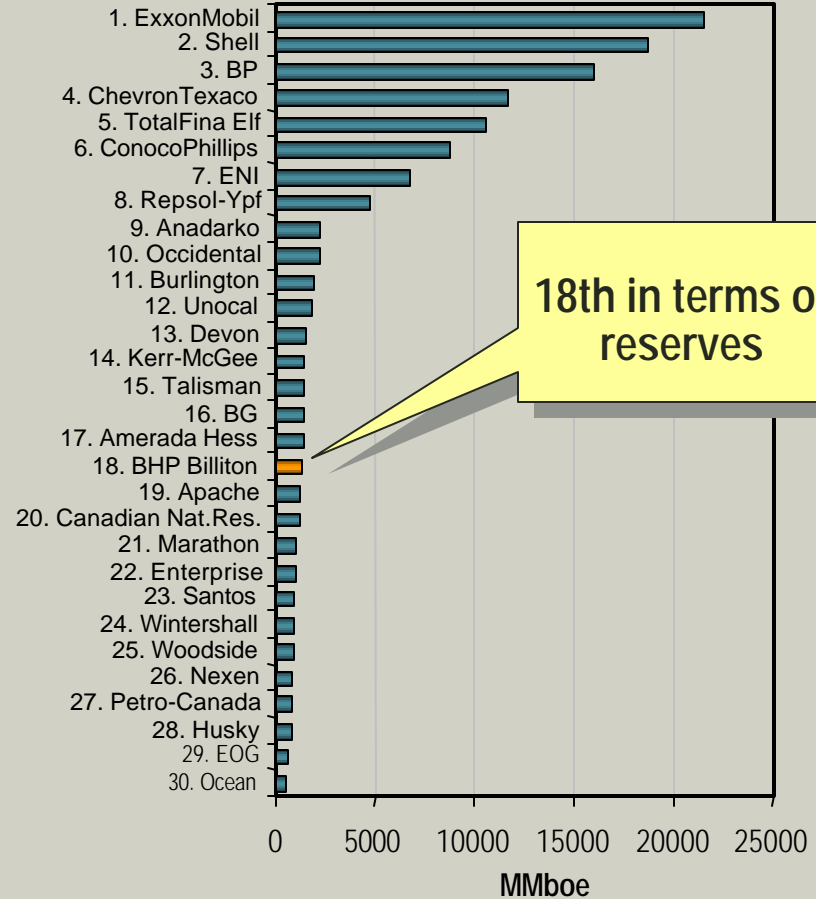
# Petroleum Relative to the Industry Players

## Annual Production



19th in terms of production

## Proven Reserves

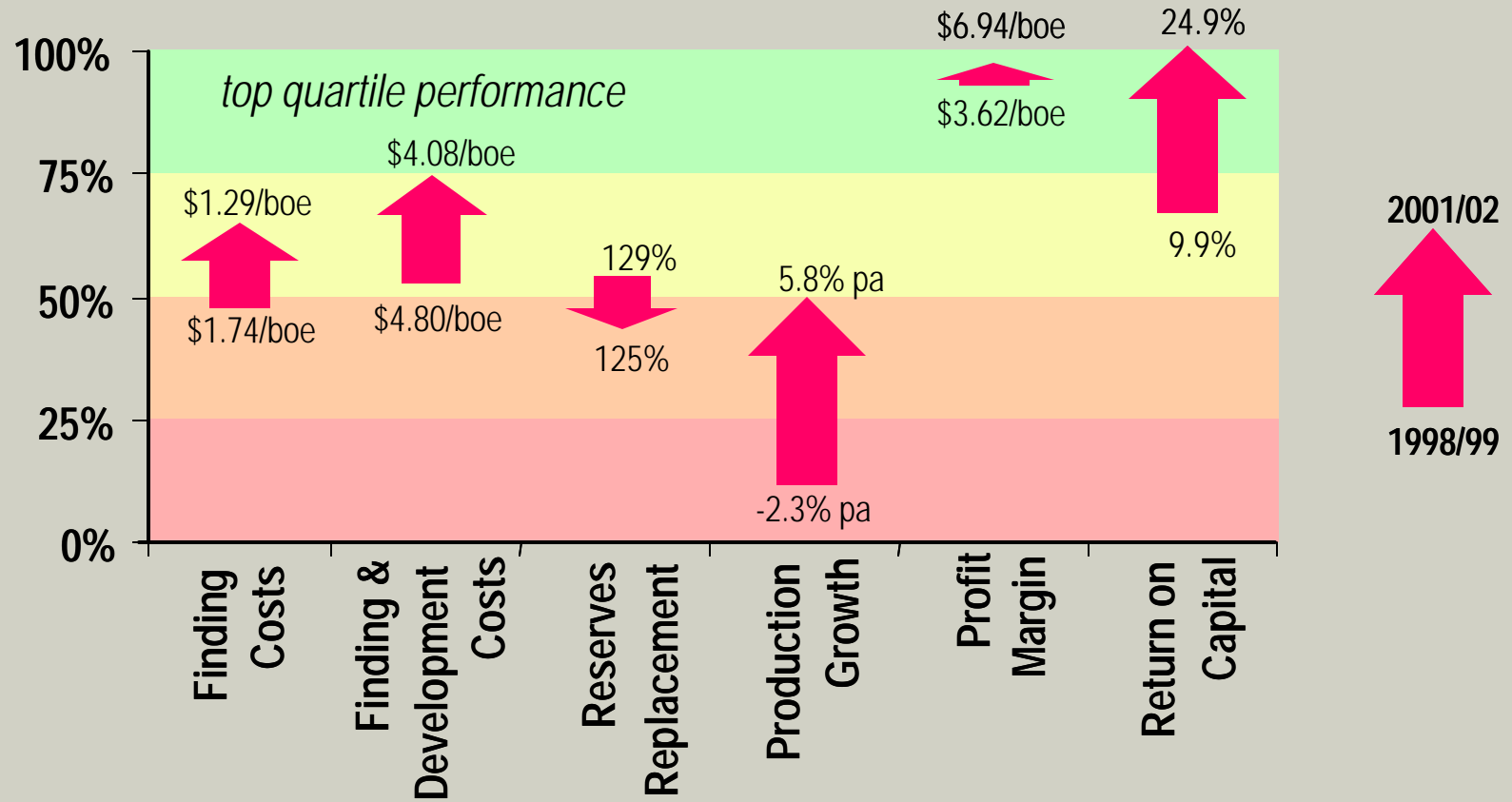


18th in terms of reserves

Excludes companies with significant state ownership  
 BHPB shown with FY 02 production  
 Other companies are CY01 data except CY00 where not available  
 Source: Evaluate Energy

# Peer Group Benchmarking

## BHP Billiton Petroleum's Peer Group Ranking 3 year averages to 1998/99 and 2001/02



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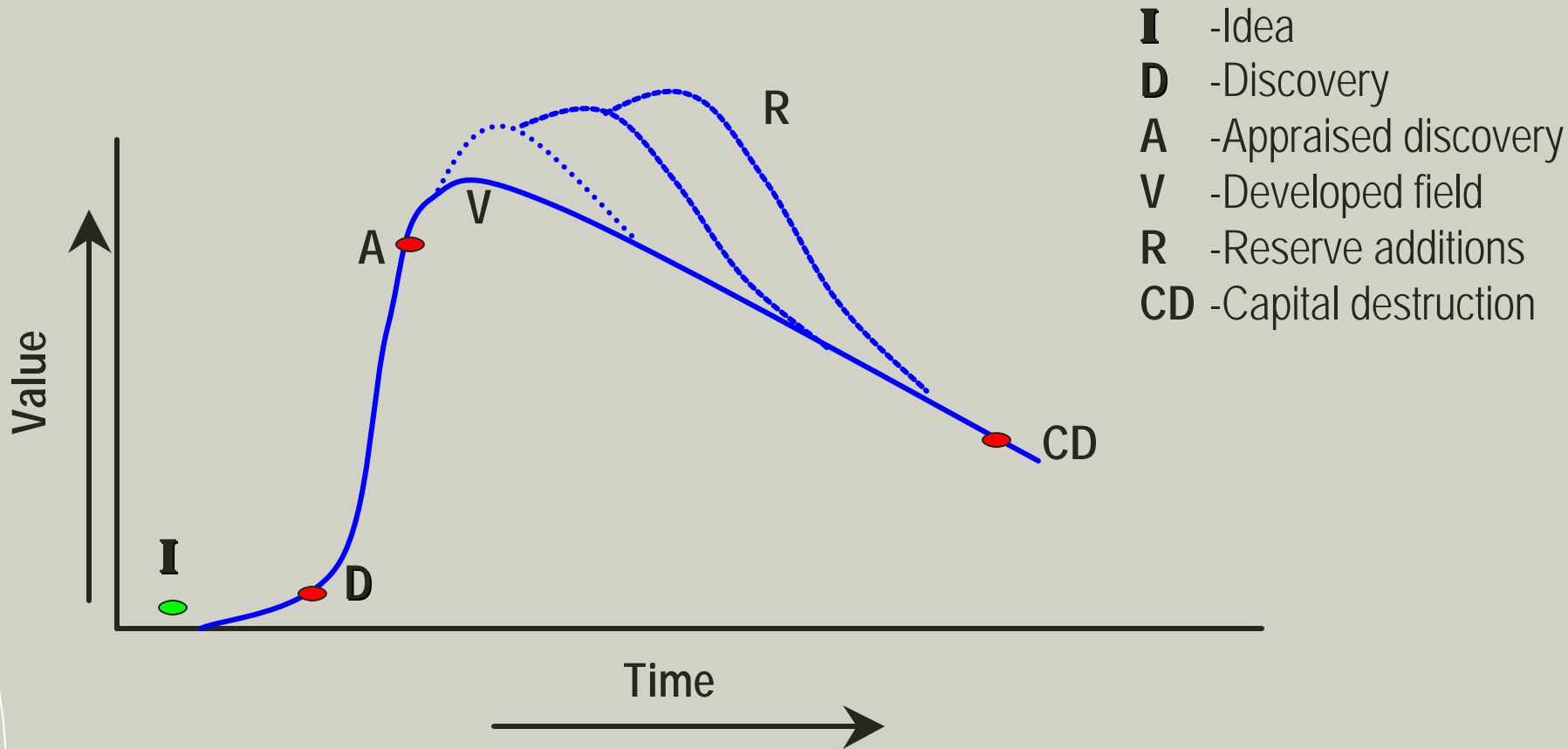
**Exploration & Business Development:**

**Steve Bell**

**President Exploration  
& Business Development**

**BHP Billiton Petroleum**

# Exploration Turns Ideas into Money



- The greatest leap in value is to turn an idea into an appraised discovery
- We are in the business of turning ideas into money

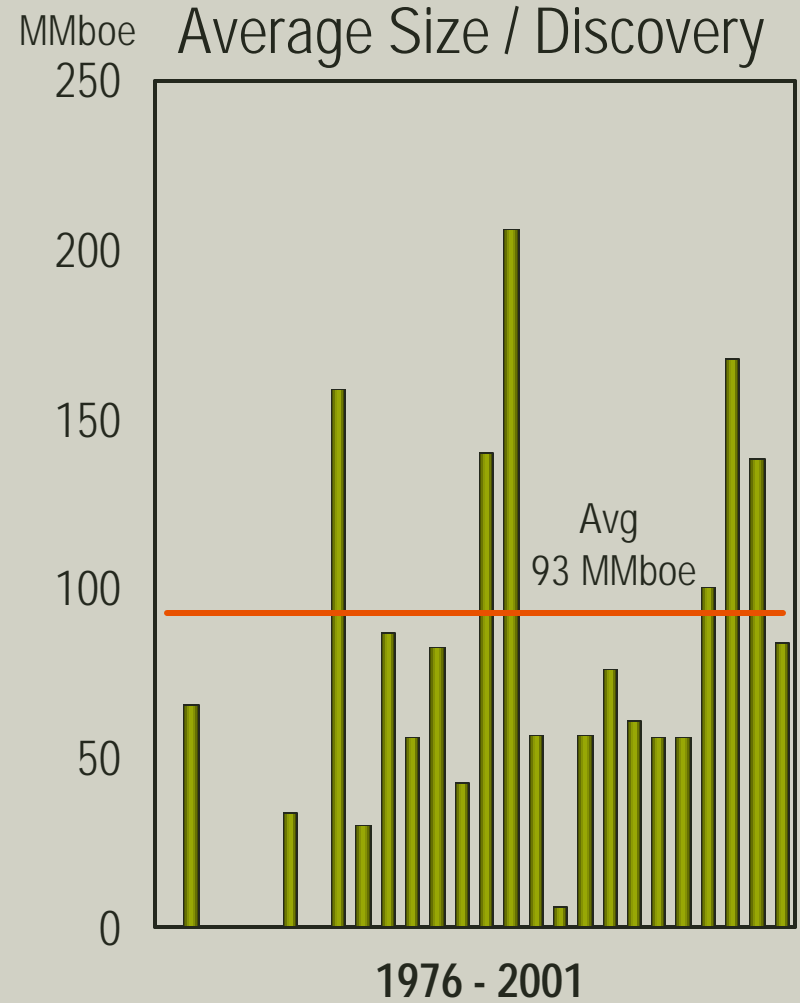
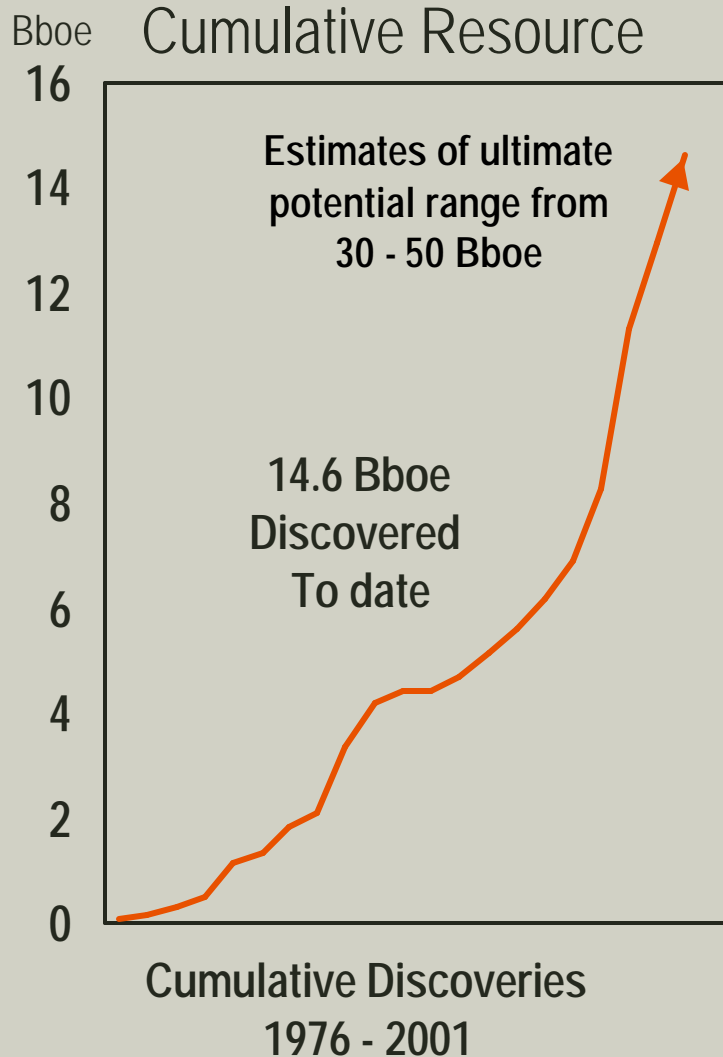
# Current Exploration Acreage Portfolio



## Challenges unique to our portfolio

- Different kind of wildcatter – not a drilling program focused company
- Heavily weighted to deepwater exploration
- Longer lead times between discovery/appraisal wells
- Lumpy portfolio for booking reserves

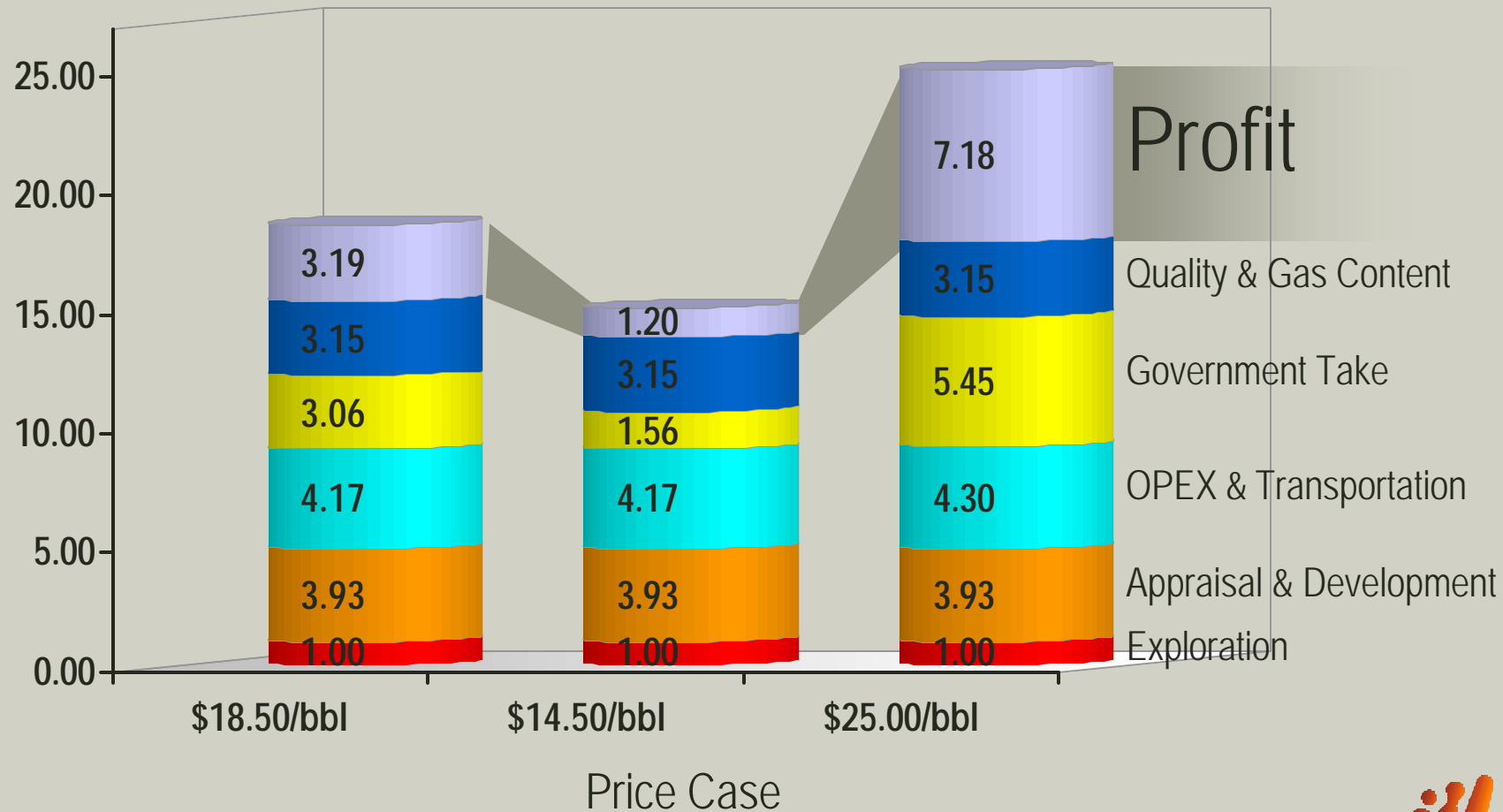
# Deepwater Gulf of Mexico Potential – still a long way to go



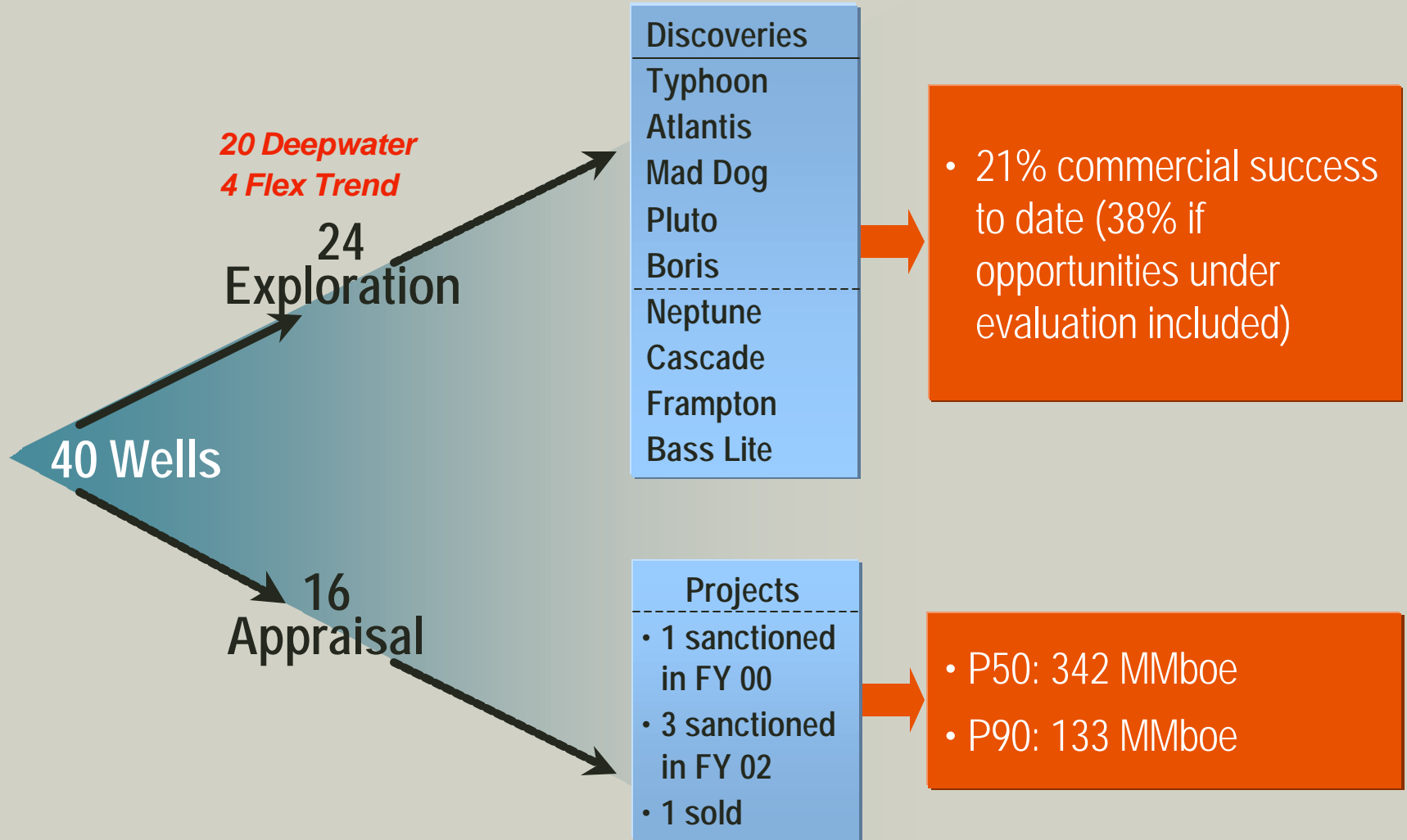
# Indicative Margin Analysis

WD 6,500 ft, Field Reserve 500 MMboe

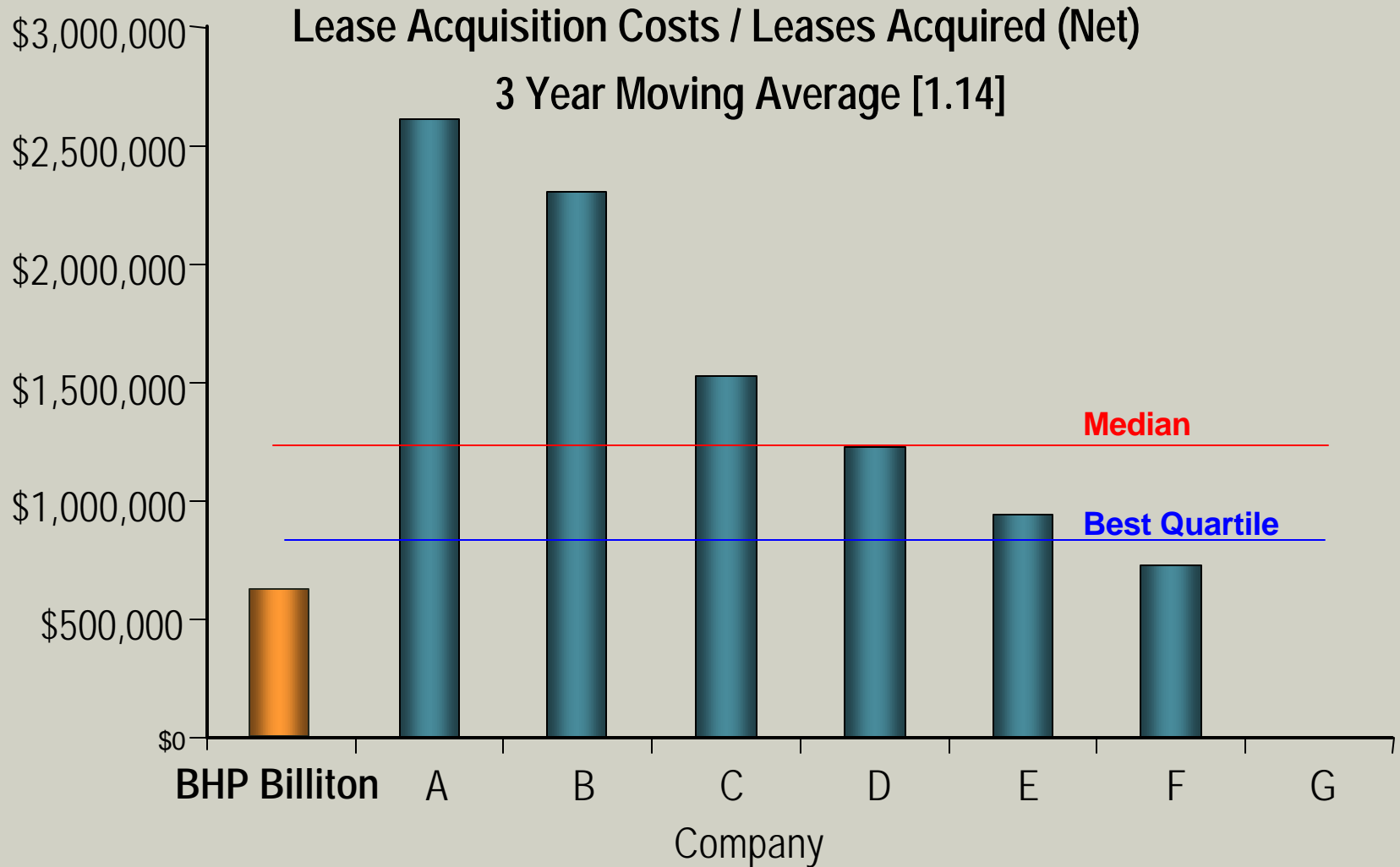
\$US/bbl Nominal



# Gulf of Mexico Exploration Program has **DELIVERED**



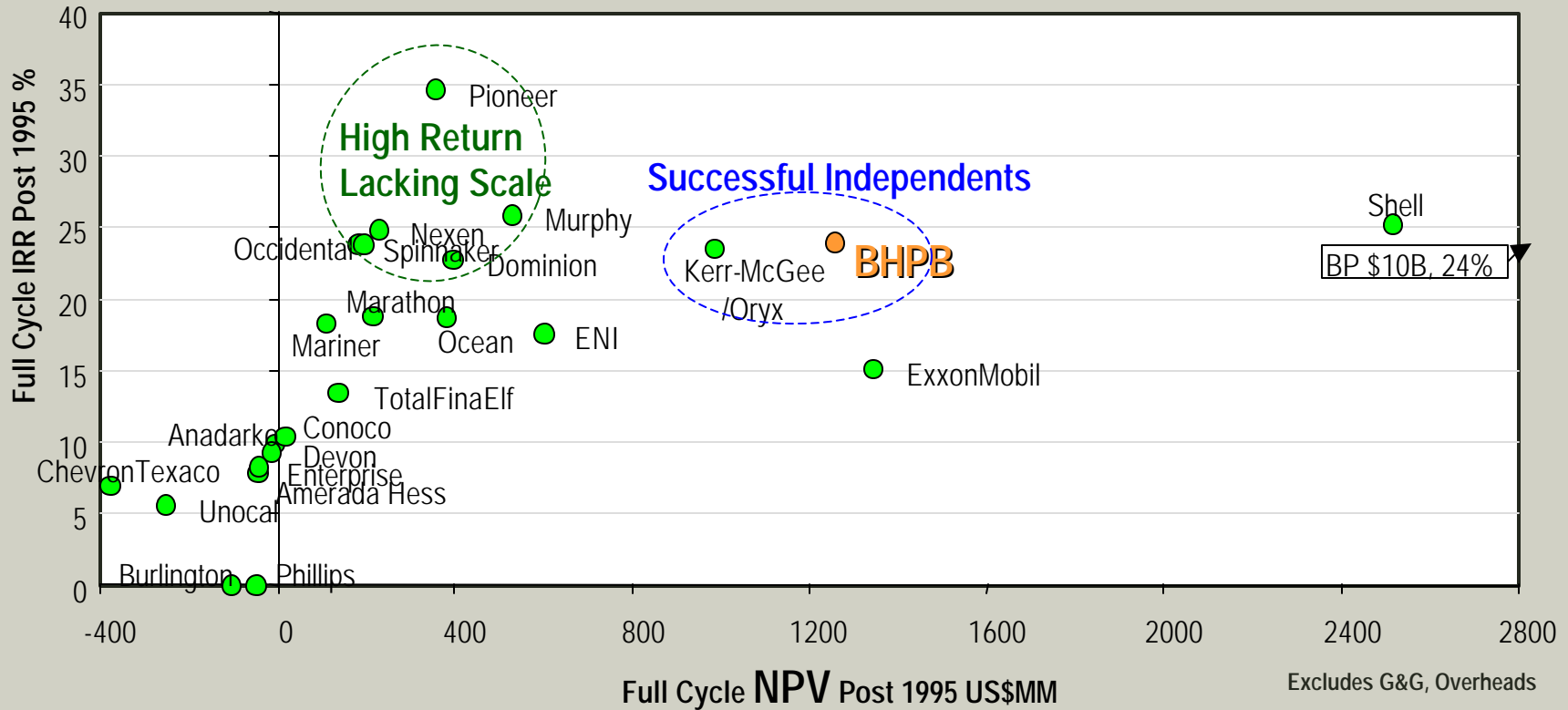
# Our Gulf of Mexico Lease Acquisition Costs vs Peers



Source: E&Y GoM Benchmarking Study

We have **competed** very strongly in the Gulf of Mexico

## Deepwater Performance Post 1995

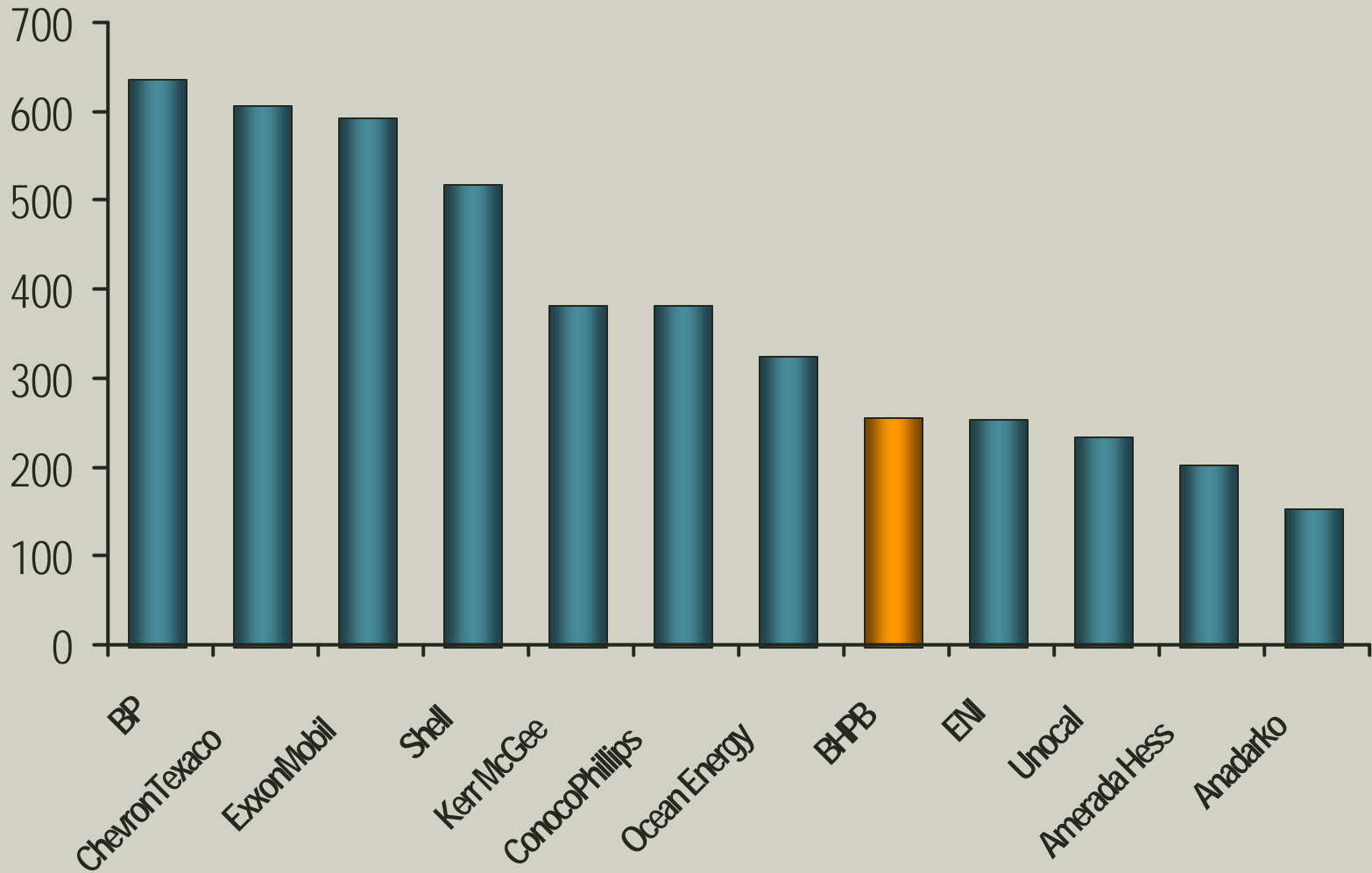


Source: Wood Mackenzie Gulf of Mexico 2001 Deepwater Study

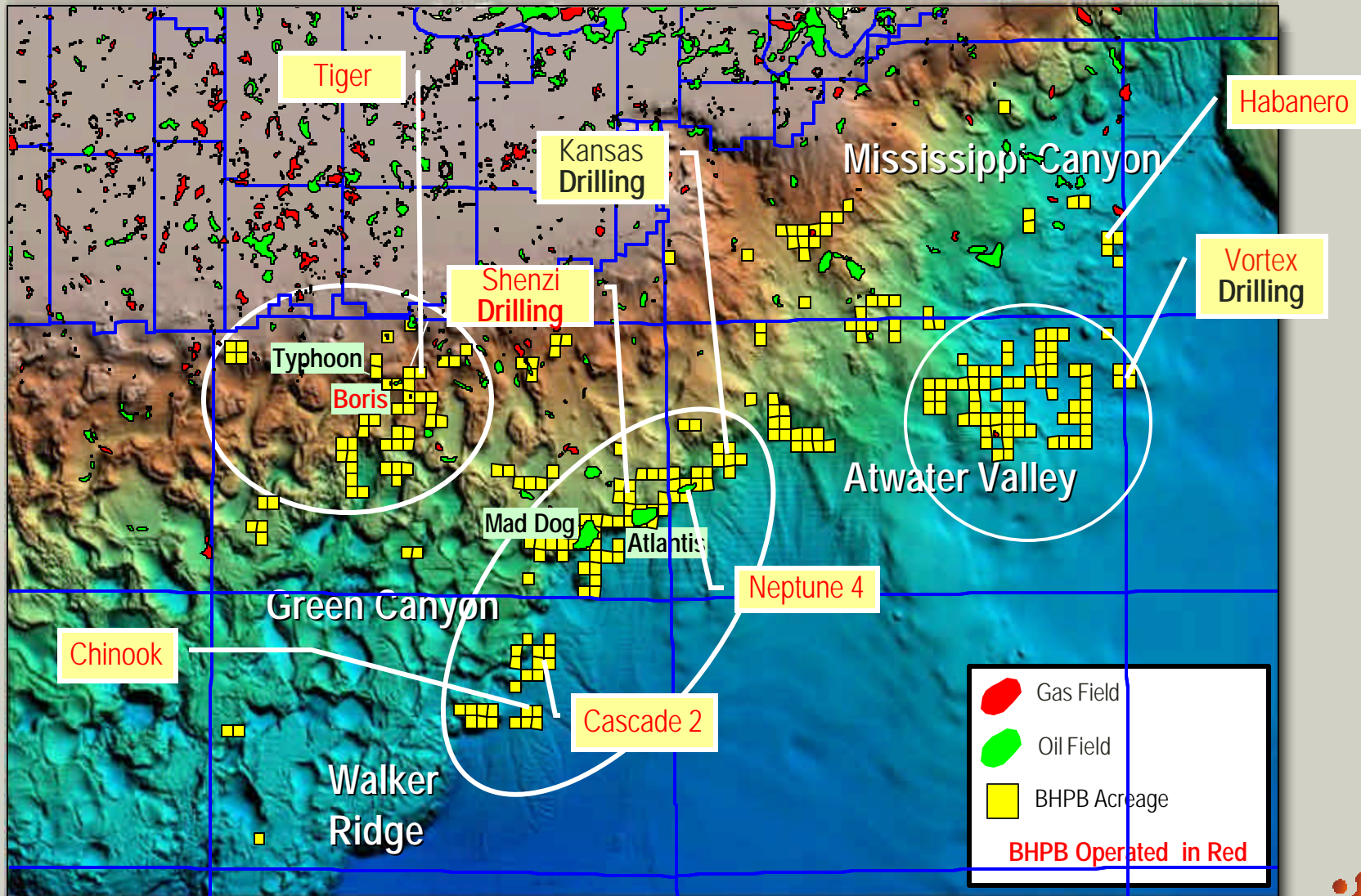


# Our Gulf of Mexico Deepwater Leasehold Ranking - September 2002

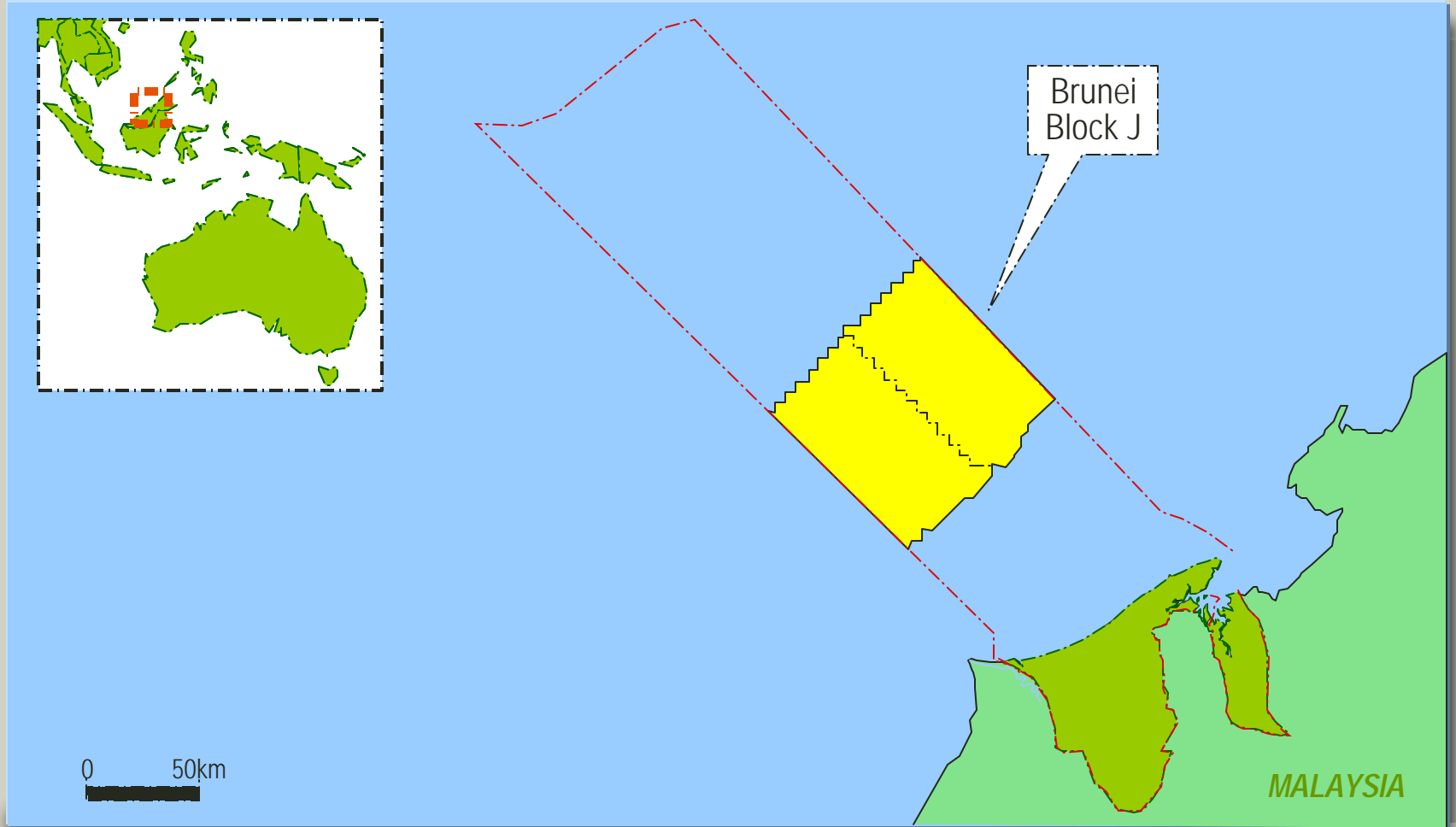
Number of Leases



# Our Drilling Activities in the next 12 – 18 months



# Brunei Block J Offshore Acreage



# Brazil Offshore Acreage



# West Africa/South Africa Exploration



## Summary – On Track To Adding Value

- Built substantial competitive position in GOM
- 15-35 Billion BOE undiscovered potential remaining in deepwater GOM
- Value delivery on schedule from major projects
- Strong exploration capability
- Quality prospect inventory

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**Conclusion & Questions:**

**Philip Aiken**

**President & Chief Executive Officer**

**BHP Billiton Petroleum**

# Our Business Priorities

- Maximise existing value from current portfolio
- Deliver projects in progress
- Sanction and develop projects in pipeline
- Create new opportunities through our three growth strategies
- Continue to improve our HSEC performance

# Conclusion

- Petroleum is a value driver for BHP Billiton
- Petroleum is a differentiating factor for BHP Billiton
- BHP Billiton Petroleum is a well established oil and gas business with:
  - solid performance
  - strong producing assets
  - value adding growth opportunities
  - consistent strategic direction.



**bhpbilliton**