# Petroleum CSG Briefing

Marius Kloppers, Chief Executive Officer
J Michael Yeager, Chief Executive Petroleum

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# Disclaimer (continued)

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Information Relating to the US Offer for Rio Tinto plc

BHP Billiton plans to register the offer and sale of securities it would issue to Rio Tinto plc US shareholders and Rio Tinto plc ADR holders by filing with the Securities and Exchange Commission (the “SEC”) a Registration Statement (the “Registration Statement”), which will contain a prospectus (the “Prospectus”), as well as other relevant materials. No such materials have yet been filed. This communication is not a substitute for any Registration Statement or Prospectus that BHP Billiton may file with the SEC.

U.S. INVESTORS AND U.S. HOLDERS OF RIO TINTO PLC SECURITIES AND ALL HOLDERS OF RIO TINTO PLC ADRs ARE URGED TO READ ANY REGISTRATION STATEMENT, PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC REGARDING THE POTENTIAL TRANSACTION, AS WELL AS ANY AMENDMENTS AND SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors and security holders will be able to obtain a free copy of the Registration Statement and the Prospectus as well as other relevant documents filed with the SEC at the SEC's website (http://www.sec.gov), once such documents are filed with the SEC. Copies of such documents may also be obtained from BHP Billiton without charge, once they are filed with the SEC.

Information for US Holders of Rio Tinto Limited Shares

BHP Billiton Limited is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of the Rio Tinto Limited Offer. Accordingly, Rio Tinto Limited shareholders should carefully consider the following:

The Rio Tinto Limited Offer will be an exchange offer made for the securities of a foreign company. Such offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document will be prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

Information Relating to the US Offer for Rio Tinto plc and the Rio Tinto Limited Offer for Rio Tinto shareholders located in the US

It may be difficult for you to enforce your rights and any claim you may have arising under the US federal securities laws, since the issuers are located in a foreign country, and some or all of their officers and directors may be residents of foreign countries. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgment.

You should be aware that BHP Billiton may purchase securities of Rio Tinto plc and Rio Tinto Limited otherwise than under the exchange offer, such as in open market or privately negotiated purchases.

References in this presentation to “$” are to United States dollars unless otherwise specified.

# Today's agenda

- Strong Fit in BHP Billiton's Asset Portfolio
- How we run BHP Billiton Petroleum
- Driving Base Performance
- Executing Growth Projects
- Capturing Additional Opportunities
- Delivering Results
- Concluding Remarks



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# Today's agenda

Strong Fit in BHP Billiton's Asset Portfolio

How we run BHP Billiton Petroleum

Driving Base Performance

Executing Growth Projects

Capturing Additional Opportunities

Delivering Results

Concluding Remarks



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# Strong fit in BHP Billiton's asset portfolio

BHP Billiton knows this business as well as any of its minerals businesses

Oil is a natural resource commodity with real attractions

Petroleum in BHP Billiton – a symbiotic relationship

Petroleum is a high quality upstream business, ideally positioned to deliver unique value

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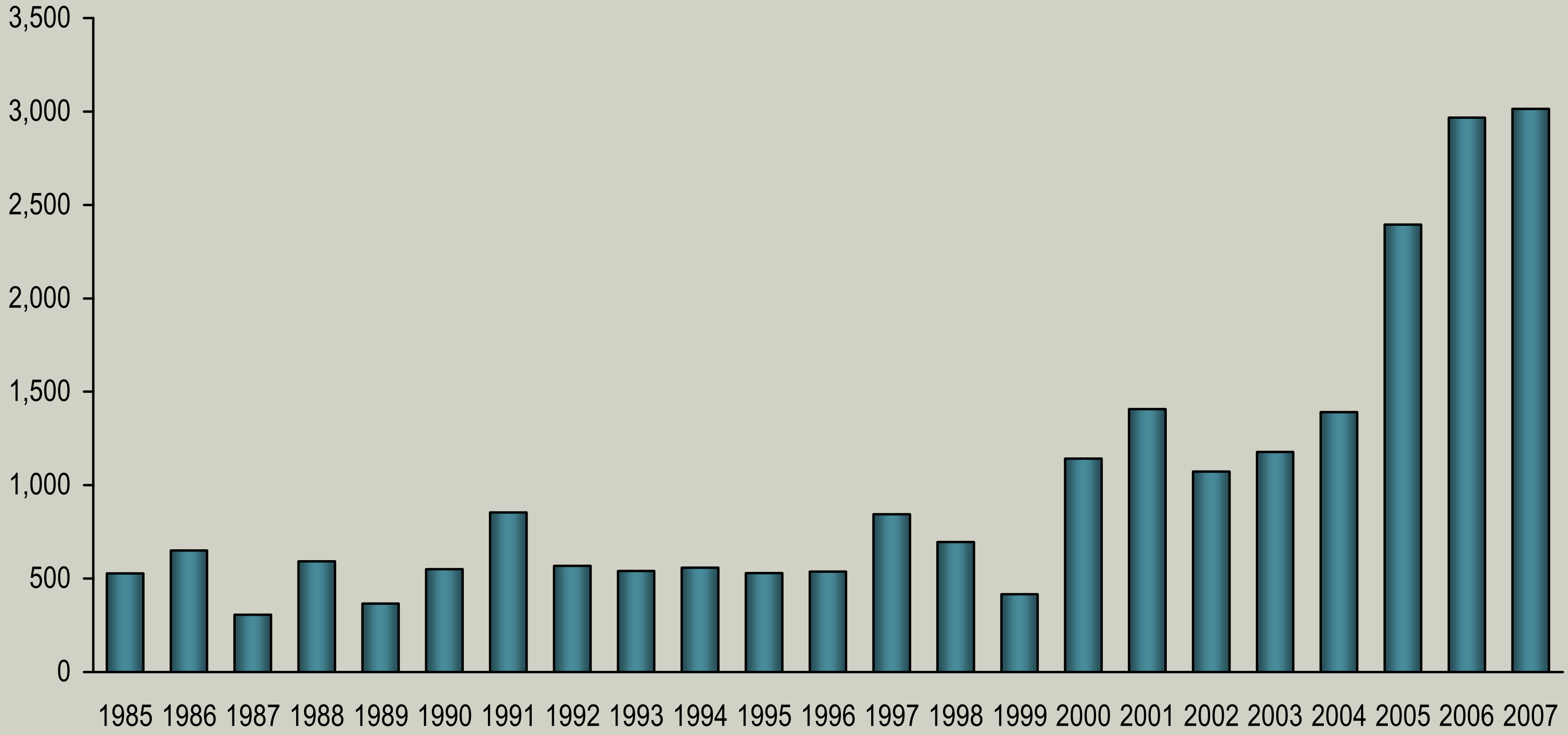
# Petroleum has been a key business for a long time

## Petroleum EBIT contribution to BHP Billiton

(US$ '000)




*Source : BHP Billiton 2008.*
*Notes: Results are presented in accordance with AGAAP prior to June 2000, UK GAAP from June 2000 until June 2004, and then IFRS from June 2005 onwards.*
*BHPB Billiton changed year ends from May to June in 2000, therefore the results for June 2000 represent a 13 month period.*
*All numbers are presented in US millions. Where translations have been made, the year end Exchange Rate (AUD/USD) referenced from Reserve Bank of Australia has been used.*

# In many aspects, upstream Petroleum is little different to mining

- Strategic focus
  - Upstream, long-life, low-cost, expandable, export-oriented assets diversified by commodity, geography and market
  - High quality assets where investment returns are commensurate with risk
- Core activities
  - Safety, environment and health: top priority with similar challenges
  - Capital intensive long-term investments, with a comparable value chain
  - Common multidisciplinary project management and operations skills set
  - Stakeholder management vital
  - Large complex capital scale projects, global financing and new technologies

...but we understand and nurture the differences

# Board and executive skills complementary and strong

## BHP Billiton Board




**Paul Anderson**

Over 20 years experience in US based natural gas and gas infrastructure companies

**John Buchanan**

A long career with BP, culminating with 6 years as an Executive Director and Group CFO

**David Jenkins**

A long career with BP including a period as Chief Geologist, Director Technology and Chief Technology Advisor

**John Schubert**

Over 24 years experience with Esso in Australia and internationally, and 6 years as Chairman and Managing Director of Esso Australia

## Petroleum Leadership

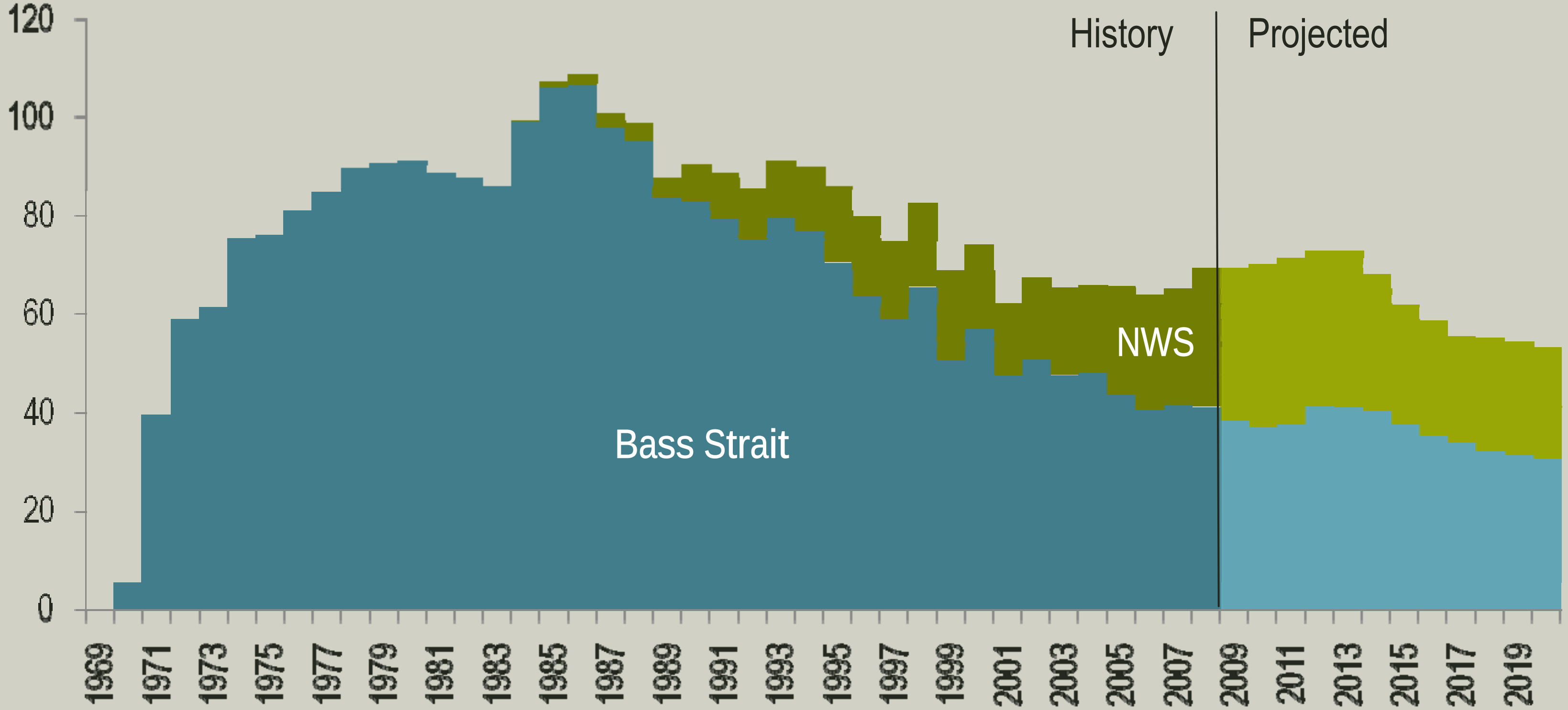
**Mike Yeager**

Over 20 years experience upstream oil and gas, with Mobil and Exxon Mobil, with particular expertise in building major projects

# Long-life core assets, consistent with BHP Billiton strategy

## BHP Billiton attributable production

Annual production
(mmboe)




*Source: BHP Billiton.*
*Notes: Historical information.*
*Future production is mid point estimate based on an array of future scenarios.*

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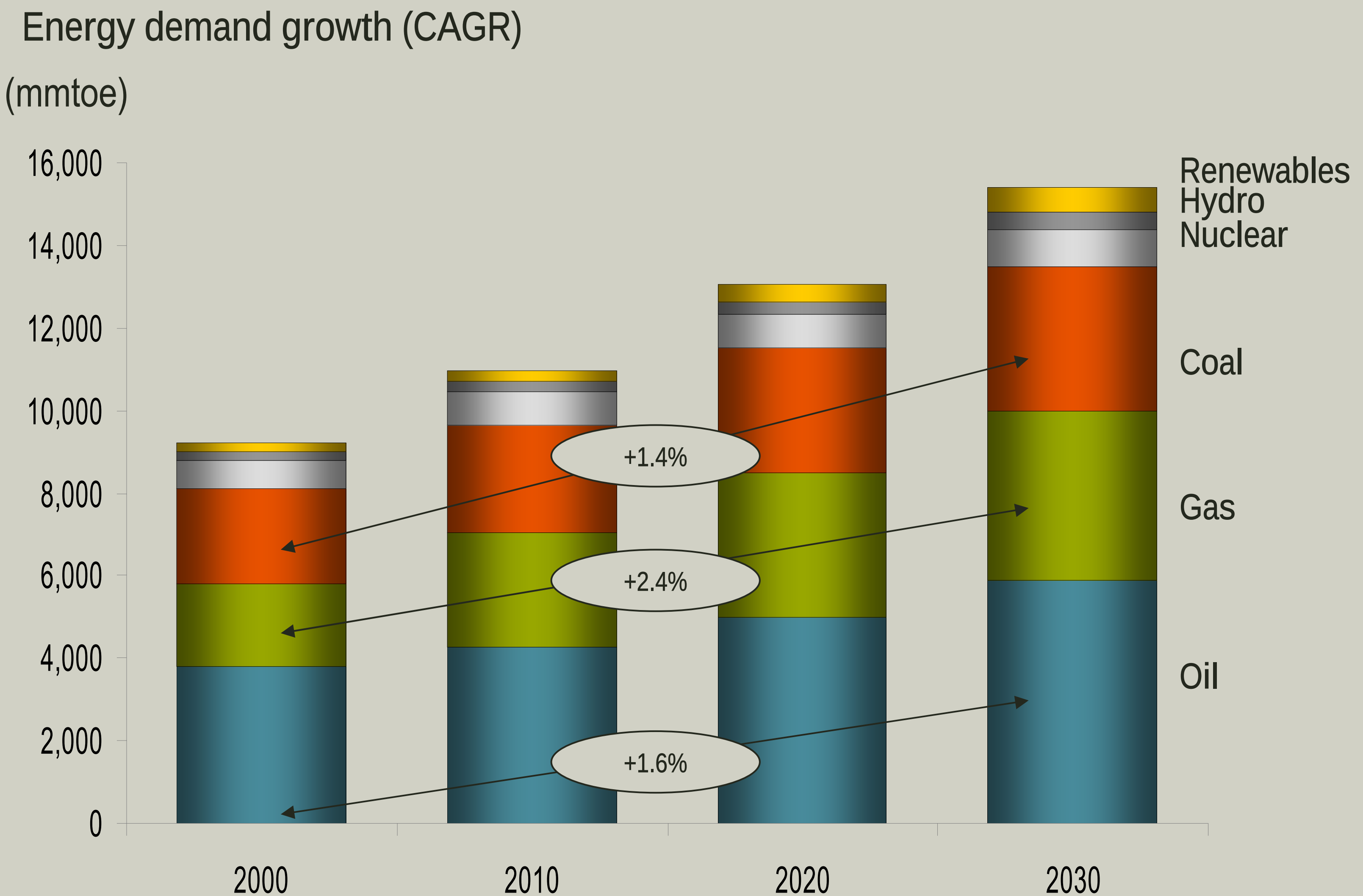
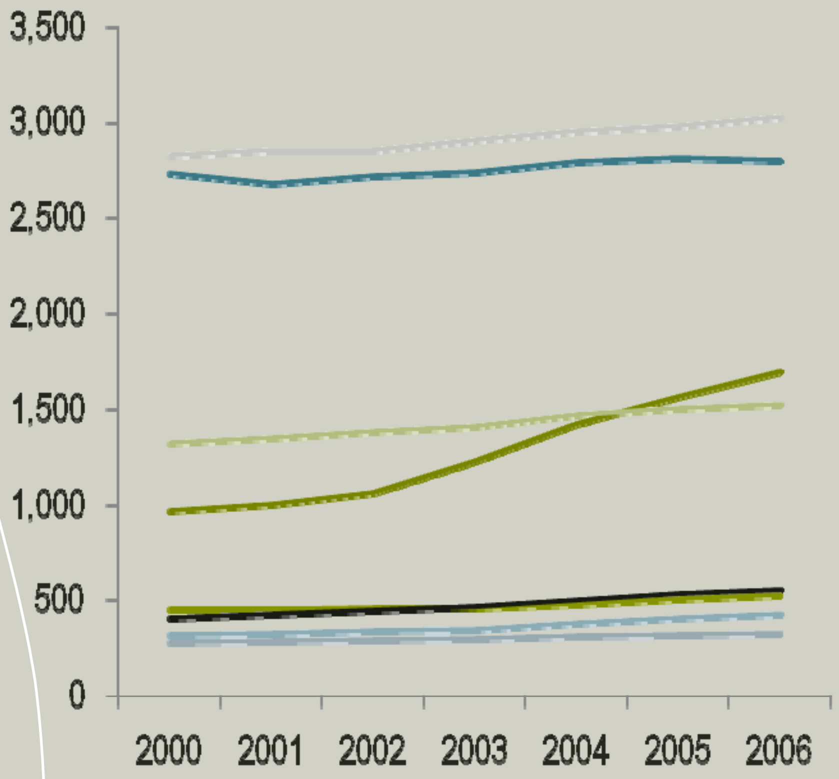
# Strong long-term global growth in energy demand



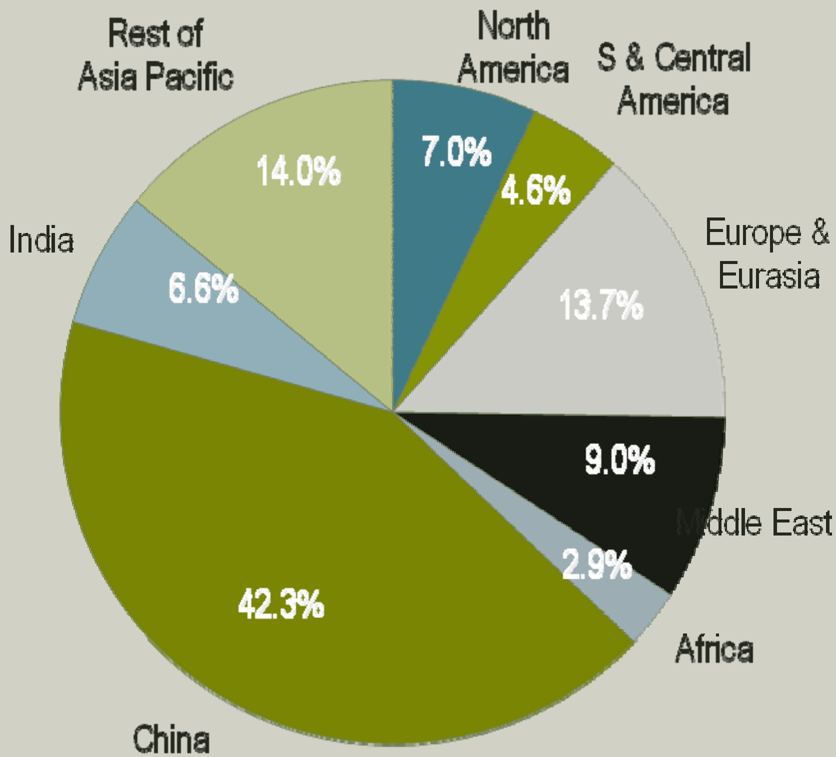

Source : IEA World Energy Outlook

# But energy consumption growth is substantially a China story

## Global primary energy consumption 2000 - 2007
(mmtoe)




## Growth in consumption 2000 - 2007
(mmtoe)




Source: BP 2007 Statistical Review.

Notes: One tonne of oil equivalent equals approximately 7.33 barrels of oil equivalent, 8. 68 tonnes of LNG, 6.29 thousand cubic metres of NG, 1.5 tonnes of hard coal, 3 tonnes of lignite and 12 Megawatt hours of electricity. The primary energy values of both nuclear and hydroelectric power generation have been derived by calculating the equivalent amount of fossil fuel required to generate the same volume of electricity in a thermal power station, assuming a conversion efficiency of 38% (the average for OECD thermal power generation).



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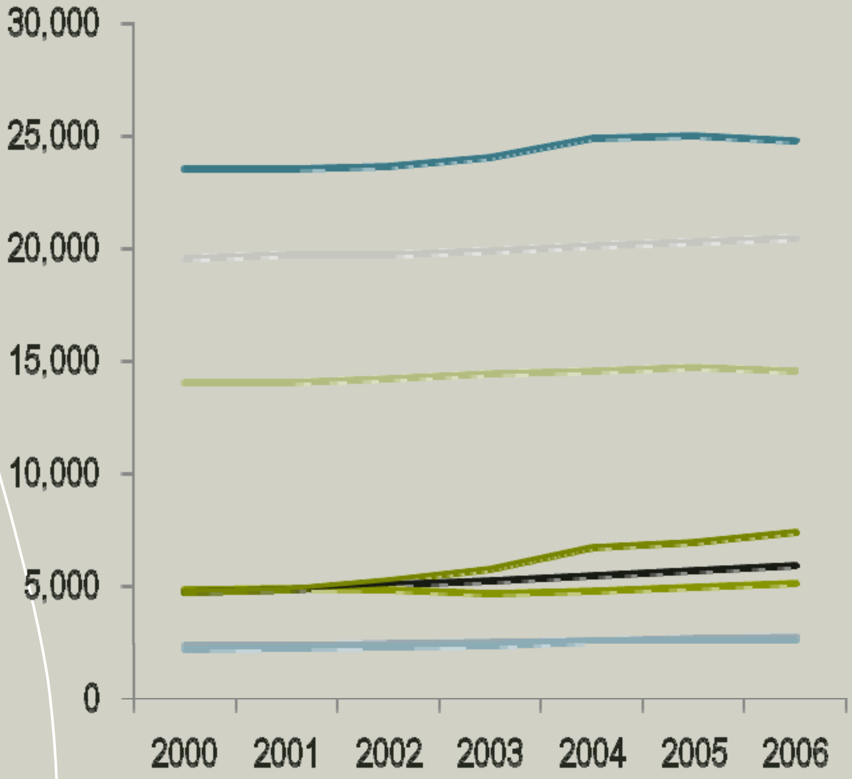
# As is oil consumption growth

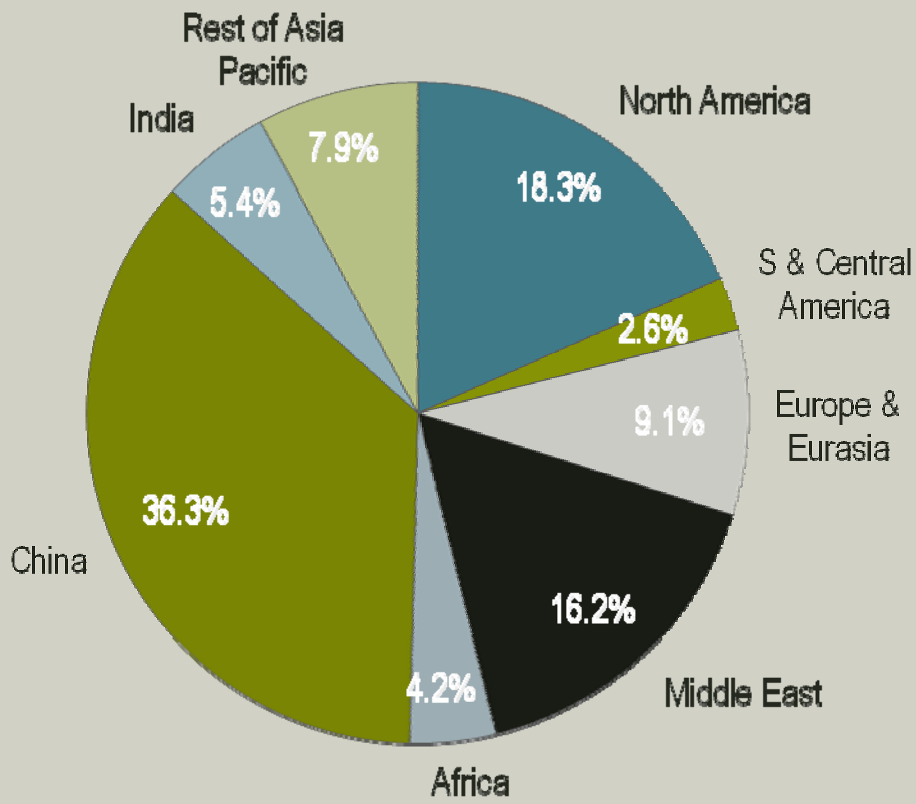
Global oil consumption 2000 - 2007

(kbpd)




Growth in consumption 2000 - 2007

(kbpd)




Source: BP 2007 Statistical Review.



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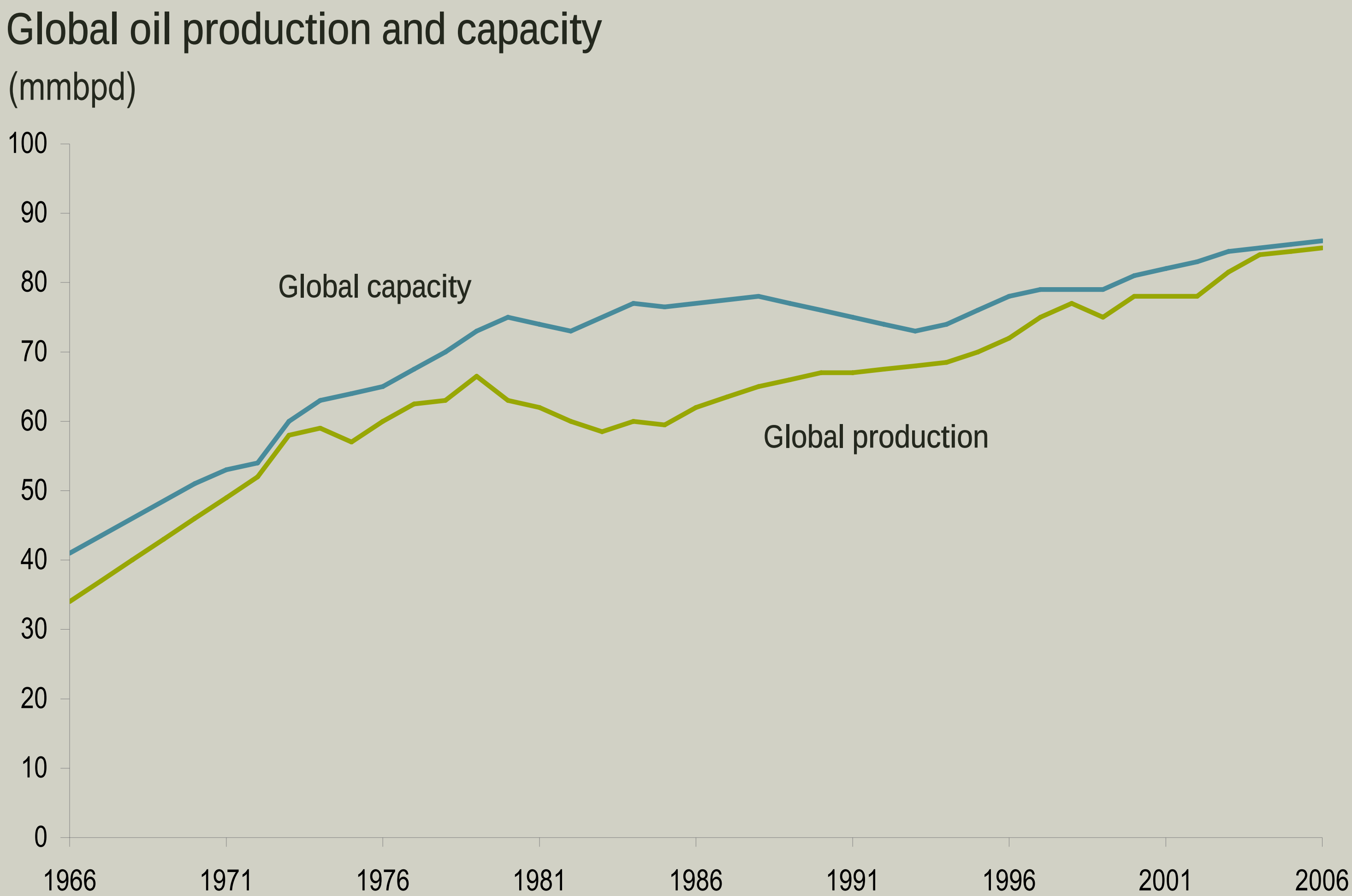
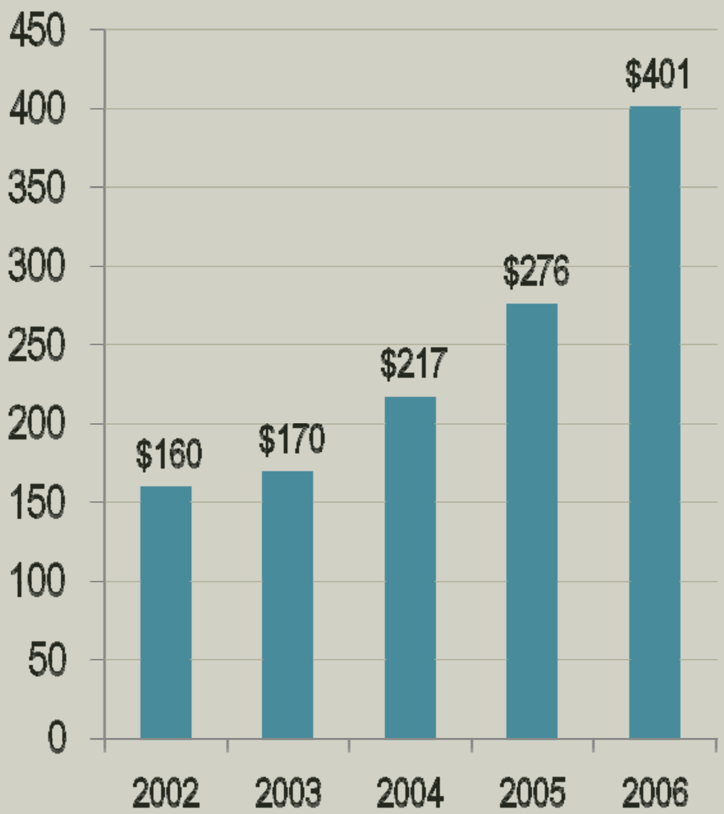
# By 2006, spare oil production capacity virtually eliminated




*Source: International Energy Agency (IEA), DOE, Goldman Sachs Commodities Research.*

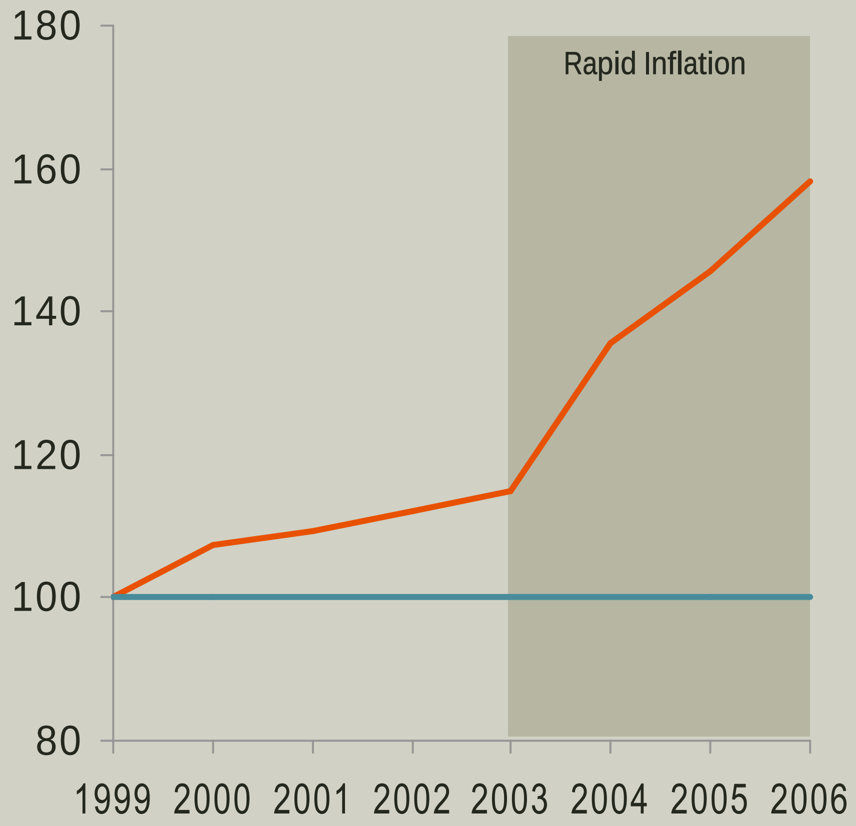
# Rapid escalation in investment, but driving costs rather than capacity

IOC Capital Investment
Upstream Worldwide
US$bn




*Source: JS Herold*

Upstream Cost Inflation
Cost Index (year 1999 = 100)




*Source: EIA*

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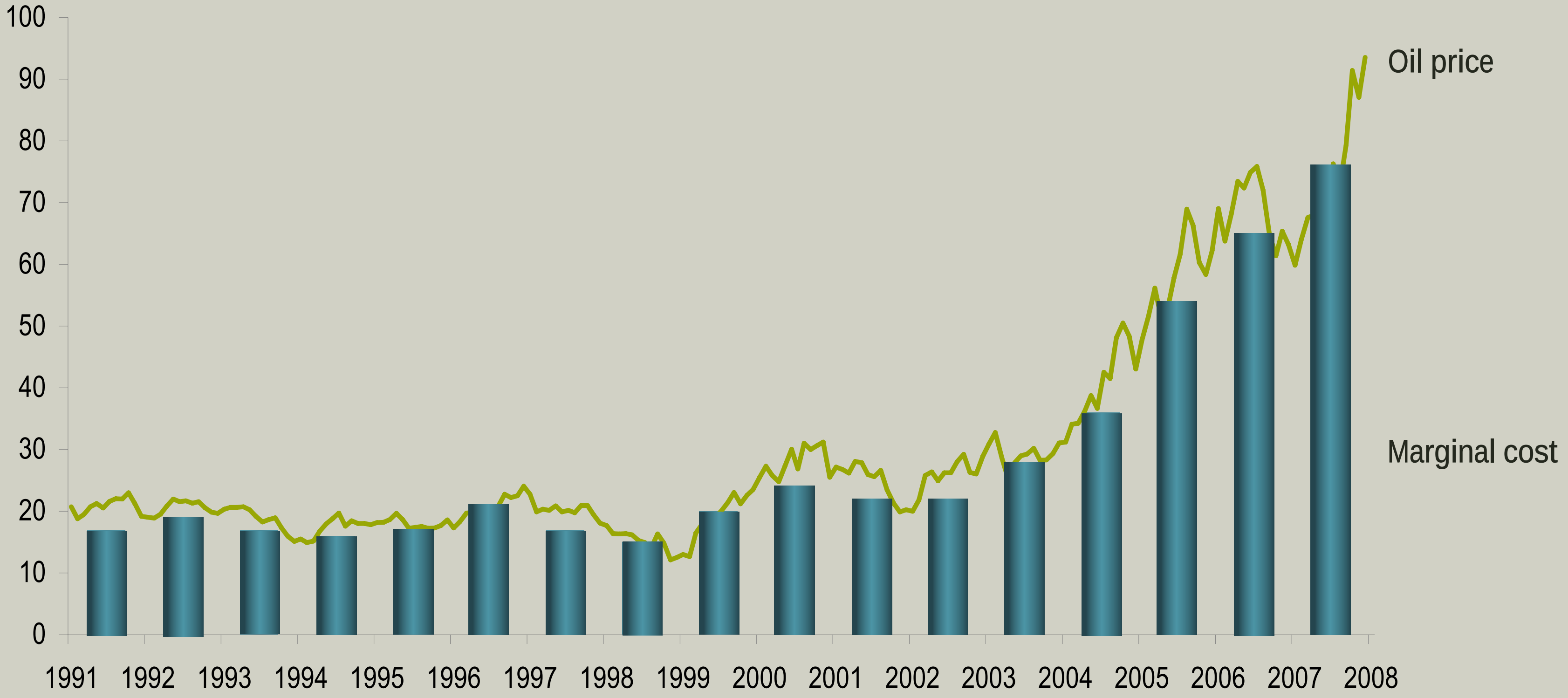
# Oil price fundamentals strong – fuelled by higher costs

## Marginal costs and long dated oil prices

(US$/bbl)




*Source: Nymex and Goldman Sachs Equity Research.*
*Notes: Marginal cost is defined as the average of the highest quartile cost producers.*
*Oil price is Nymex Crude Oil price JMCXCLPI*



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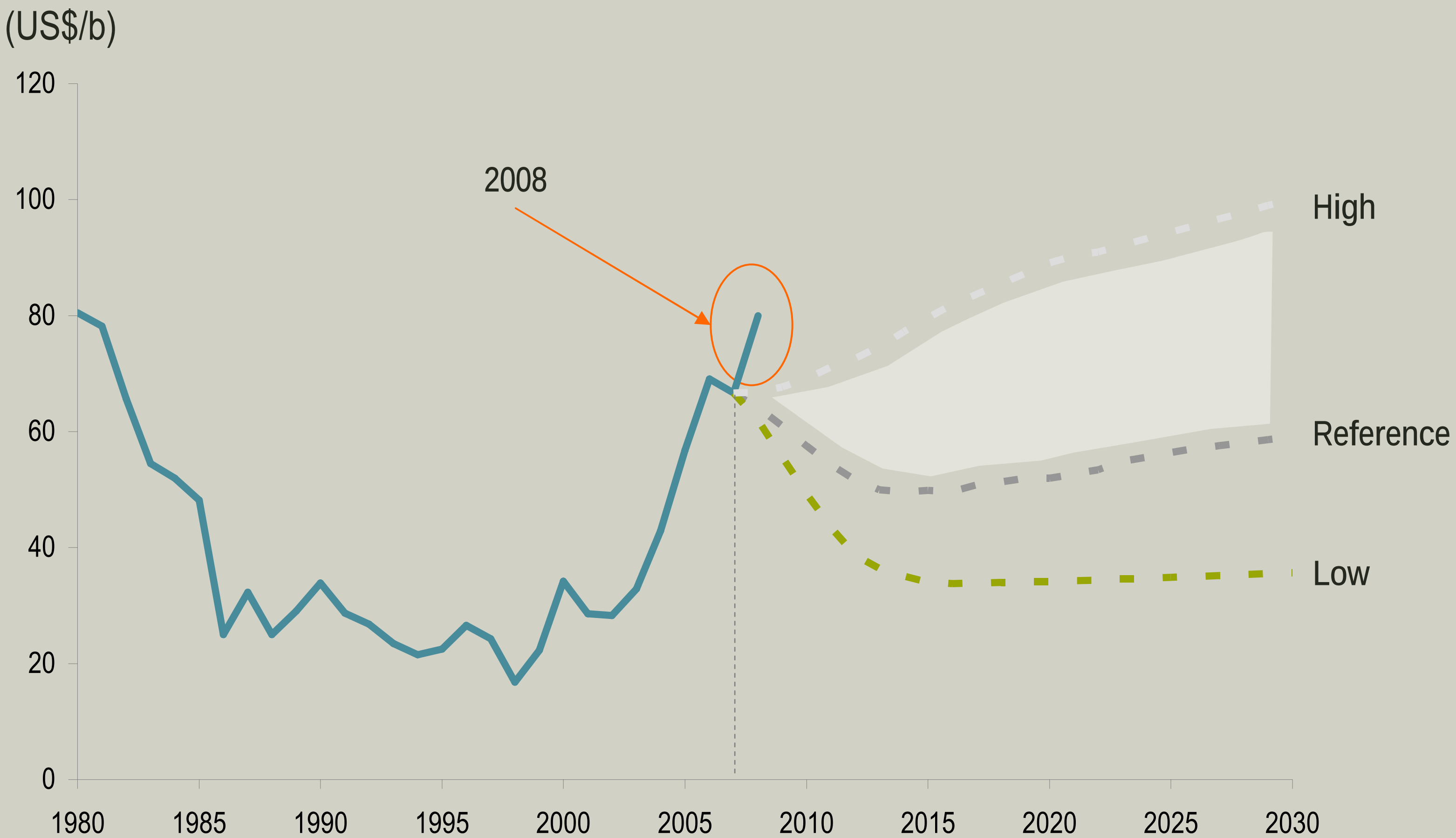
# What price oil?

## EIA Long term price forecasts




*Source: Bloomberg, Global Insight.*

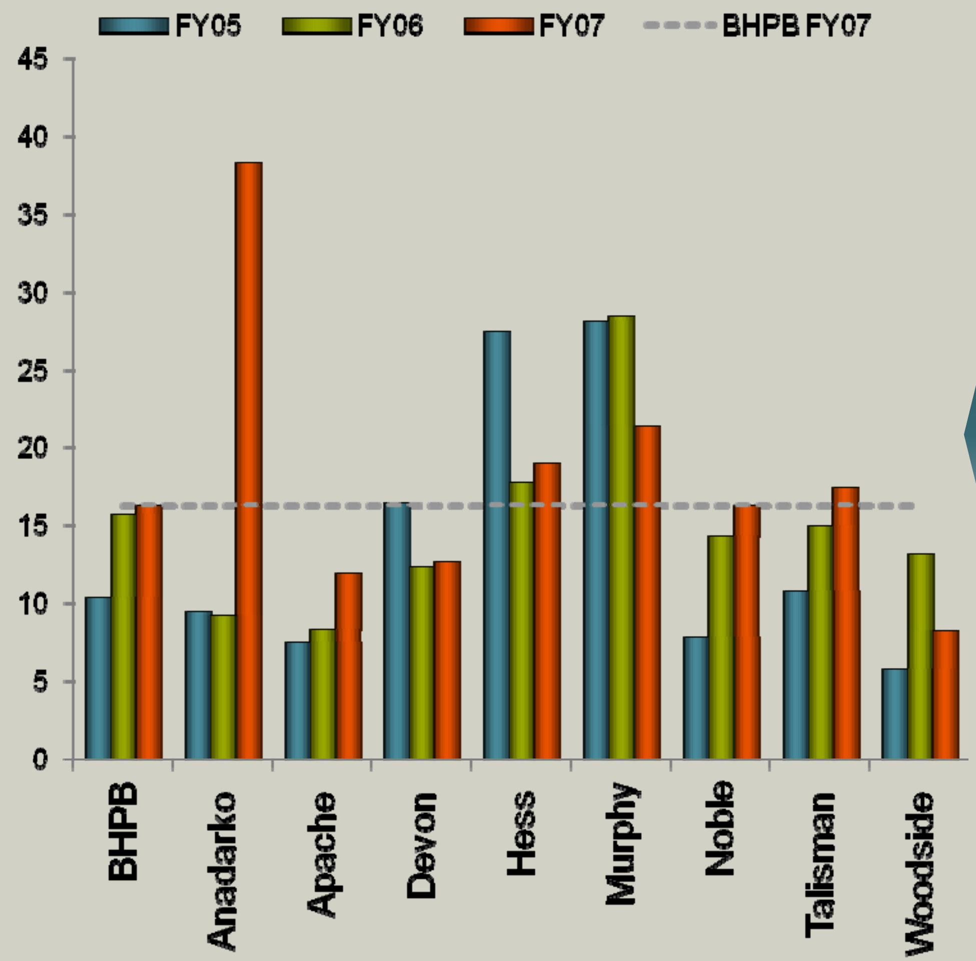
# Capital strength and technical capability combine to deliver value growth through discovery

## Capital strength

- Strong cash flow
- Strong balance sheet
- Risk management
- Global portfolio view
- Long-term view

Finding and development costs (three year average)

(US$/boe)




## Technical capability

- Geoscience skills
- Seismic expertise
- Technology platform
- Access to drilling expertise
- Licence access

Source: BHP Billiton.



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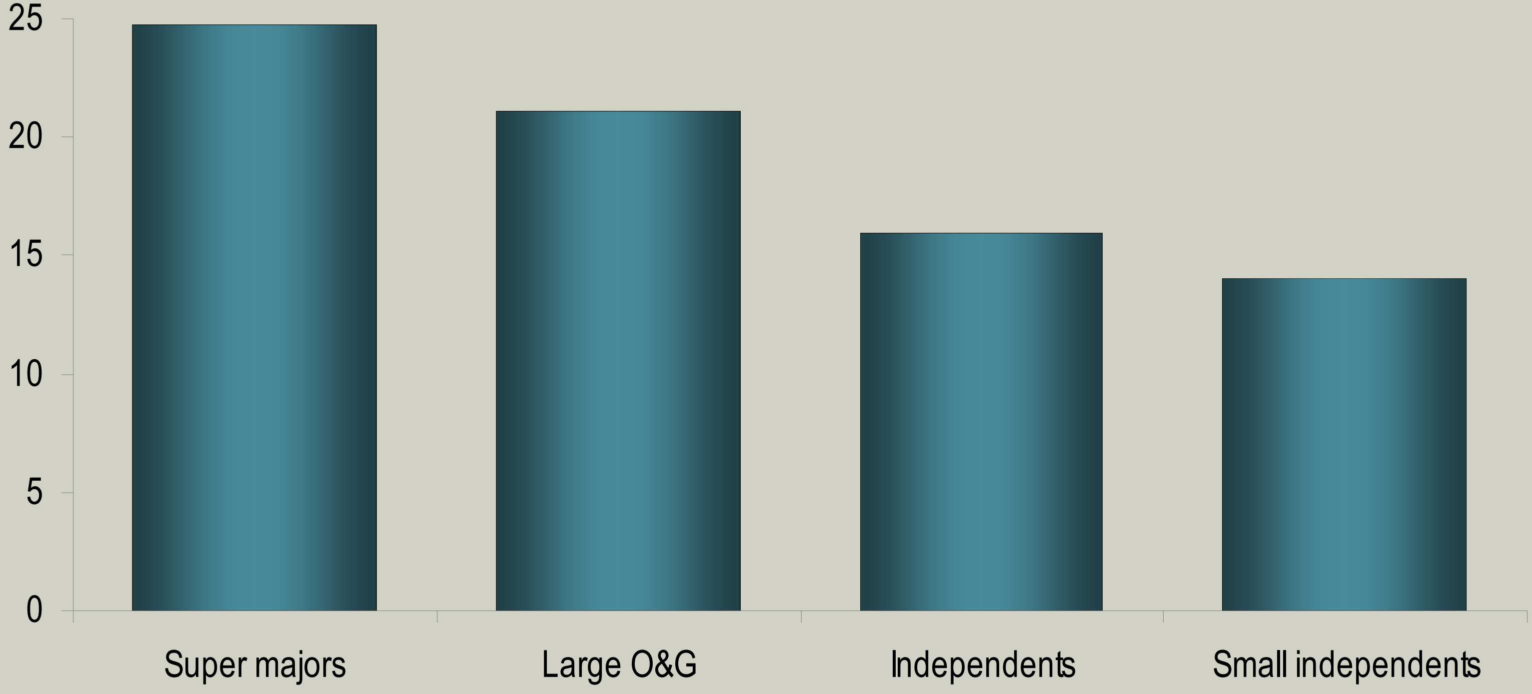
# Size and investment performance have a strong link in the oil and gas sector

Oil and gas sector weighted average return on capital employed 2005 - 2007

(% Weighted average ROCE)




Source: JS Herold



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# Strong fit in BHP Billiton's asset portfolio

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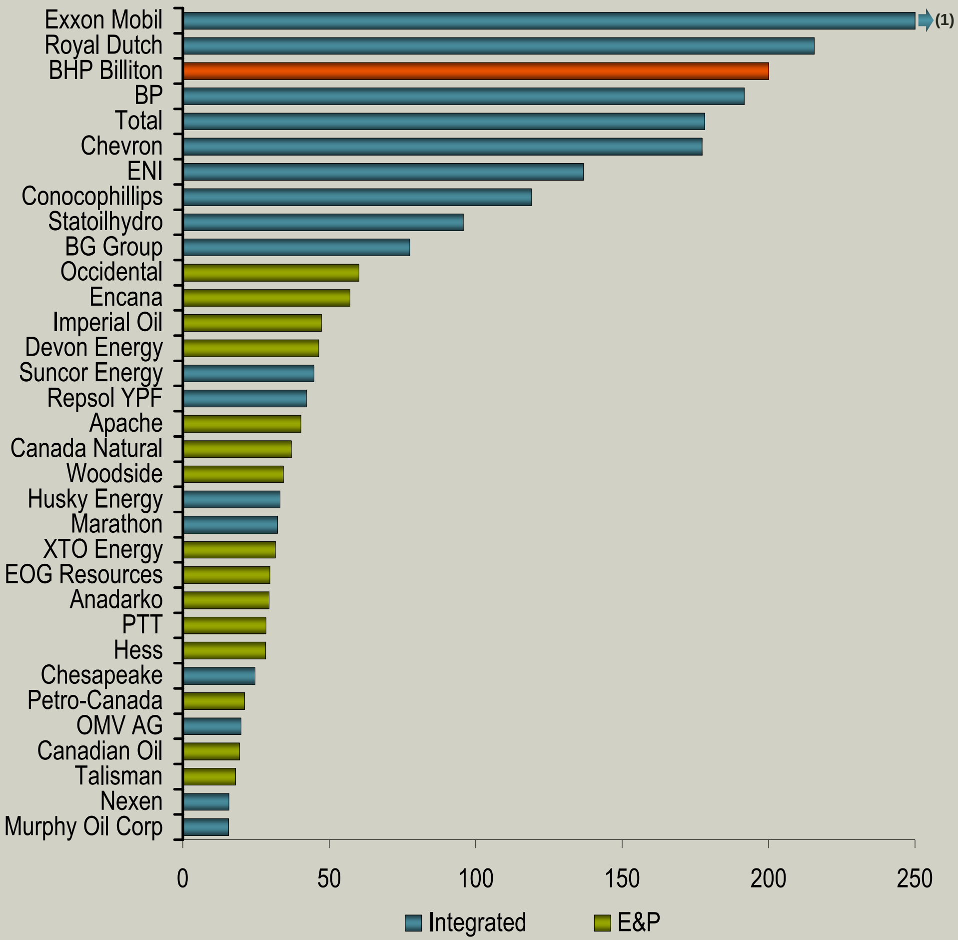
# An E&P player with the power and reach of a super-major

## Market capitalisation

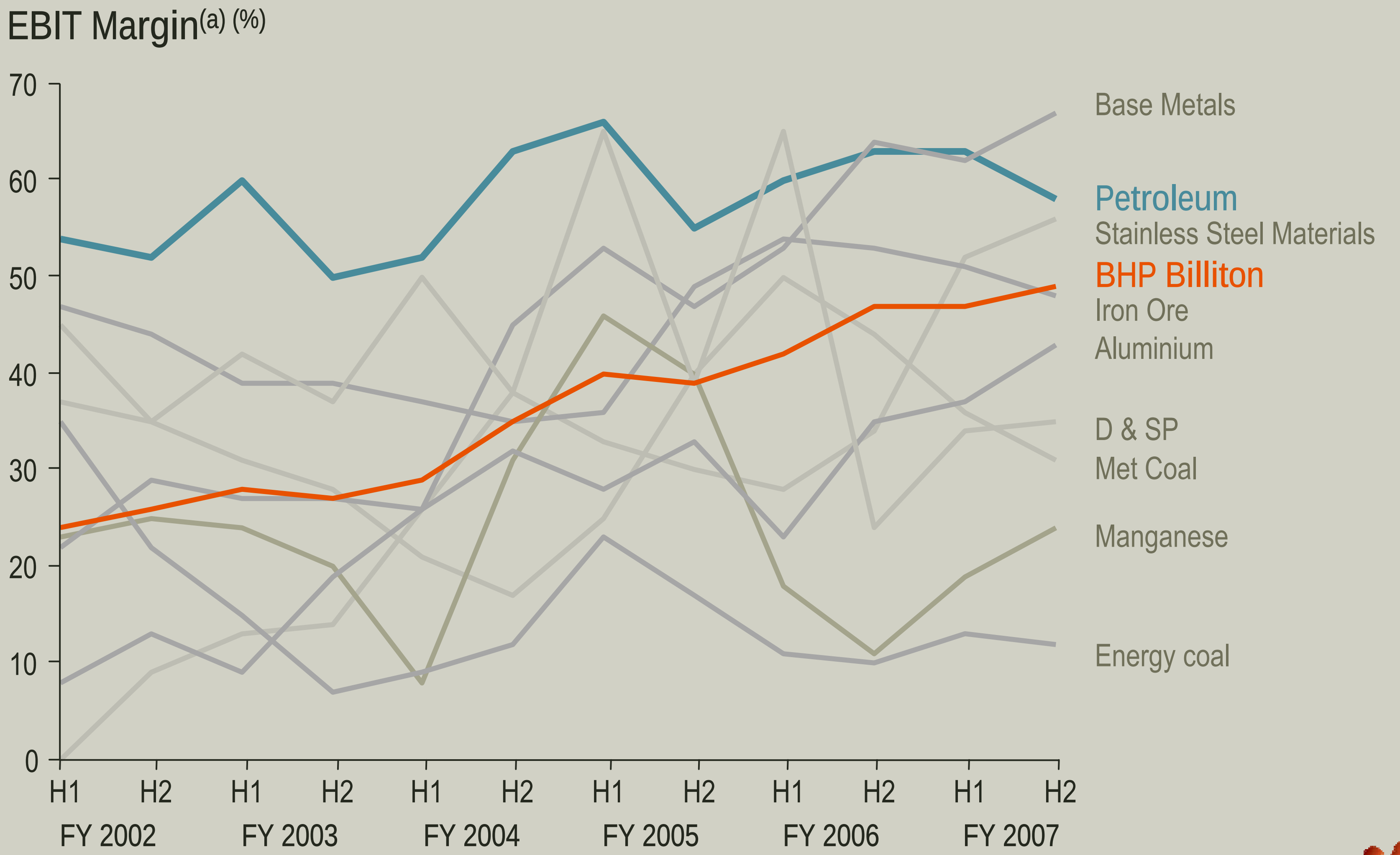
(US$ bn April 2007)




*Source: Bloomberg,*
*Note: Exxon Mobil US$452bn*

- Credibility and stature that Petroleum could not secure in its own right
- Represented in 27 countries
- A unique offer to major resource holder governments, NOC's and other potential partners
  - The corporate stature and financial strength of an oil super-major
  - A strong track record in building and operating major resource projects
  - Our domicile is of lower political sensitivity

# Petroleum stands alone for consistent returns




*Notes: a) FY2005, FY2006 and FY2007 are shown on the basis of Underlying EBIT .Prior periods are calculated under UKGAAP. All periods exclude revenue and EBIT from third party trading activities.*

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# Today's agenda

Strong Fit in BHP Billiton's Asset Portfolio

**How we run BHP Billiton Petroleum**

Driving Base Performance

Executing Growth Projects

Capturing Additional Opportunities

Delivering Results

Concluding Remarks



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# Overview of BHP Billiton Petroleum

- A significant oil and gas exploration and production business
- Large and diverse portfolio of operating assets, development opportunities and exploration permits
  - Operations in six countries
  - Currently exploring in an additional four countries
  - Eight development projects currently in execution and numerous future projects in preparation
- A key component of BHP Billiton for almost 40 years
- Significance within BHP Billiton evident in the recent 1H FY08 financials
  - ~20% of total underlying EBIT
  - ~32% of total capital expenditure
  - ~76% EBITDA margin (highest within BHP Billiton)
- Petroleum competes for capital like any other part of BHP Billiton with similar financial criteria
- Strong free cash flow even with record capital spending



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# BHP Billiton Petroleum financial profile

| | 1H08 | FY07 | FY06 |
|---|---|---|---|
| Production[(a)] (mmboe) | 60.5 | 116.0 | 115.6 |
| Revenue ex 3rd party products (US$m) | 3,112 | 4,964 | 4,804 |
| Underlying EBIT (US$m) | 1,972 | 3,014 | 2,968 |
| EBIT margin[(b)] (%) | 63.2 | 60.6 | 61.7 |
| Exploration (US$m) | 295 | 395 | 447 |
| Capital Expenditure (US$m) | 1,153 | 1,687 | 1,124 |
| Reserve Replacement Ratio (%) | NR | 103 | 62 |
| EBIT ROCE (%) | 52 | 50 | 63 |

*Notes:*
*a) Production from continuing operations.*
*b) EBIT margin excludes revenue and EBIT from third party trading activities.*



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# Global operational focus


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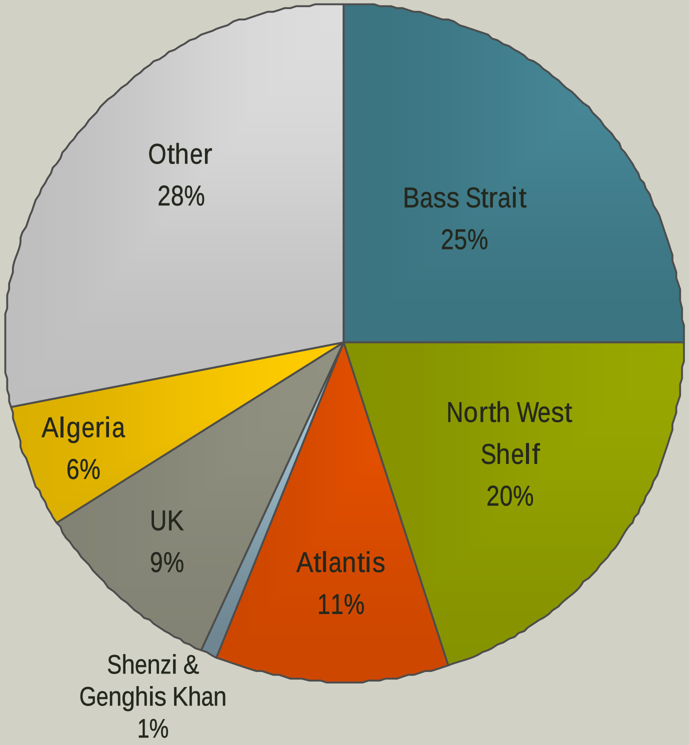
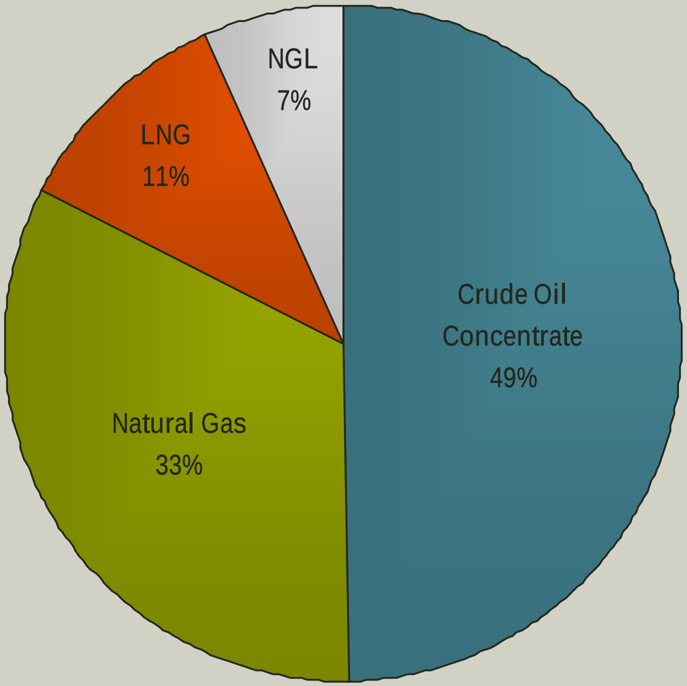
# Production diversified by asset and product type

## Production for the quarter ending 31-Mar-2008[(a)]

Production by asset
(mmboe, total = 32.73)




Production by product
(mmboe, total = 32.73)




*Notes:*

*a) Other includes Stybarrow, Griffin, Minerva, Angostura, Mad Dog, West Cameron 76, Mustang, Genesis, Starlifter, Green Canyon 18/60 and Pakistan. Total barrels of oil equivalent (boe) conversions are based on 6000scf of natural gas equals 1 boe.*



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# Our core strategy and competitive advantages

- The core strategy
  - Large, long-life upstream assets with multiple options – that we operate
  - Target organic growth opportunities through exploration which are material to BHP Billiton
  - Balanced portfolio of proven hydrocarbon basins and significant frontier opportunities
  - Functional organizational model to achieve top quartile performance
- Our competitive advantages
  - Balance sheet strength of a super major, with the energy of a start-up
  - Able to compete technically with super majors in chosen locations
  - Industry leading geoscience imaging technology in deepwater subsalt
  - Trusted and dynamic partner
  - Speed of decisions versus competitors

# The functional organization

- Very simple organizational model – worldwide functional accountability
- Management focus on the parts of the business which are critical to success

CRT

Start up

Sales mtr

## Exploration

- Safety
- Opportunity inventory
- Resource adds
- Seismic and data quality
- Finding costs

## Development

- Safety
- Concept optimization
- Project / drilling execution
- Cost and schedule
- Commission and start-up

## Production

- Safety
- Post-start up execution
- Daily production
- Lowest-cost operations
- Reserve recovery
- Additional opportunities

## Marketing

- Safety
- Market prices
- Gas market development
- Gas project sponsorship

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

# Management team in place to execute

J. Michael Yeager
Chief Executive
Petroleum

Stephen O'Rourke
President
Exploration

Nigel Smith
President
Development

Timothy Cutt
President
Production

Renee Klimczak
President
Gas Marketing

Alex Green
Marketing Director
Crude Marketing

Zlatko Todorcevski
Chief Financial Officer

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# Benefits of the worldwide functional organization

- Clear accountability and organizational alignment – clear focus of management
- Promotes functional excellence in all disciplines
- Worldwide ranking ensures quality and materiality
- Highly leveragable model targeting lowest costs
- Career development without relocation for many jobs
- Puts our best skills on each opportunity – swarm a problem
- Rapid knowledge transfer

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# The strategy has already delivered early results

- Significant improvements in safety performance – 3 LTIs YTD (9 mos) vs 20 in FY06
- Average daily production for Apr-08 was 378 kboed vs. 318 kboed FY06
- Strong base performance – cost focus and reliability
- Currently ramping up recent developments – primarily oil
- Rejuvenated exploration growth opportunities
  - Two key discoveries
  - Recent success capturing key acreage positions
- Focusing on people – 299 hired in the last 12 months

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# Key messages

- BHP Billiton Petroleum is a significant oil and gas exploration and production business and a key component of BHP Billiton
- The core strategy is clear and simple
- Significant organization change has occurred over the last 12-18 months
- An experienced management team is implementing the strategy
- The business has real competitive advantages
- The strategy has already delivered early results

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# Driving Base performance

- "Base" is production and operations that are on-stream today
- Driving the Base performance of our existing operations is a key operational goal
  – In-Country management responsibility, supported by the global functional organization
- Goal is to mitigate natural production decline
  – Expected average natural decline of 6-9% per annum
  – Target to reduce natural decline to 2-3% per annum through new wells, new compression and new opportunities
- Our goal is to extract maximum value from all production over the field life

# Base producing areas

## Bass Strait
*After almost 40 years, achieved record winter gas sales*

## United Kingdom
*Long-life assets – training ground for deepwater operations worldwide*

## Algeria
*BHP Billiton operations stable and highly profitable*

## Trinidad
*Significant improvement in uptime performance*



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# Production growth areas

## Gulf of Mexico
*100 kbpd (net) new production expected by end FY09*

## Western Australia
*Stybarrow new project volumes of 40 kbpd (net)*

## North West Shelf
*5th LNG train to start-up in late CY08*

## Pakistan
*Recently expanded production by ~50%*

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# Key strategic objectives that drive Base performance

- **Safety:** Focus on continuously improving 1st quartile industry safety performance
- **Reliability:** Maximize daily volume through world class reliability management
- **Cost:** Strengthen current 1st quartile unit cost performance
- **Volumes:** Start-up new operated projects
- **Prices:** Obtain market pricing for all commodities



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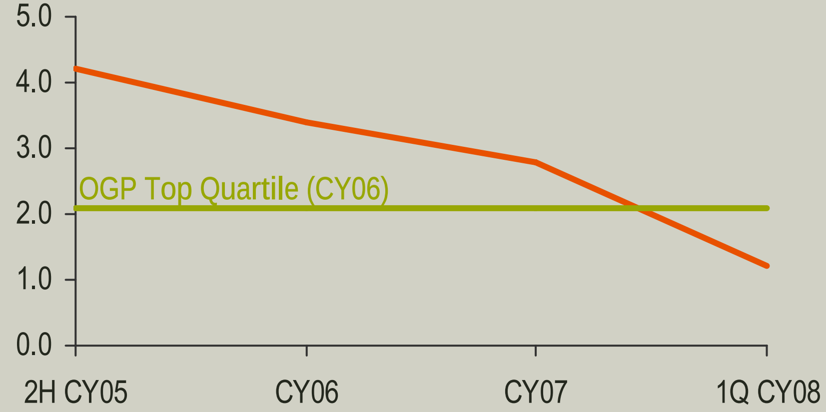
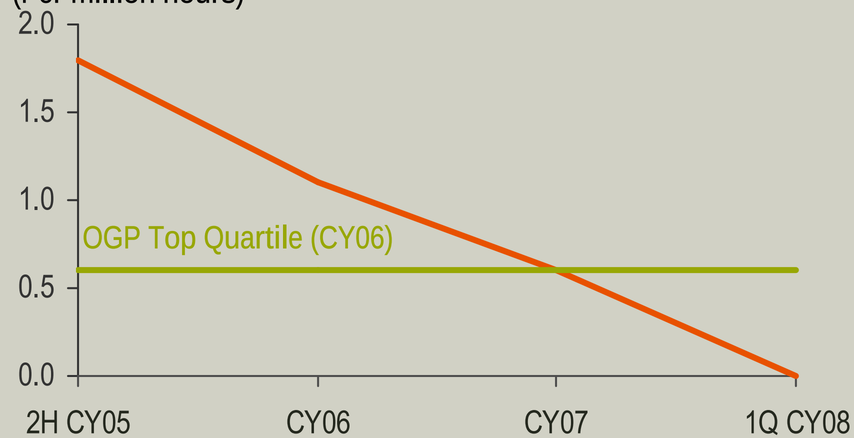
# Safety – substantially improved our safety performance, and now solidly top quartile in the industry

- Achieved ~72% reduction in Total Recordable Incident Frequency Rate (TRIFR) between 2HCY05 and 1QCY08
- Delivered improvements despite significant ramp-up in drilling and construction activities
- Key differentiators
  - Operating discipline – 1,200 improvements taken
  - Common standards and operating systems
  - Key management roles that focus on safety and reliability
- Good safety = Good business

Total Recordable Incident Frequency Rate (TRIFR)
(Per million hours)




Lost Time Incident Frequency Rate (LTIFR)
(Per million hours)

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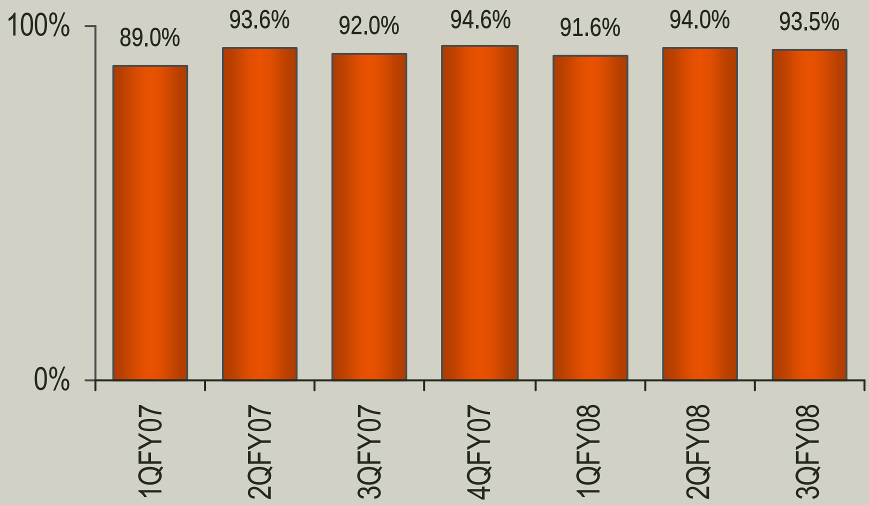
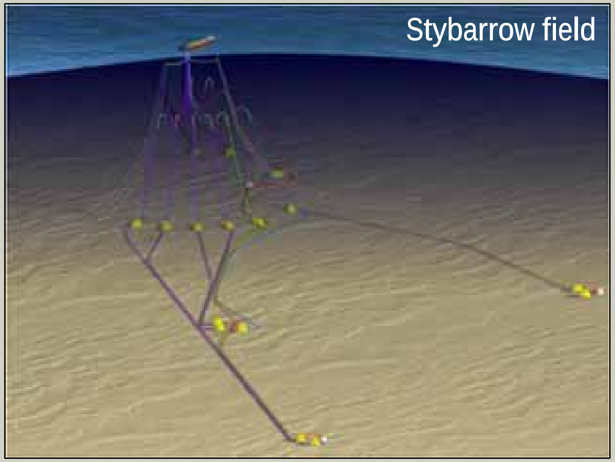
# Reliability – significantly improving our uptime performance

- Uptime measured against 100, 100, 100
- Track and monitor both scheduled and unscheduled downtime
- Significant improvement in performance 3QFY08: 93.5% vs 1QFY07: 89.0%
- 1% improved uptime = ~1.5 mmboe (~4 kboed)
- Key initiatives
  - All downtime is tracked
  - Global standards frameworks for facility integrity and maintenance
  - After safety and environment, primary role of operating management

Production efficiency[a]
(Uptime)




*Notes:*
*a) Excludes Atlantis as it is currently in ramp-up stage.*

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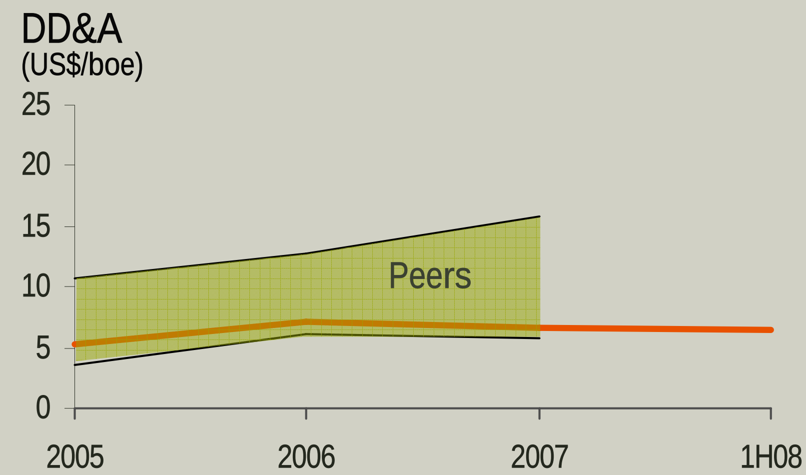
# Cost – unit cost structure is highly competitive among peers

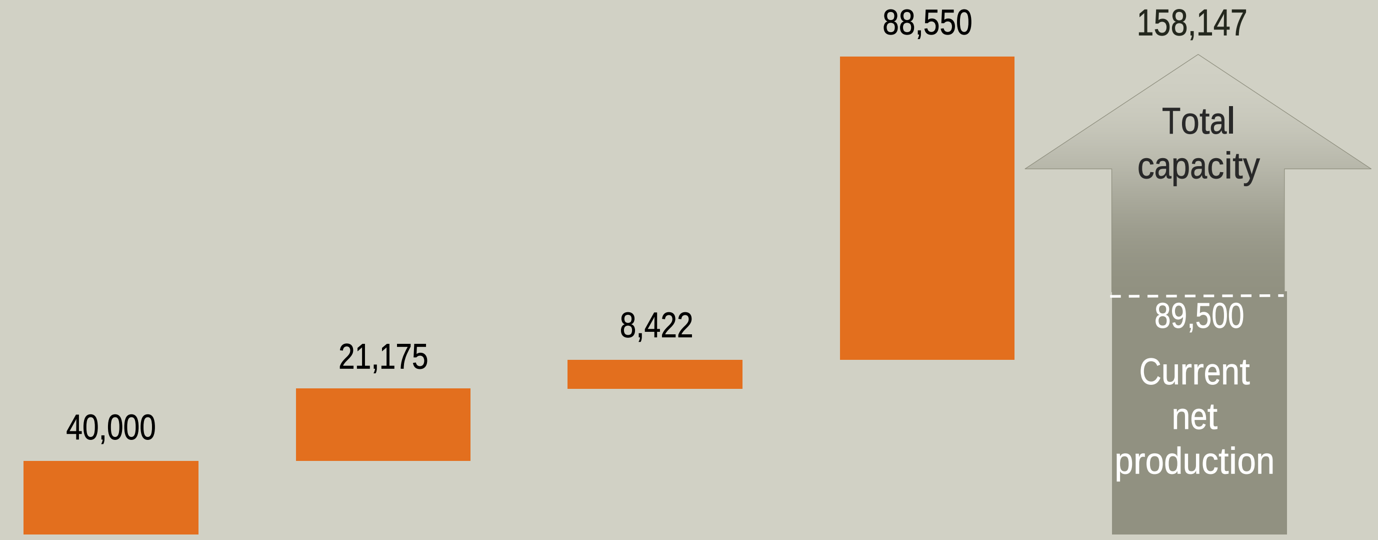
- Cost focus is on unit cost per barrel oil equivalent
- Unit operating costs holding steady ~US$5.00/boe
  - Rising to ~US$6.00/boe over next 4 years
- Unit DD&A at ~US$6.00/boe worldwide
  - Forecast to rise as major projects come on-line
- Both unit operating costs and unit DD&A are highly competitive vs. peers


*Peer group includes: Anadarko, Apache, Devon, Hess, Murphy, Noble, Talisman, and Woodside.*
*Source: BHP Billiton, John S. Herold, Inc. and annual reports.*

# Volumes – start up four new projects in FY08

Incremental capacity – BHP Billiton's attributable share
(boed)




| | Stybarrow | Genghis Khan | Zamzama | Atlantis South | Total |
|---|---|---|---|---|---|
| % Working Interest | 50.0% | 44.0% | 38.5% | 44.0% | |
| Gross capacity | 80,000 bpd | 55,000 bpd | 150 mmcfd | 200,000 bpd<br>180 mmcfd | 335,000 bpd<br>330 mmcfd |
| Net capacity | 40,000 bpd | 21,175 bpd | 50 mmcfd | 77,000 bpd<br>69 mmcfd | 138,175 bpd<br>119 mmcfd |
| Current | On plateau | Drilling | On plateau | Drilling | 89,500 boed |

*Note: Total barrels of oil equivalent (boe) conversions are based on 6000scf of natural gas equals 1 boe.*
*Net capacity and production is after applicable royalty*

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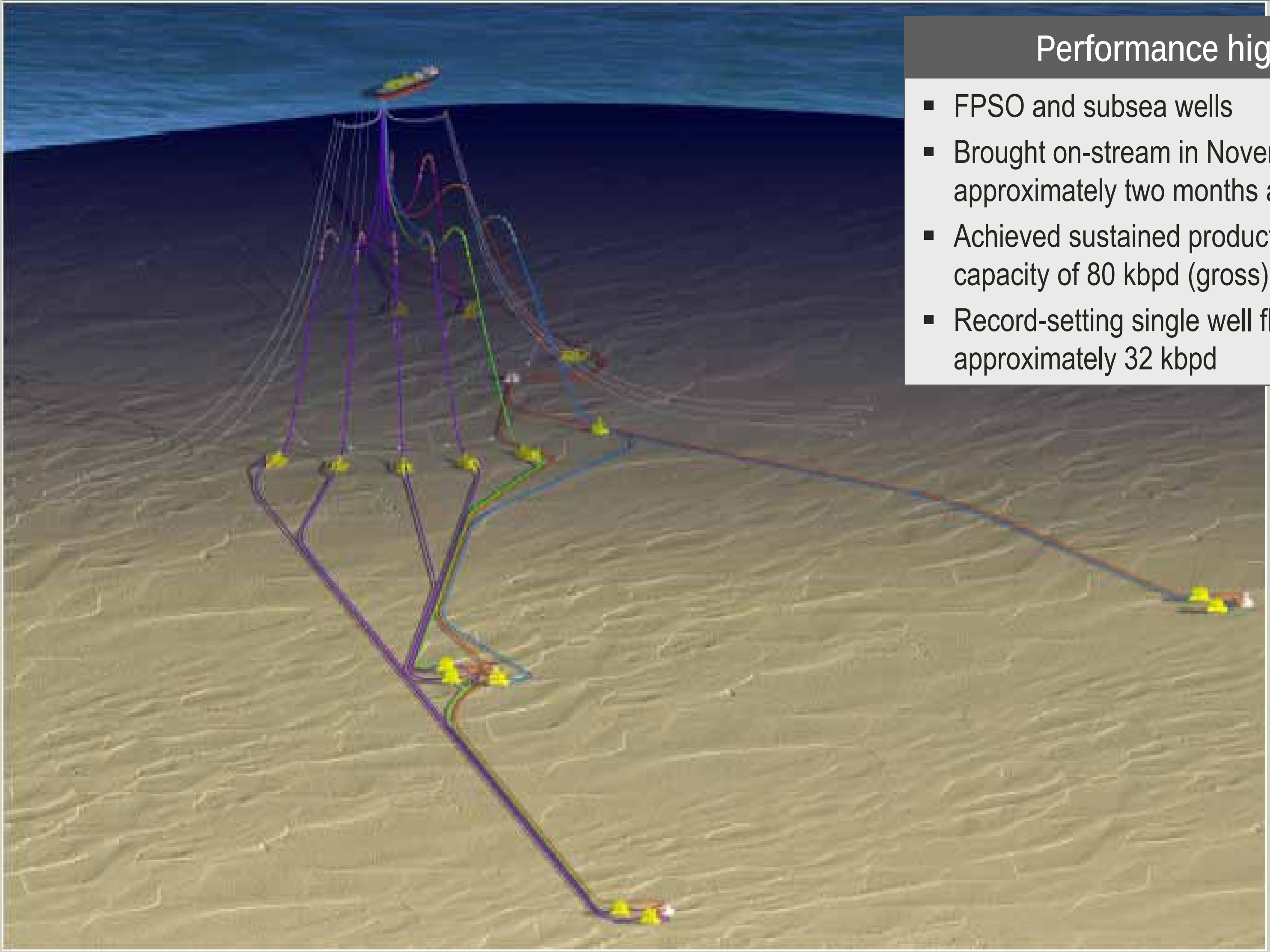
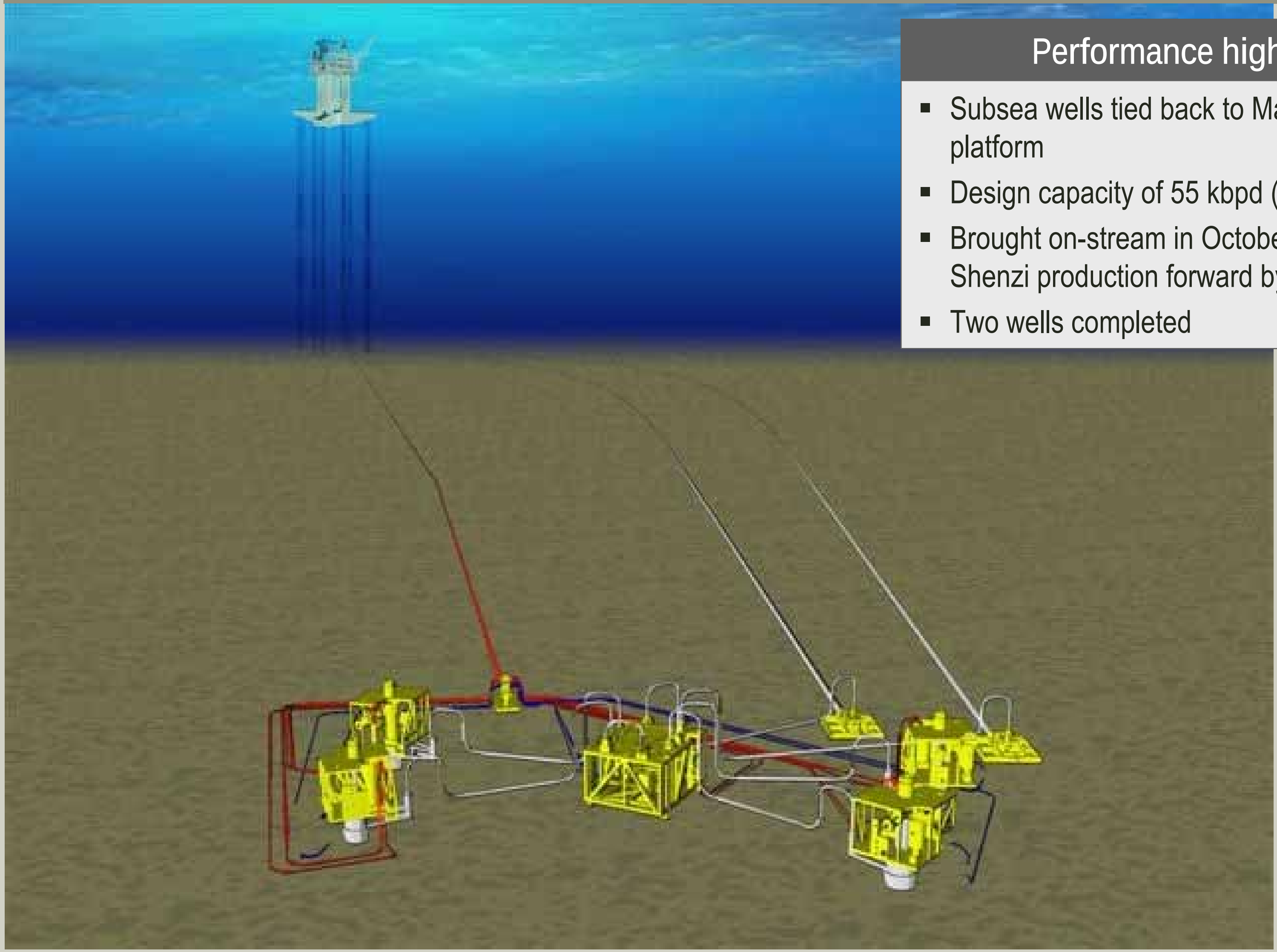
# Stybarrow (50% WI, BHP Billiton operated)



## Performance highlights

- FPSO and subsea wells
- Brought on-stream in November approximately two months ahead of schedule
- Achieved sustained production at design capacity of 80 kbpd (gross)
- Record-setting single well flow rates of approximately 32 kbpd

# Genghis Khan (44% WI, BHP Billiton operated)



## Performance highlights

- Subsea wells tied back to Marco Polo platform
- Design capacity of 55 kbpd (gross)
- Brought on-stream in October, bringing Shenzi production forward by ~ 2 years
- Two wells completed

# Zamzama Phase II (38.5 % WI, BHP Billiton operated)

## Performance highlights

- Plant expansion started up Feb 2008
- Gas plant expansion design capacity 150 mmcfd (gross)
- Currently optimizing production systems



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# Atlantis (44% WI, non-operated)

## Performance highlights

- Semi-submersible platform with deepwater subsea wells
- Brought on-stream in October (crude) through December (natural gas)
- Design capacity for 200 kbpd; 180 mmcfd (gross)
- 6 wells currently producing at 100 kbpd (gross), 2 additional wells planned on-stream by end of FY08

# Prices – obtain market pricing

- Global Crude and Gas Marketing organizations
- Measure product sales vs. available production for sale daily
- Goal is to capture maximum daily price, or as close as we can
- Full price exposure is our corporate position

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# Pricing environment is strong

- Crude prices
  - 100 kbpd (net) GoM new production in progress
  - 40 kbpd (net) Western Australia new production on-stream
  - Excellent fiscal regimes – captures full upside
- Gas sold regionally, supported by clean fuel initiatives and growing economies
  - Shorter duration contracts and price reopeners, price structure evolving
  - New gas volumes coming on-stream – NWS domestic gas, Kipper, Turrum, Angostura and Macedon
- LNG market has completely reversed in last 3 years due to a shift in demand-supply fundamentals and crude price linkages
  - LNG is a sellers market today with competing buyers
  - Recent Asian LNG contracts are at or close to crude parity
  - Most LNG production has price re-openers and new sales capture new contract pricing



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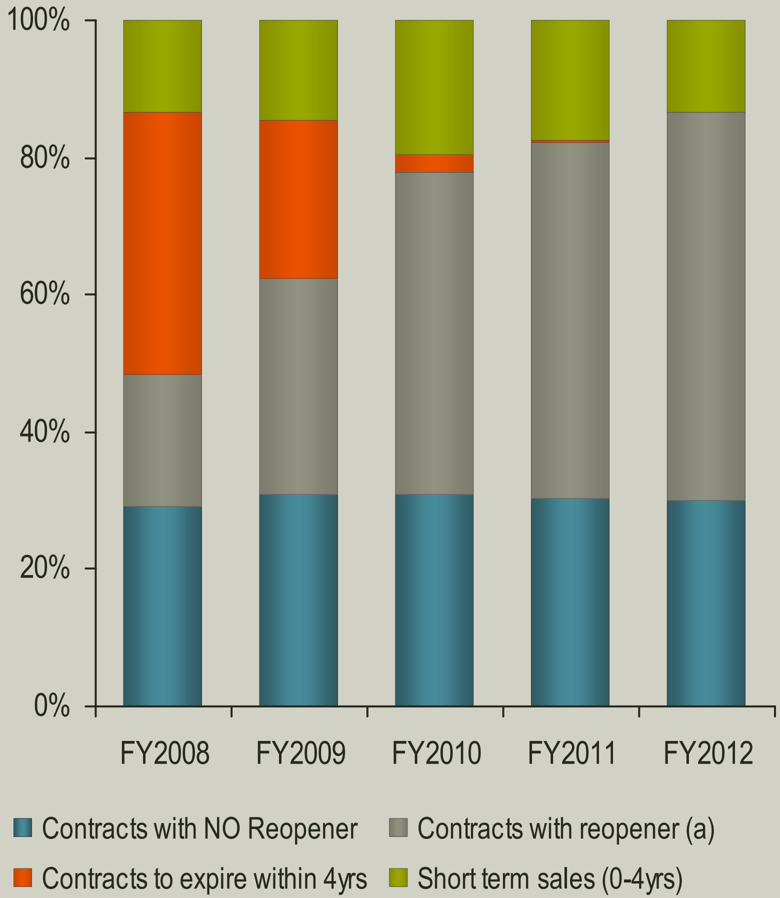
# By 2012, ~60% of gas and LNG production will have price reopener mechanisms available

Gas and LNG contracts pricing structure




- Most current long-term LNG contracts contain regular price reopeners
- Old LNG contracts were negotiated at lower prevailing crude prices
- LNG contract reopeners are leading to large price increases - tied to crude
- Also our new, large volume LNG contracts capture current crude price terms
- Significant revenue upside from old and new contracts

*Notes:*
*a) Includes pricing structures closely linked to uncapped market indices*



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# Key messages

- Driving the Base performance of our existing operations – to extract maximum value from all production – is a key operational goal
- Safety improvements have been realized – continue improvements to maintain top quartile safety performance
- Excellent uptime performance and year-on-year improvement – focus on 100,100,100
- Maintain competitive industry cost position – continuous improvement initiatives are a daily focus
- Excellent performance achieved in new project start-ups
- Gas and LNG contract reopeners, coupled with new volumes, provide significant revenue upside

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# Today's agenda

Strong Fit in BHP Billiton's Asset Portfolio

How we run BHP Billiton Petroleum

Driving Base Performance

**Executing Growth Projects**

Capturing Additional Opportunities

Delivering Results

Concluding Remarks



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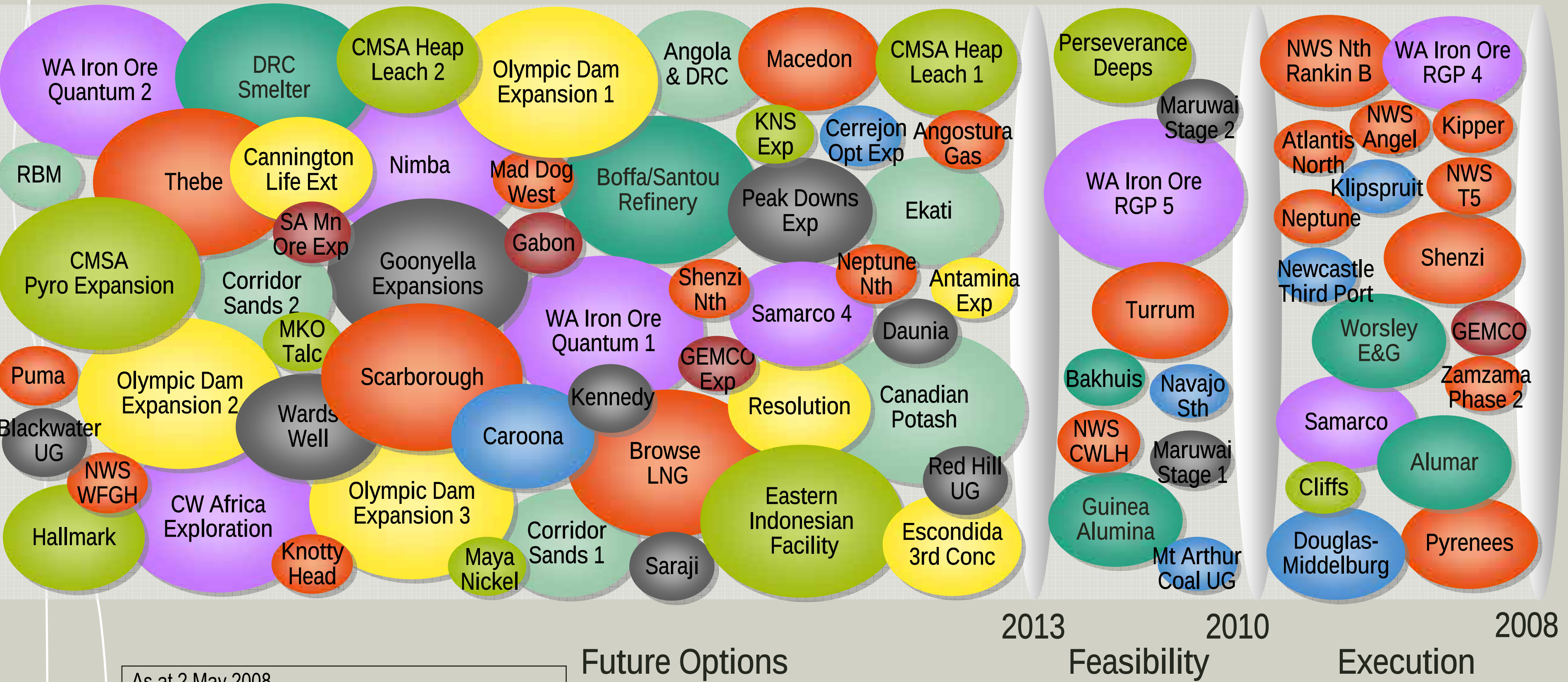
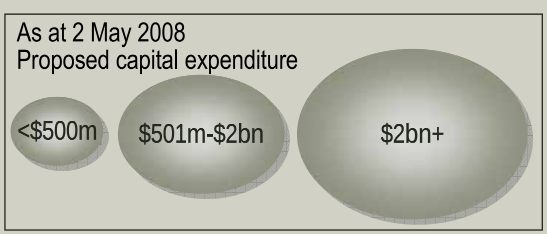
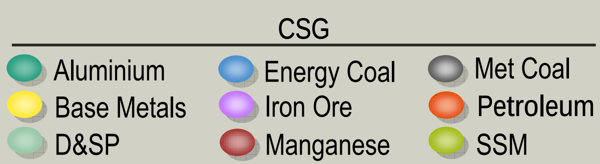
# Petroleum projects are a key element of the BHP Billiton growth pipeline

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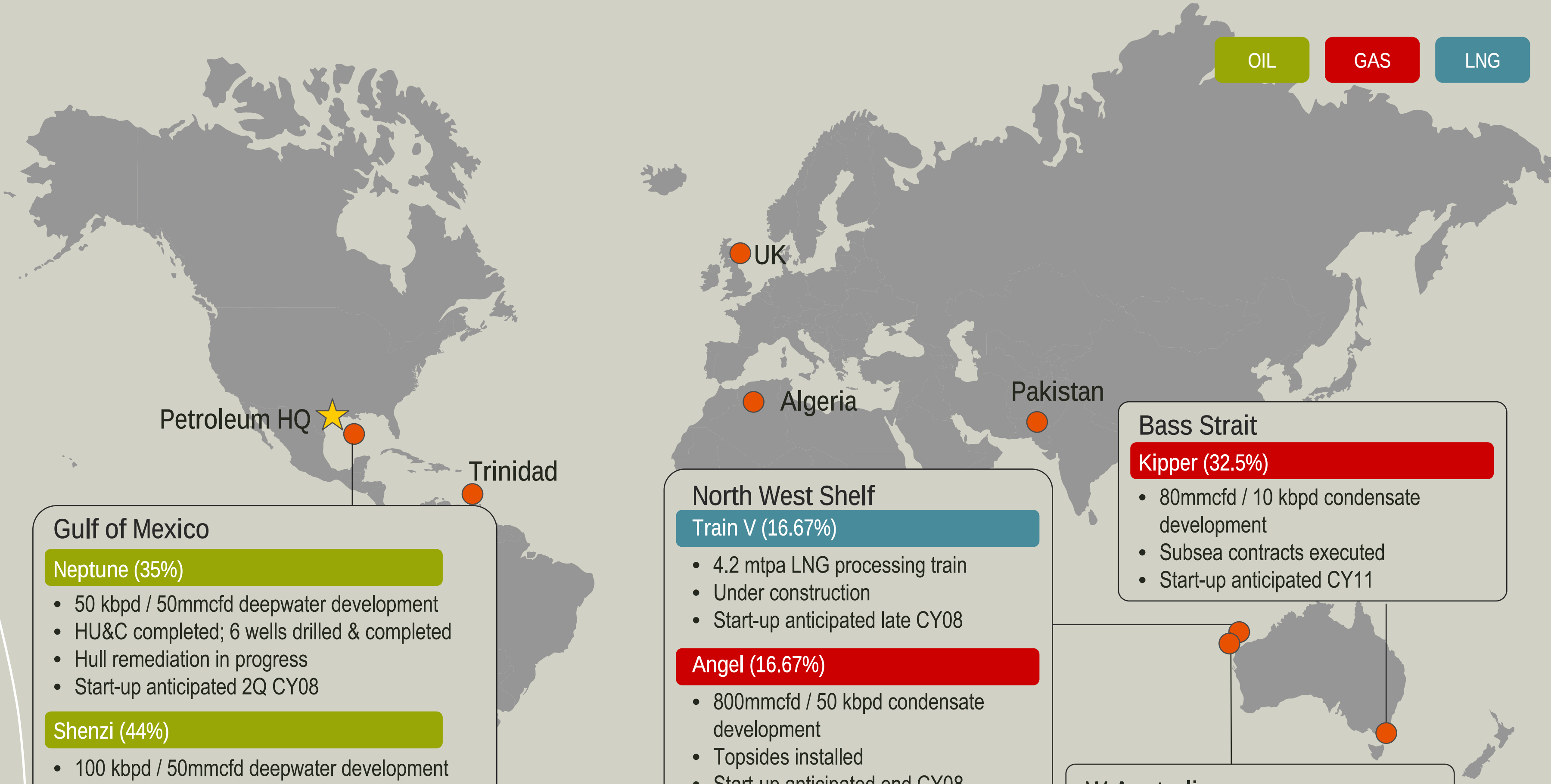
# Beyond Stybarrow, Genghis Khan, Zamzama, and Atlantis – 8 projects in execution




### Gulf of Mexico

**Neptune (35%)**
- 50 kbpd / 50mmcfd deepwater development
- HU&C completed; 6 wells drilled & completed
- Hull remediation in progress
- Start-up anticipated 2Q CY08

**Shenzi (44%)**
- 100 kbpd / 50mmcfd deepwater development
- Fabrication in progress; 2 wells drilled & completed
- Start-up anticipated mid CY09

**Altantis North (44%)**
- 1-3 well subsea tie back to Atlantis South
- Start-up anticipated 2H CY09

### North West Shelf

**Train V (16.67%)**
- 4.2 mtpa LNG processing train
- Under construction
- Start-up anticipated late CY08

**Angel (16.67%)**
- 800mmcfd / 50 kbpd condensate development
- Topsides installed
- Start-up anticipated end CY08

**North Rankin B (16.67%)**
- 2.5 bcfd gas facility
- Sanctioned Mar-08
- Start-up anticipated CY12

### Bass Strait

**Kipper (32.5%)**
- 80mmcfd / 10 kbpd condensate development
- Subsea contracts executed
- Start-up anticipated CY11

### W Australia

**Pyrenees (71.43%)**
- 96 kbpd / 60mmcfd FPSO development
- FPSO conversion underway
- Start-up anticipated 1H CY10

*Note: All production rates are gross production basis*

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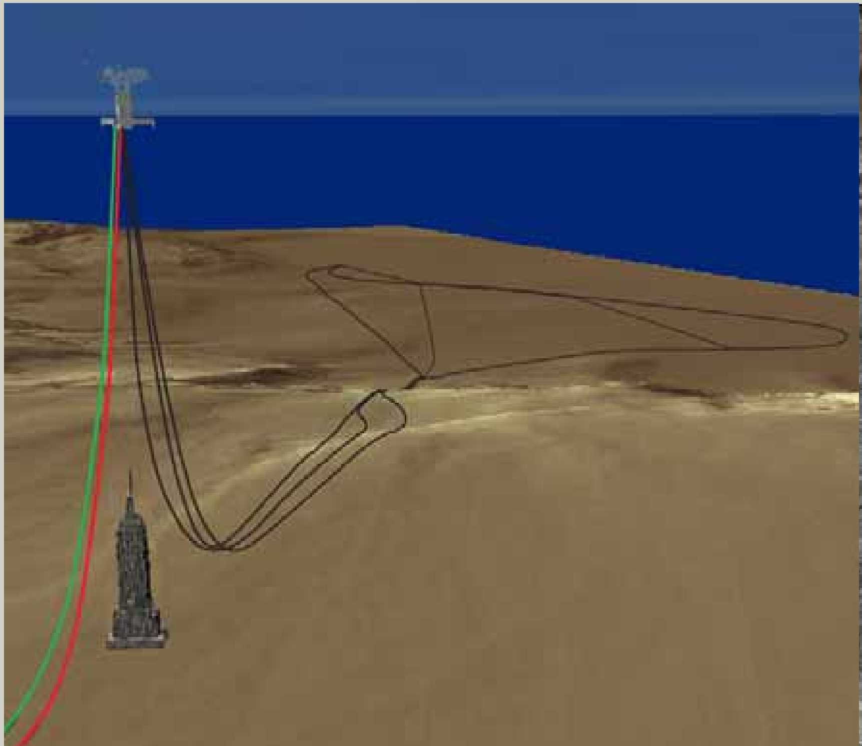
# Neptune (35% WI, BHP Billiton operated)

## Project overview

- Tension leg platform and subsea wells
- 4,250ft water depth
- 50 kbpd and 50mmcfd capacity (gross)
- HU&C completed; 6 wells drilled & completed
- Hull remediation in progress
- Start-up 2Q CY08

# Projects such as Neptune are large scale


Neptune development relative to Empire State Building


Neptune development relative to Manhattan

- Neptune TLP and seafloor piping layout
- 4th deepest TLP in the world

# Shenzi (44% WI, BHP Billiton operated)

## Project overview

- TLP and subsea wells
- 4,300ft water depth – 2nd deepest TLP in the world
- 100 kbpd and 50mmcfd capacity (gross)
- Fabrication in progress; 2 wells drilled & completed
- Start-up mid CY09

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# Pyrenees (71.43% WI, BHP Billiton operated)

## Project overview

- FPSO and subsea wells
- 96 kbpd capacity (gross)
- FPSO conversion underway
- Start-up 1H CY10

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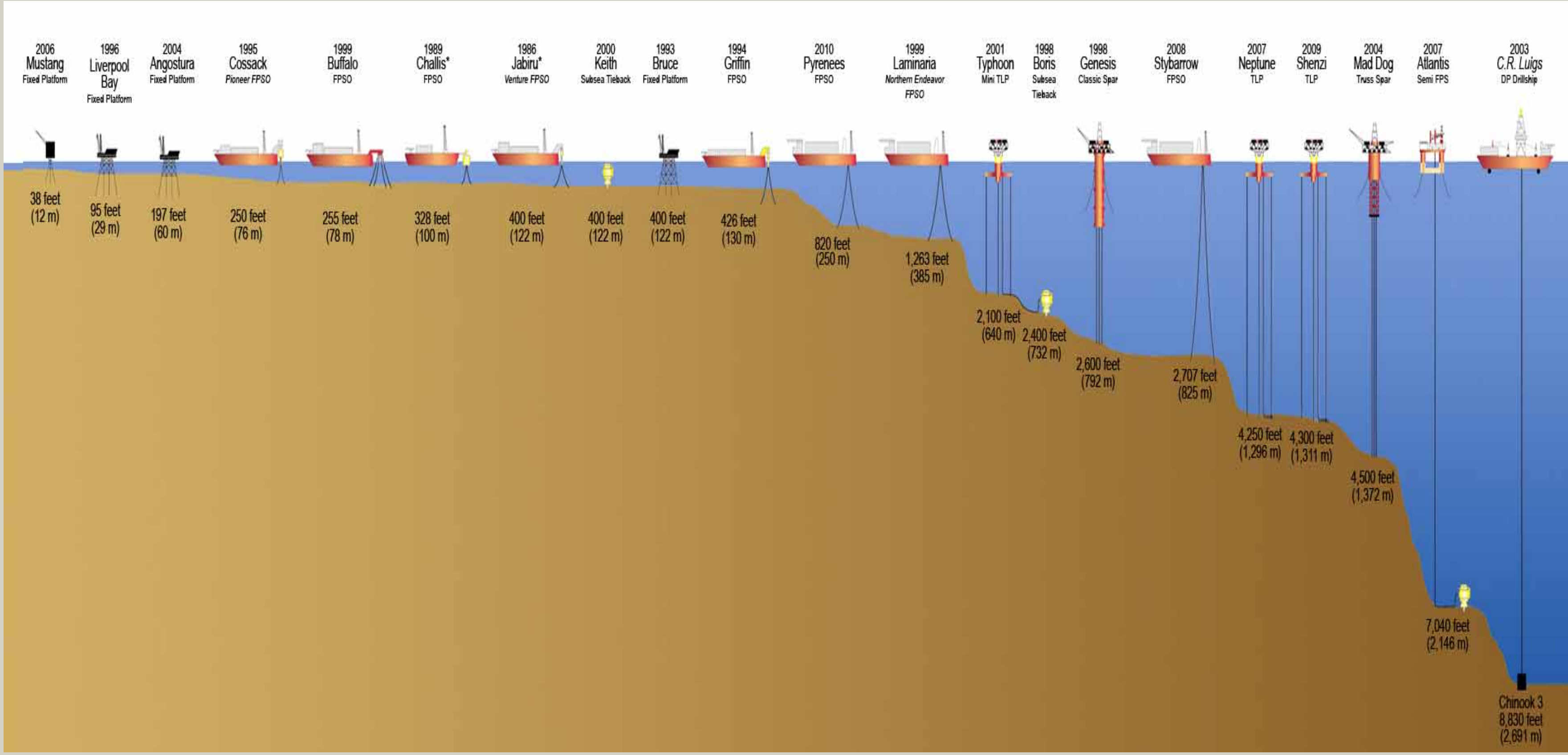
# Progression of BHP Billiton's project experience




**Phase 1**: Offshore shelf experience as an Operator → **Phase 2**: Deepwater experience as a Partner → **Phase 3**: Deepwater experience as a Partner & Operator

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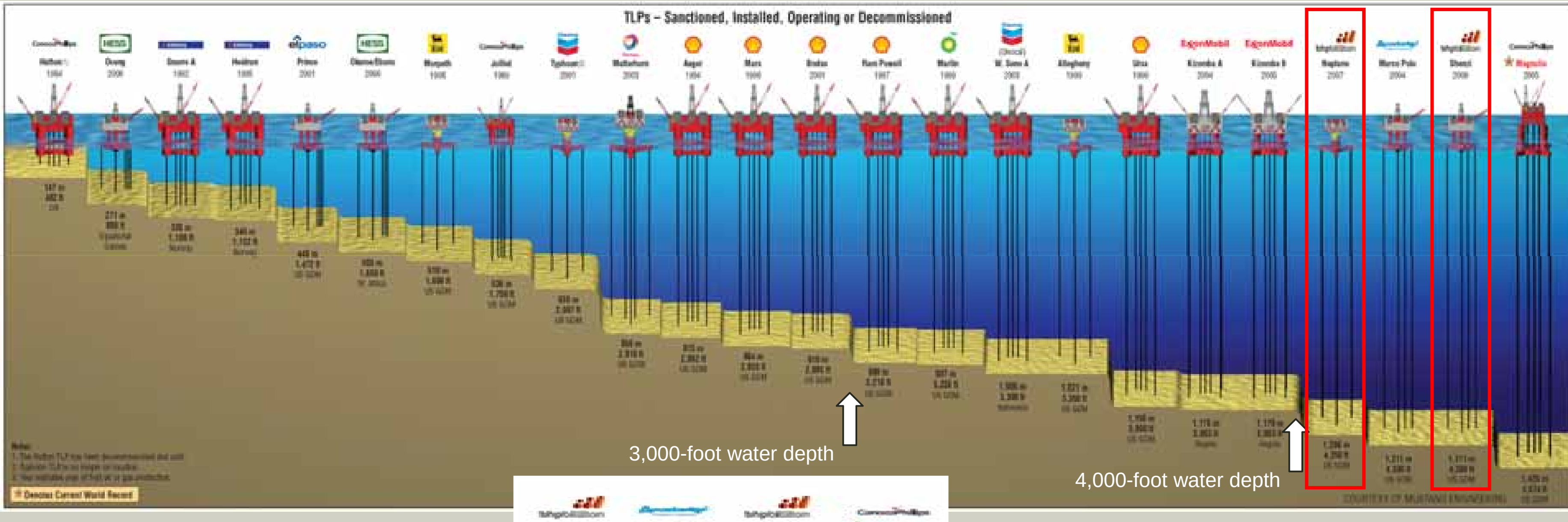
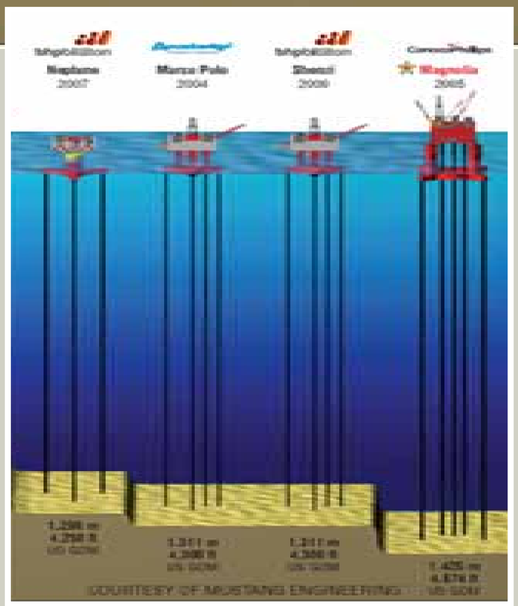
# Leading edge tension leg platform experience




*Source: Offshore Magazine / Mustang Engineering – 2007*
*Deepwater Solutions & Records for Concept Selection*

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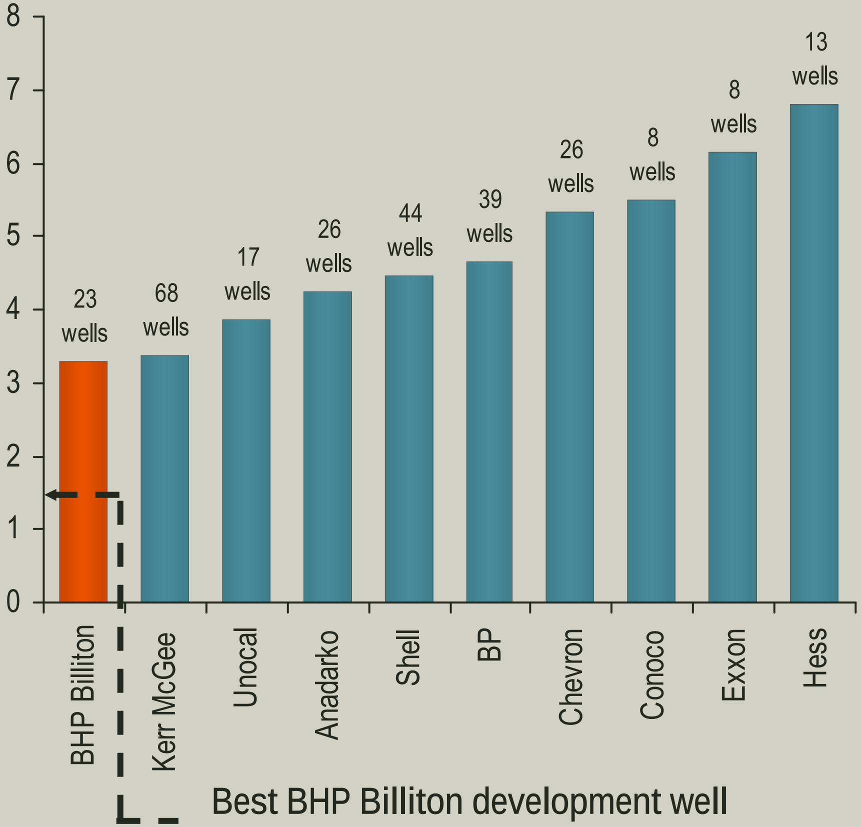
# Industry leading deepwater drilling performance

GoM deepwater exploration and appraisal wells
(Days per 1000 ft drilled, Jan-2000 to Dec-2007)




- On average, it takes BHP Billiton less time to reach total depth than our competitors
- Time = Cost
- Consistently reach target depth
- Committed rigs on contract to execute deepwater program
  - "DD1" through June 2012
  - "Luigs" through Sept 2013

*Source: BHP Billiton review of operated exploration and appraisal well scout tickets. Reported days from Spud to total depth.*
*Note: Drilling comparison does not include geological side tracks*



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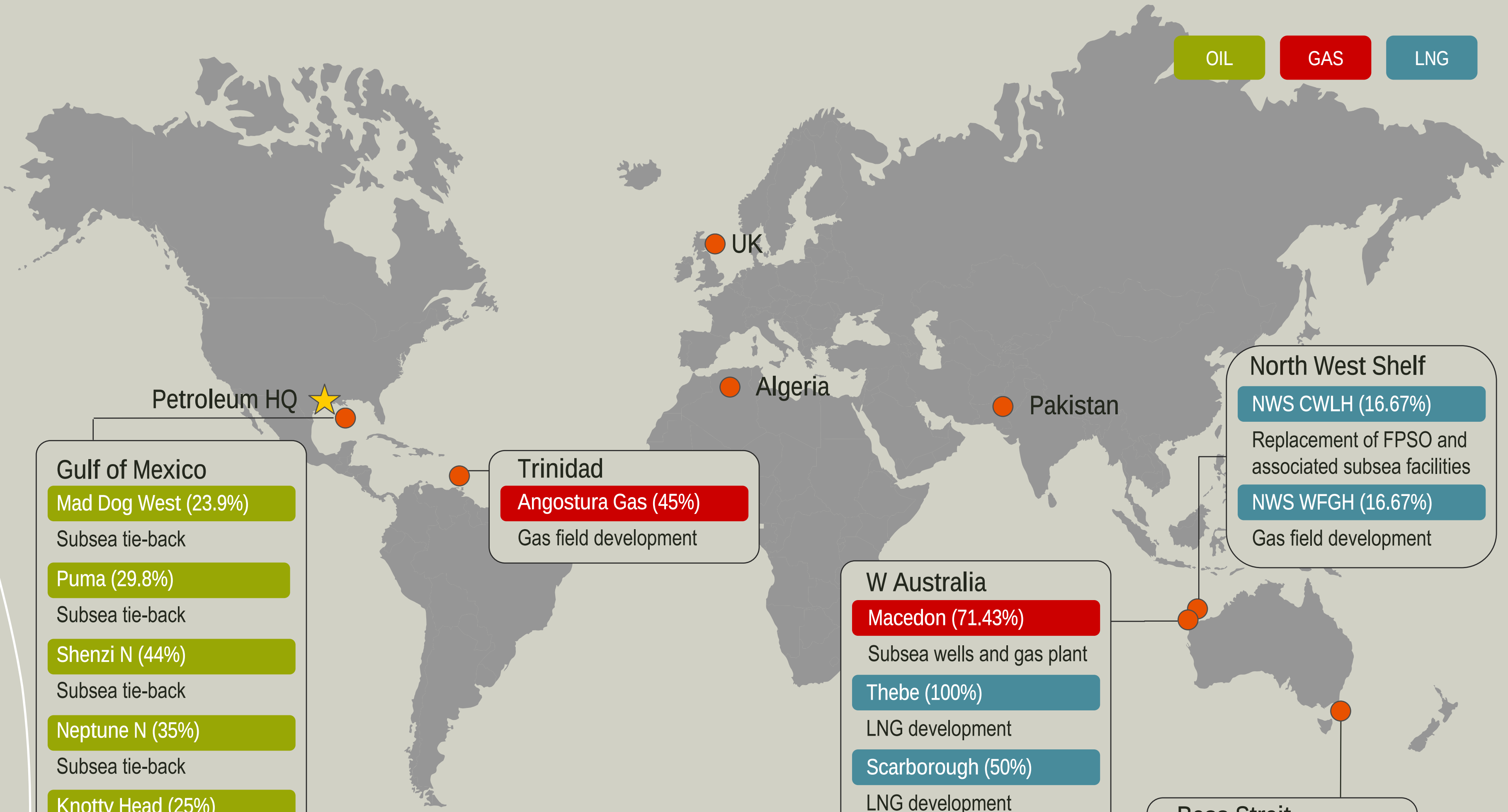
# Ahead – Inventory of future projects under design and evaluation




### Gulf of Mexico

- Mad Dog West (23.9%) – Subsea tie-back
- Puma (29.8%) – Subsea tie-back
- Shenzi N (44%) – Subsea tie-back
- Neptune N (35%) – Subsea tie-back
- Knotty Head (25%) – Deepwater development

### Trinidad

- Angostura Gas (45%) – Gas field development

### W Australia

- Macedon (71.43%) – Subsea wells and gas plant
- Thebe (100%) – LNG development
- Scarborough (50%) – LNG development
- Browse LNG (10.5%) – LNG development

### North West Shelf

- NWS CWLH (16.67%) – Replacement of FPSO and associated subsea facilities
- NWS WFGH (16.67%) – Gas field development

### Bass Strait

- Turrum (50%) – Gas field development

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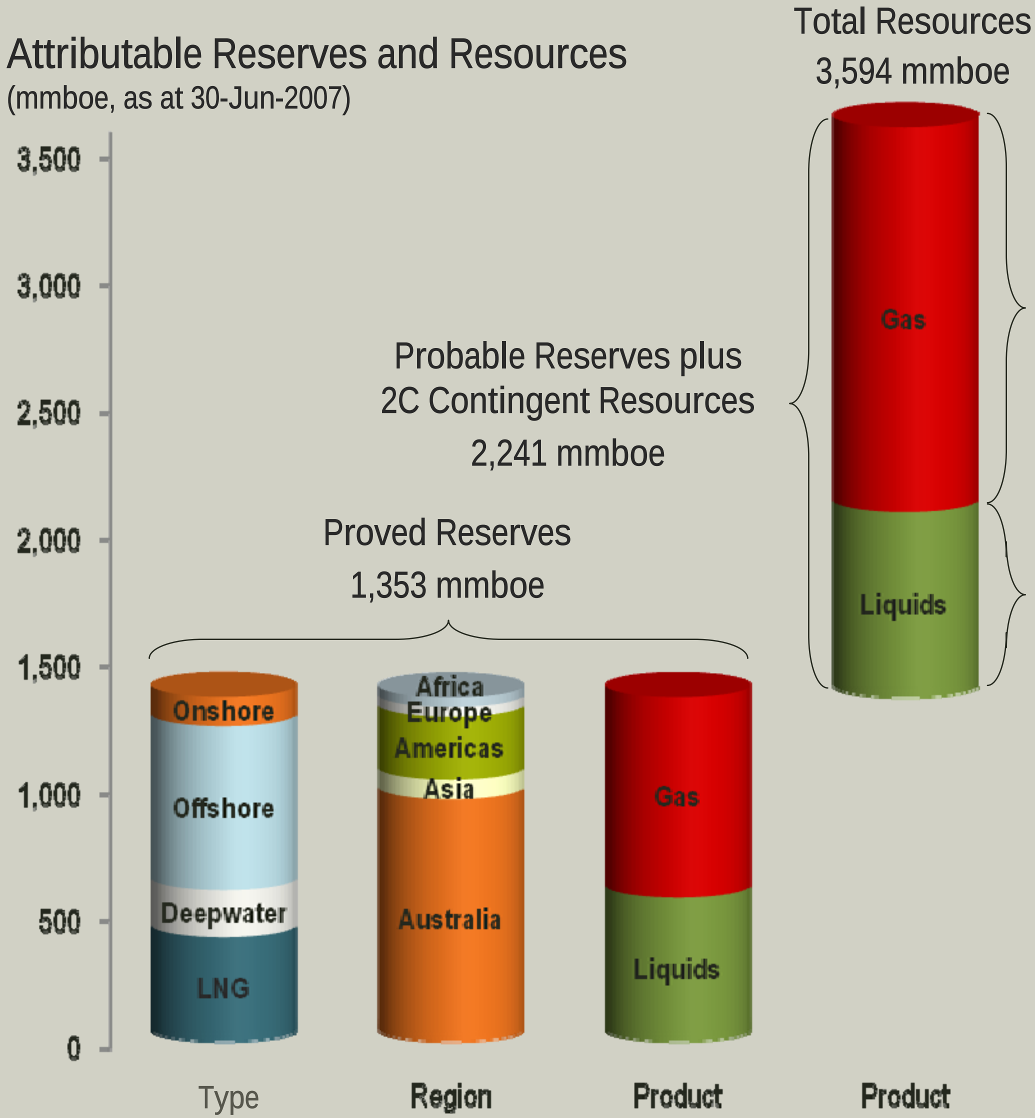
# Significant resource position to support long term growth




| | |
|---|---|
| Bass Strait | Angostura |
| NWS Gas | Browse |
| Zamzama | Exmouth |
| | Scarborough |

| | |
|---|---|
| Atlantis | Algeria |
| Bass Strait | GoM |
| Shenzi | Pyrenees |

*Source: BHP Billiton 2007 Annual Report.*

# Key messages

- Petroleum makes a significant contribution to BHP Billiton's overall growth prospects
- BHP Billiton Petroleum is executing leading-edge deepwater projects
- The 8 projects currently in execution underpin our forecast volume growth of 10% CAGR to FY11
- Deep inventory of future development options already identified
- We have a sizeable resource base requiring future development

# Today's agenda

Strong Fit in BHP Billiton's Asset Portfolio

How we run BHP Billiton Petroleum

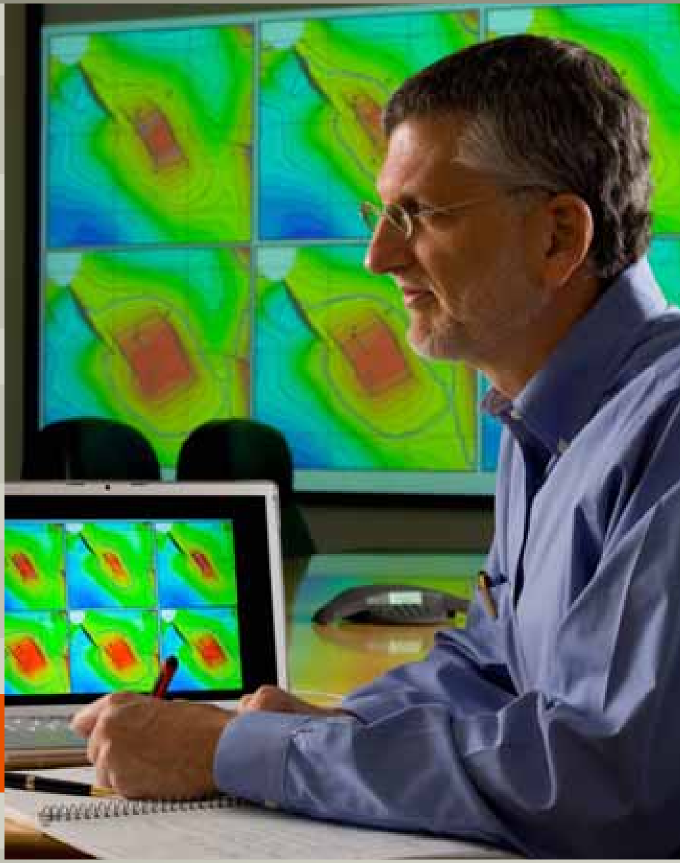
Driving Base Performance

Executing Growth Projects

**Capturing Additional Opportunities**

Delivering Results

Concluding Remarks





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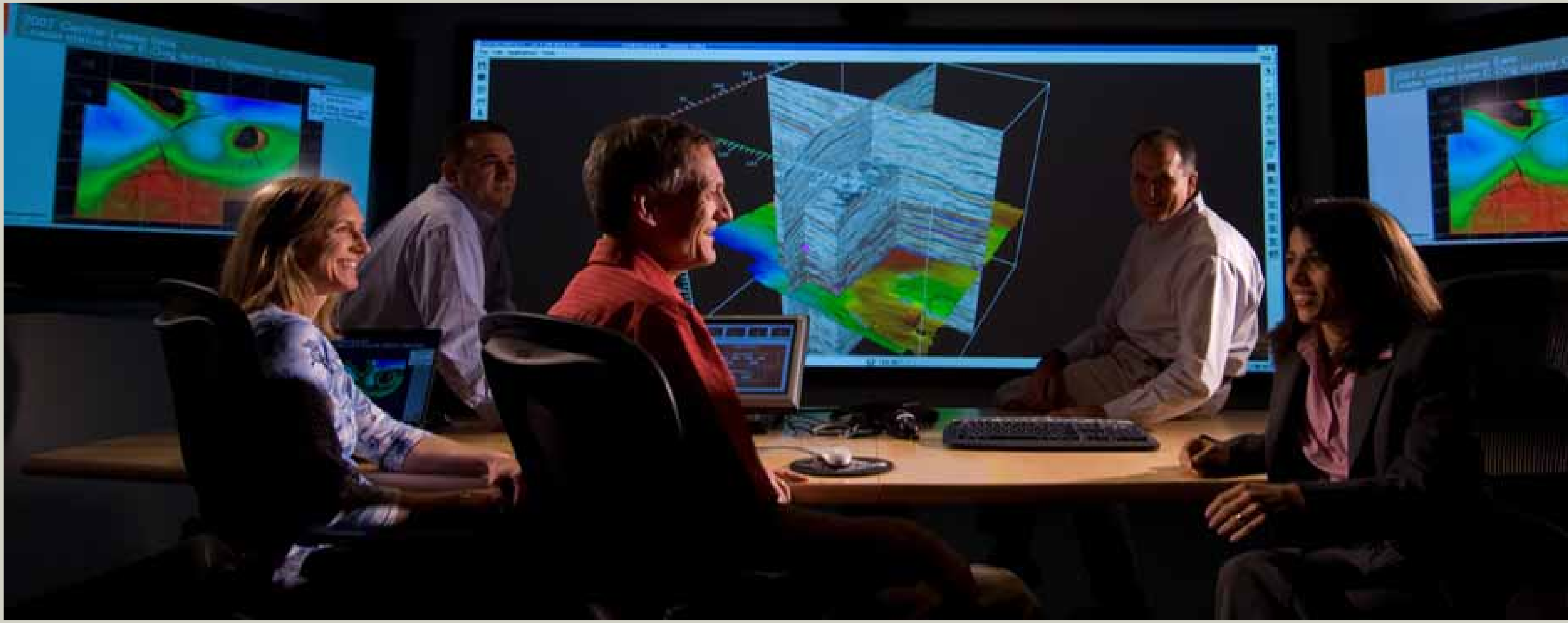
# Exploration strategy – capturing additional opportunities

- Target opportunities that are material to BHP Billiton
- Balance proven hydrocarbon plays with frontier exploration
- Focus on opportunities that have the potential for multiple successes
- Seeking Control and Operatorship



# Significant gains over the past 18 months

- Rejuvenated growth opportunities
- Acquired a number of key acreage positions
- 75% increase in exploration spending in FY08 to ~US$700m from US$395m in FY07 (net)
- Forward exploration spend anticipated to be at or above FY08 level
- Increased equity ownership from ~41% to ~55%
- Increased percentage of portfolio that is Operated to ~66%



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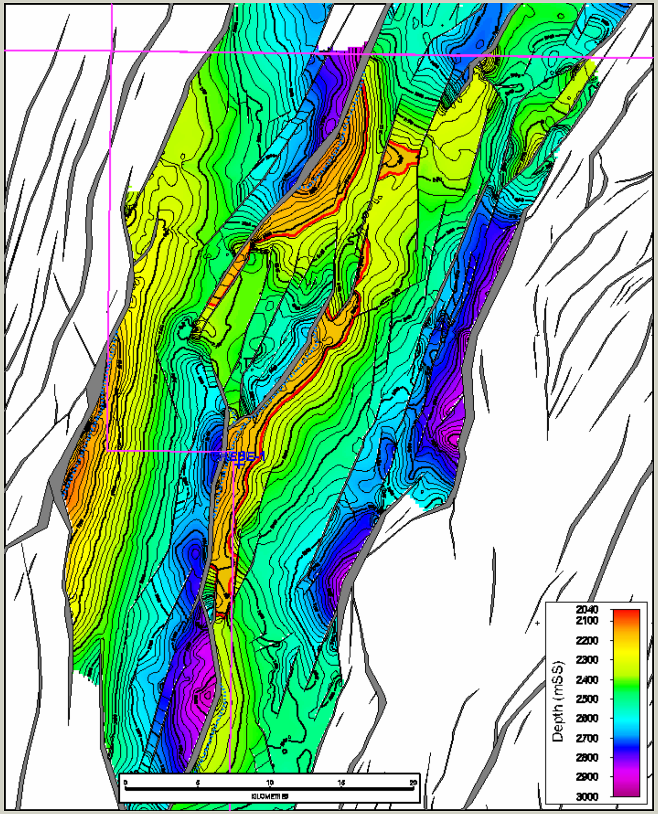
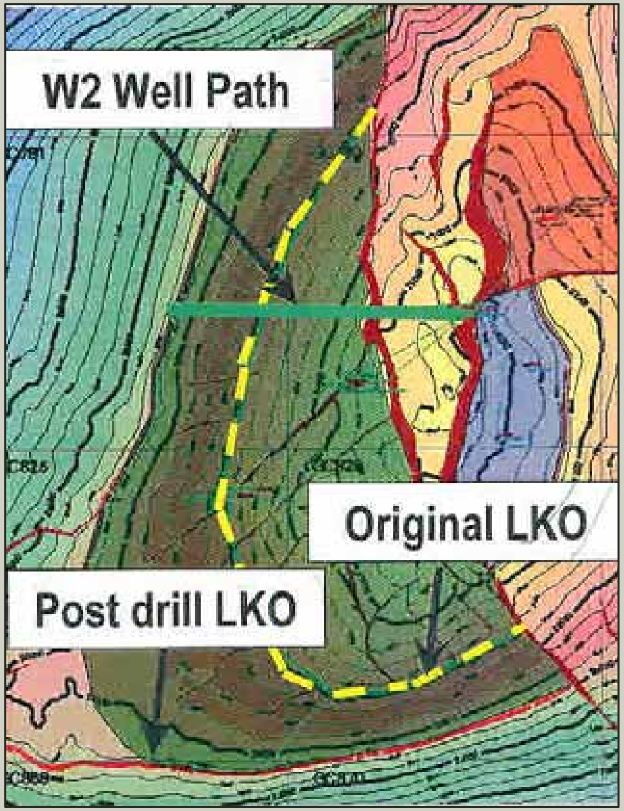
# Recent exploration successes

Thebe




- Major gas discovery in Western Australia
- 100% BHP Billiton working interest

Mad Dog West




- Major field extension in deepwater GoM
- 23.9% BHP Billiton working interest

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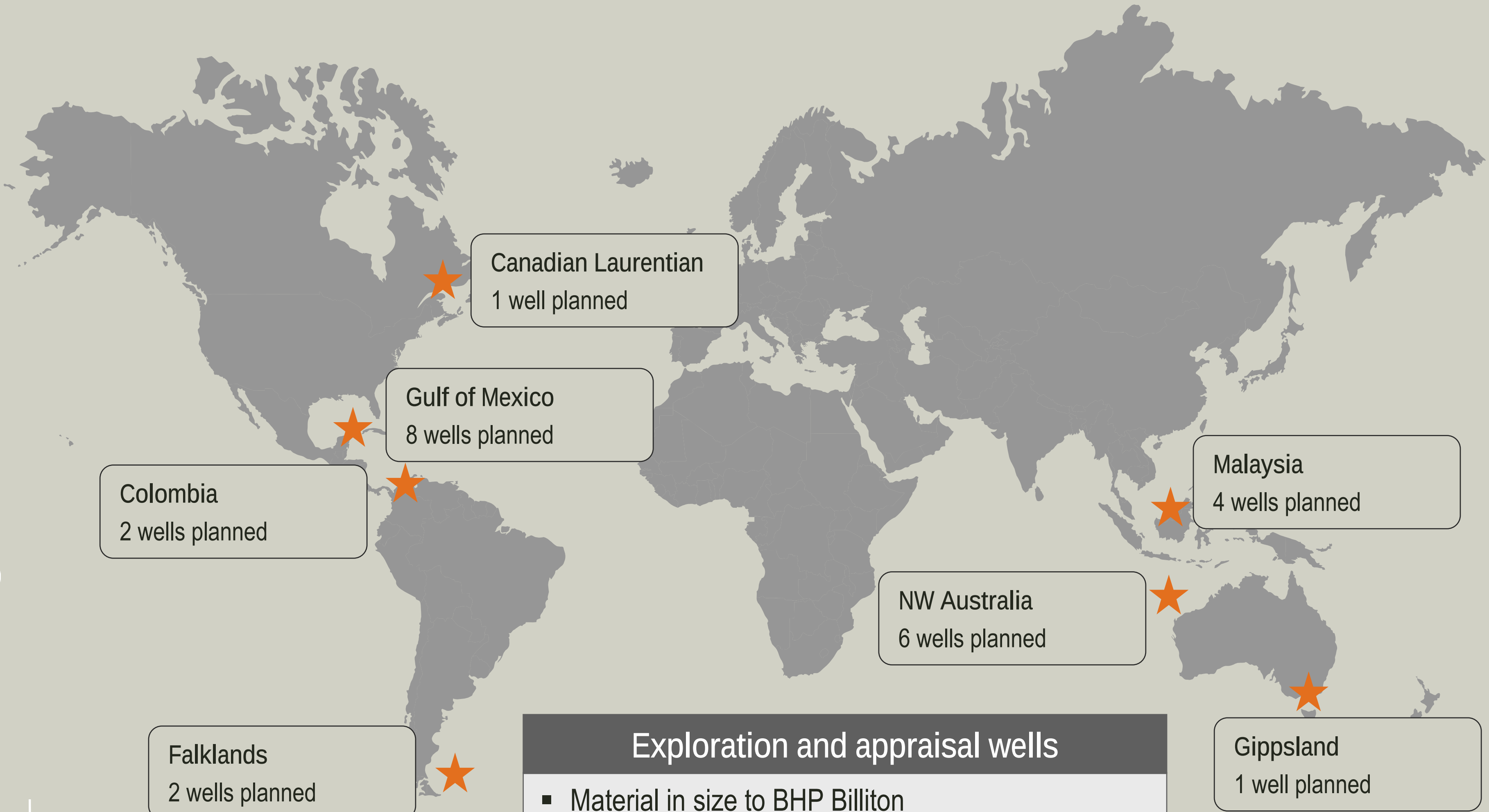
# Key exploration and appraisal wells planned




## Exploration and appraisal wells

- Material in size to BHP Billiton
- Balance proven plays and frontier exploration
- Opportunities with potential for multiple successes
- Control and Operatorship



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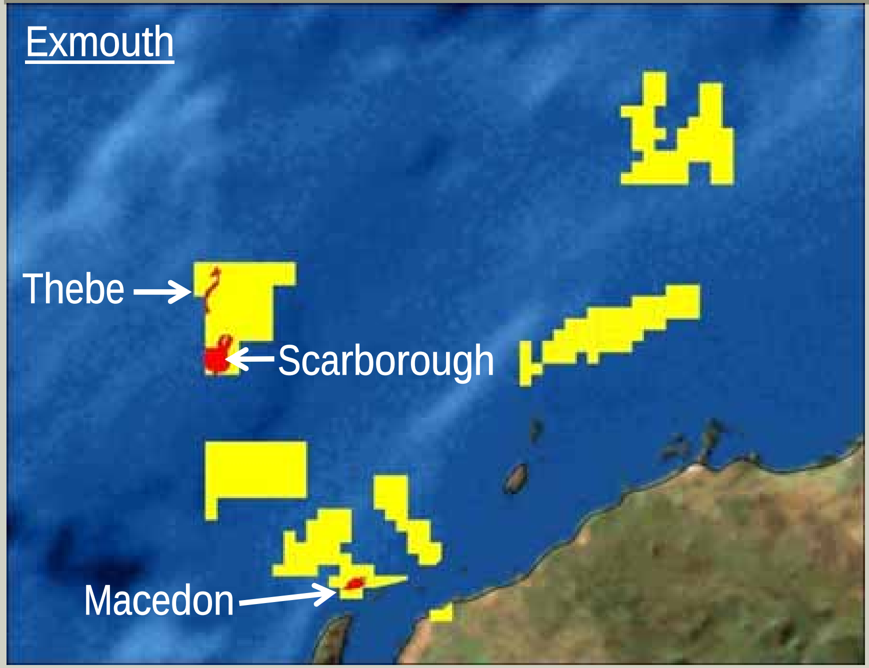
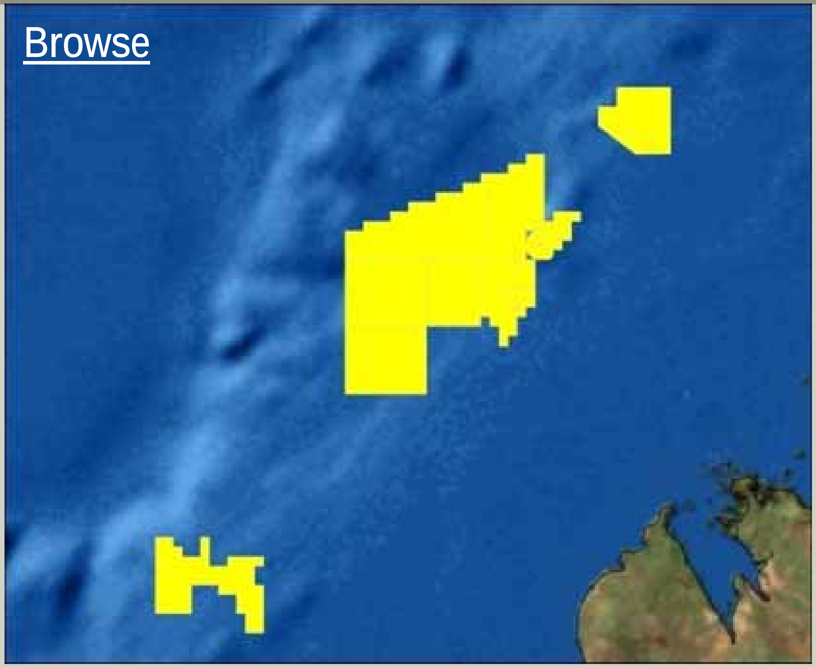
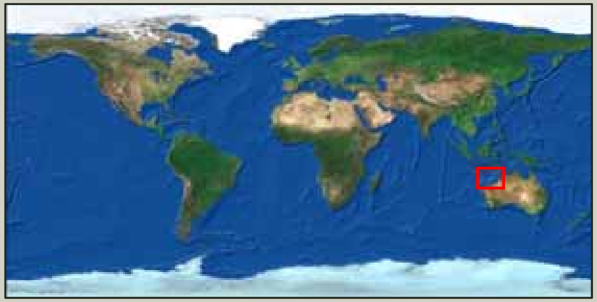
# Proven play:
# W Australia (41 permits, 8.3-100% WI, 10 permits operated)



- Approximately 9.2 million acres (gross), WD 170 to 2,500m
- Two major discoveries – Thebe (100% WI), Scarborough (50% WI)
- Running 3D seismic on all other operated acreage

*Source: WSI Earth by ESRI, Includes data supplied by IHS Inc., its subsidiary and affiliated companies; Copyright (2008) all rights reserved.*



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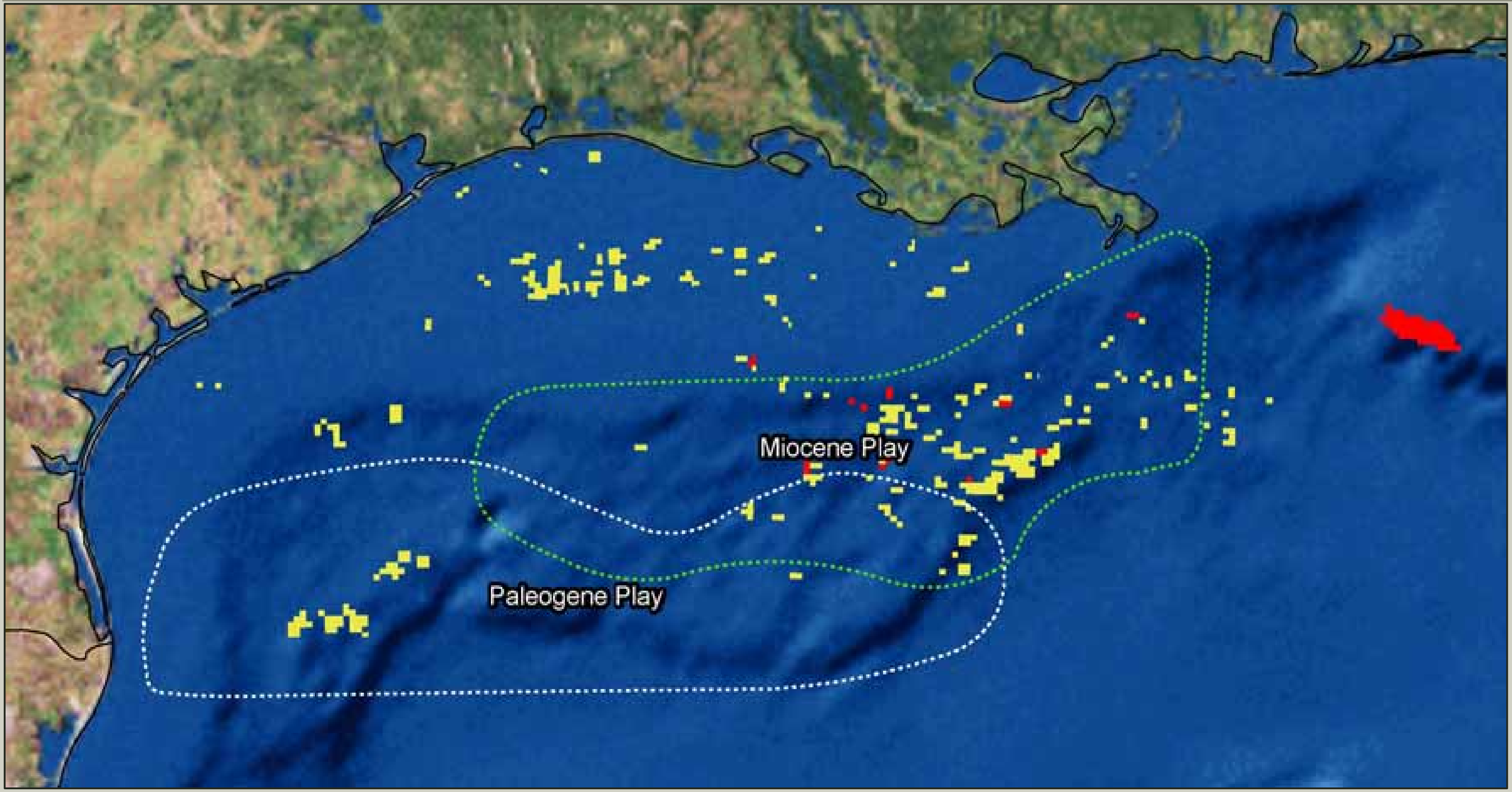
# Proven play:
# GoM (318 Blocks, 62% Avg WI, 222 blocks operated)




- 1.72 million acres (gross) (excluding March 2008 lease sale), WD 10 to 7,600ft
- Major BHP Billiton discoveries in Atwater Foldbelt Miocene play, now in development or production
- Excellent acreage position in play extension in central Green Canyon area
- Successful acreage capture in last two lease sales - successful bidder on 83 tracts (US$284m)
- Preparing for active exploration program

*Source: WSI Earth by ESRI, Includes data supplied by IHS Inc., its subsidiary and affiliated companies; Copyright (2008) all rights reserved.*



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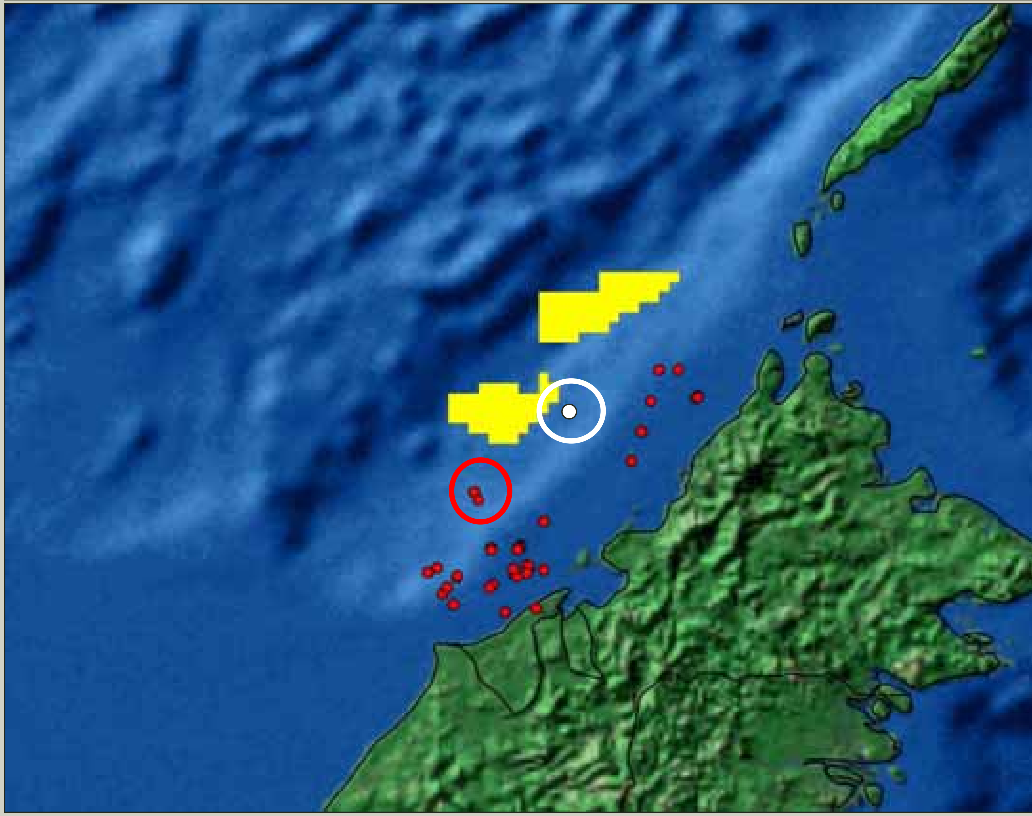
# Proven play:
# Malaysia (Sabah) (2 Blocks, 60% WI, operated)



- Kikeh Development
  - Major Murphy discovery
  - Start-up 2007
  - 120 kbpd capacity
- Ubah-2 – Oct 2005 Shell discovery
- Wildcat and stepout wells

- 2.1 million acres (gross) - WD 1,600 to 2,800m
- Extension of Deepwater Miocene fold belt play
- New 3-D seismic acquisition during CY08
- 4 commitment wells
- Expect to commence drilling operations in 2009





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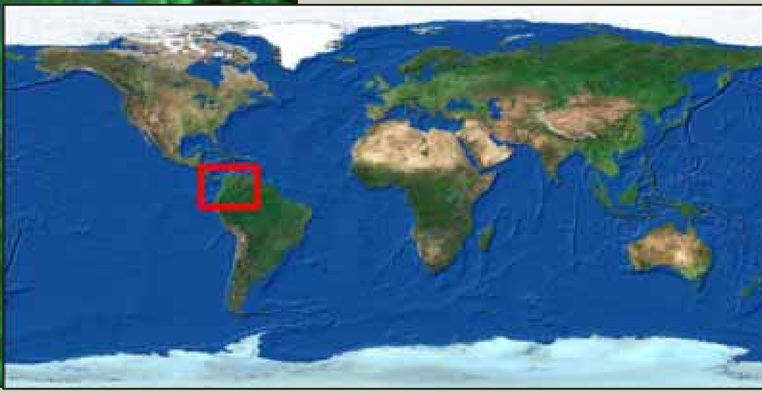
# Frontier exploration: Colombia (2 blocks, 75% WI, operated)



- 2.3 million acres (gross) - WD 500 to 2,700m
- Large tracts of frontier acreage with significant upside
- New 3-D acquisition complete
- No commitment wells - expect to be ready to drill in 2009

*Source: WSI Earth by ESRI, Includes data supplied by IHS Inc., its subsidiary and affiliated companies; Copyright (2008) all rights reserved.*

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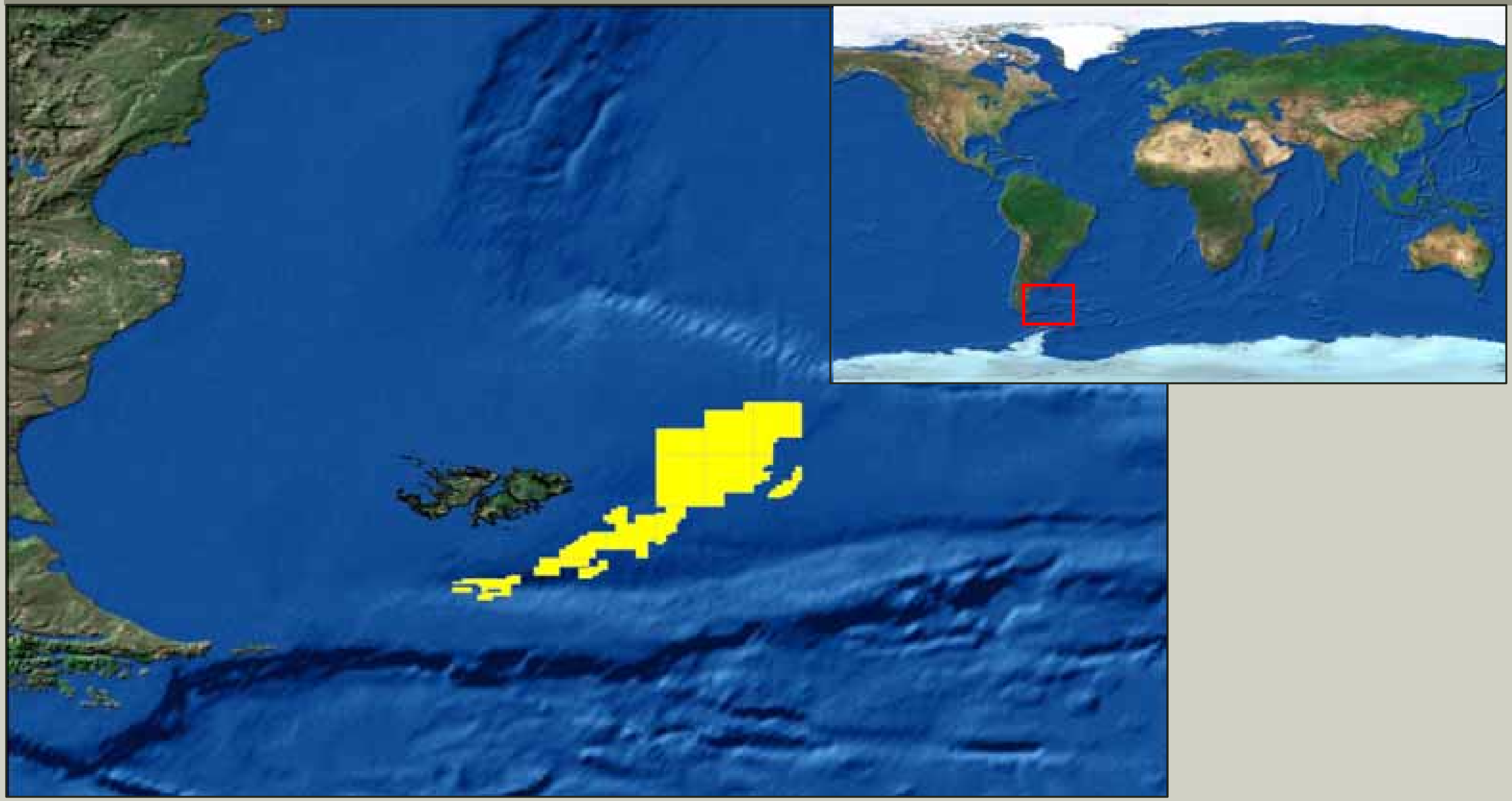
# Frontier exploration:
# The Falklands (14 licenses, 51% WI, operated)



- 11 million acres (gross) - WD 200 to 2,000m
- Frontier acreage covering prospective portion of two large sub-basins
- Multiple leads with significant potential
- Two commitment wells - expect to commence drilling in 2009 – 2010

*Source: WSI Earth by ESRI, Includes data supplied by IHS Inc., its subsidiary and affiliated companies;*

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# Key messages

- The exploration strategy is clear and simple
- We will target opportunities that are material to BHP Billiton
- Recently acquired multiple key blocks with Operatorship
- Exploration spend increased to approximately US$700m
- Made key discoveries in GoM and Western Australia
- Planning to drill 24 exploration and appraisal wells in the near term

# Today's agenda

Strong Fit in BHP Billiton's Asset Portfolio

How we run BHP Billiton Petroleum

Driving Base Performance

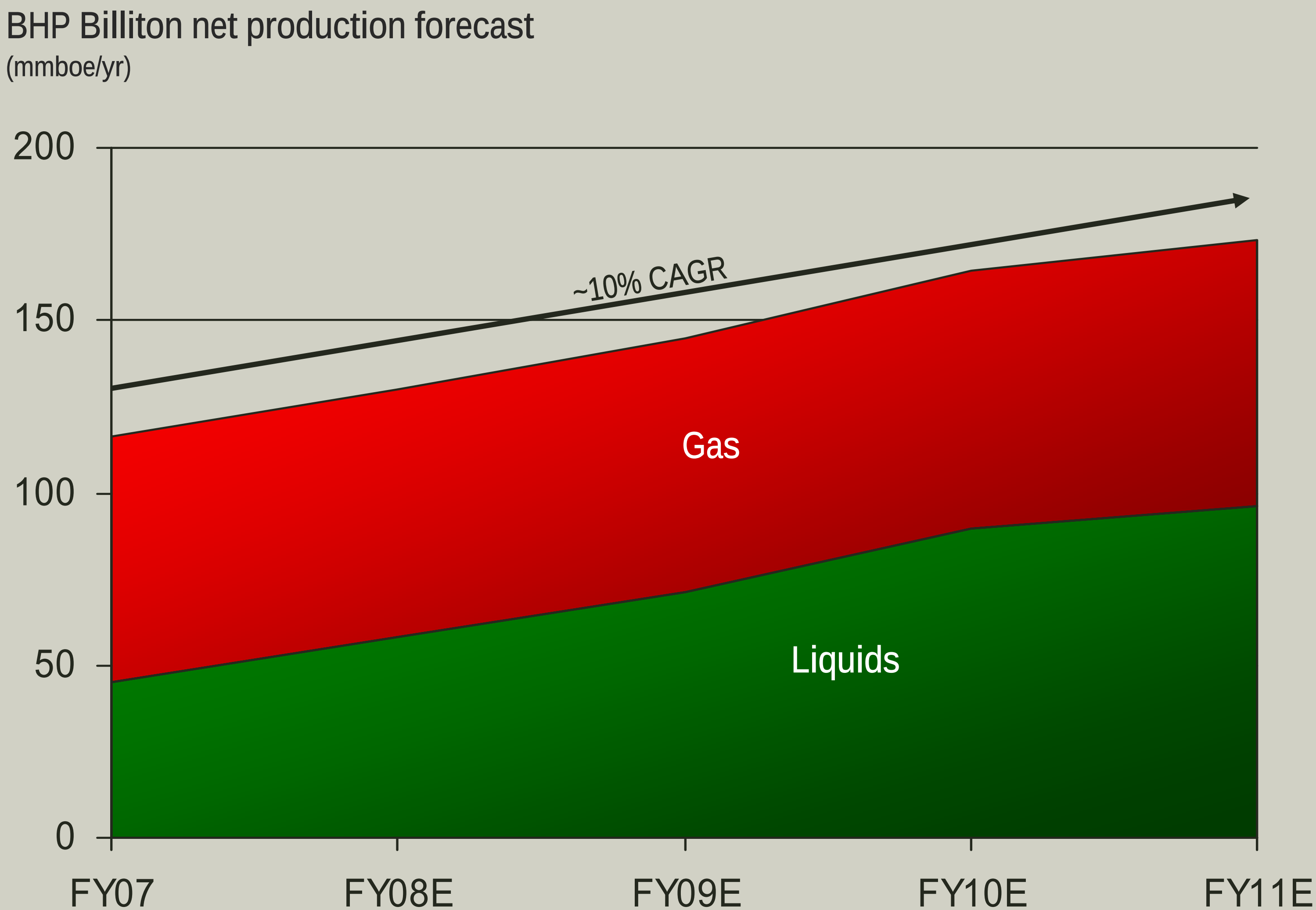
Executing Growth Projects

Capturing Additional Opportunities

Delivering Results

Concluding Remarks

# Forecast volume growth of ~10% CAGR to FY11, underpinned by projects in execution

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# BHP Billiton Petroleum – Delivering results

| | |
|---|---|
| How we run BHP Billiton Petroleum | • Functional business model has been established<br>• An experienced management team is in place and executing<br>• The core strategy is clear and simple |
| Driving base performance | • Top quartile industry safety performance<br>• Achieved 93.5% production uptime in 3Q FY08<br>• Low cost, high margin operations<br>• Gas and LNG contract reopeners, coupled with new volumes, capture current prices |
| Executing growth projects | • Forecast volume growth of ~10% CAGR to FY11, underpinned by projects in execution<br>• Deep inventory of development projects beyond those in execution<br>• Greater than 100% reserve replacement expected in FY08 |
| Capturing additional opportunities | • Exploration portfolio has been rejuvenated with new acreage acquired<br>• 75% increase in exploration expenditure for FY08 to US$700m (net)<br>• Increased working interest equity and Operatorship |



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# Today's agenda

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Driving Base Performance

Executing Growth Projects

Capturing Additional Opportunities

Delivering Results

Concluding Remarks

# Concluding remarks on Petroleum

- Petroleum fits strategically and BHP Billiton is a natural owner
- Strong BHP Billiton technical and human capability
- The business is delivering results - operating performance and growth
- Attractive and visible growth profile
- Substantially low risk operating geographies and high leverage to prices

# Our offer for Rio - Unlocking value

- Combined entity will have a unique portfolio of tier 1 assets
  - Highly complementary large-scale, low-cost, long-life assets
  - Strengthened asset portfolio and superior future growth options
- Unparalleled exposure to overlapping mineral basin positions and infrastructure
  - Optimisation of production efficiencies
  - Delivery of more volume, faster, to customers
- Enhanced earnings through quantified synergies and benefits of combination
- Broader stakeholders will benefit (customers, communities, employees)
- A natural fit – common strategies, heritage, culture and values



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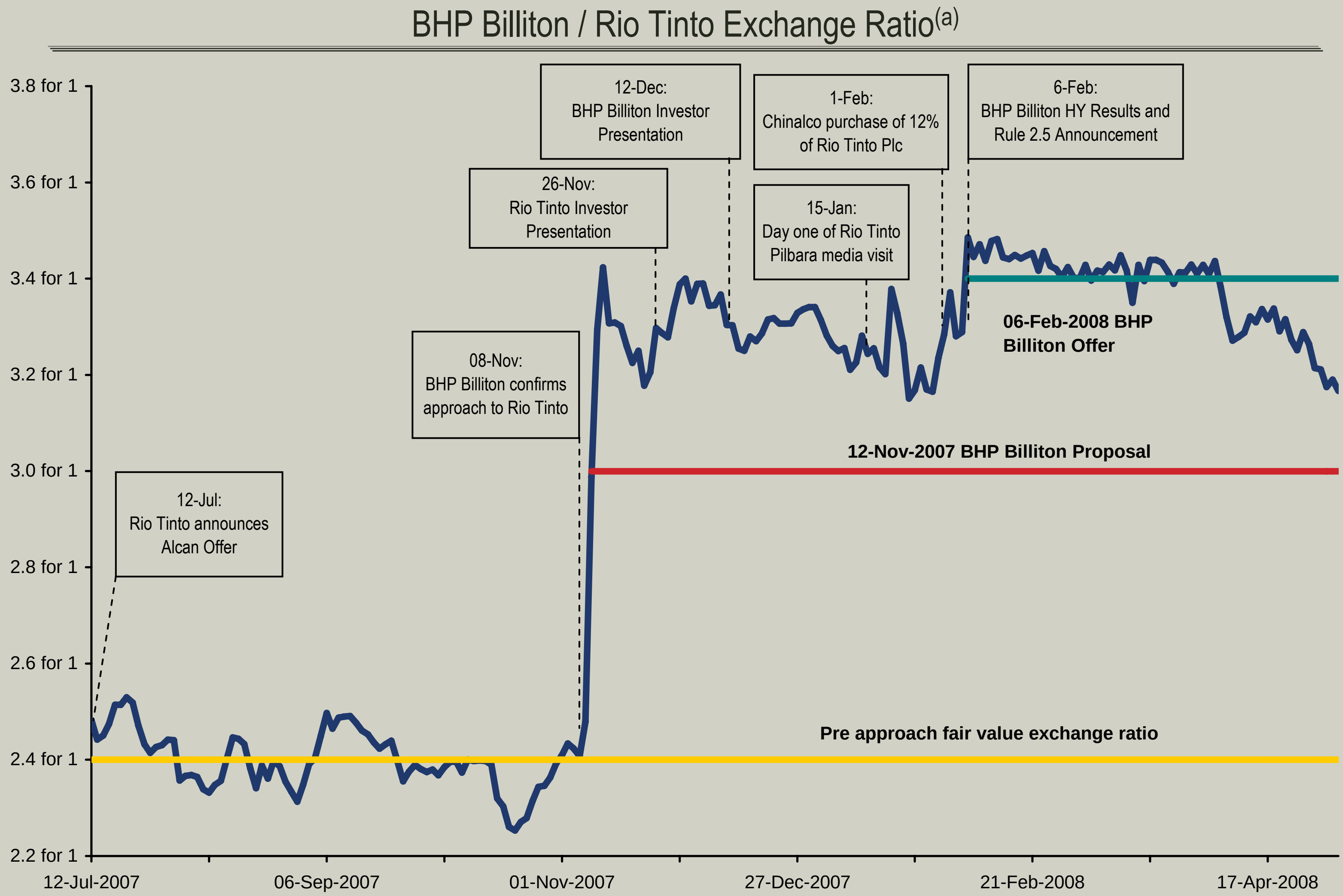
# BHP Billiton's 45% premium is a substantial value uplift, prior to the pro rata share of synergies




*Source: Datastream as at 5 May 2008*

*a) Exchange ratio assumes 100% BHP Billiton Ltd shares for each Rio Tinto Ltd share and BHP Billiton shares for each Rio Tinto plc share consisting of 80% BHP Billiton Plc shares and 20% BHP Billiton Ltd shares. 2.4 fair value exchange ratio represents average for period between Rio Tinto offer for Alcan (12-Jul-2007) and BHP Billiton approach to Rio Tinto Board (1-Nov-2007).*



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# Conclusion – Strength, stability and growth

- BHP Billiton's core strategy remains unchanged
- BHP Billiton is focused on producing volumes from its low cost assets to take advantage of the strong market conditions
- A combination of BHP Billiton and Rio Tinto can generate substantial additional value for shareholders – they are a natural fit
- This combination unlocks a very material and unique pool of value:
  - More production, faster and lower cost; enhanced future growth options; traditional synergies
  - Quantifiable value; incremental EBITDA impact growing to estimated $3.7B
- The terms of the Rio Tinto offer reflect a good deal for both companies' shareholders
- BHP Billiton on a standalone basis is an attractive business with a compelling growth profile
- Transaction must be value accretive for all BHP shareholders

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