

# BHP Billiton Petroleum and Growth

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Analyst Briefing, South Africa  
September 2002



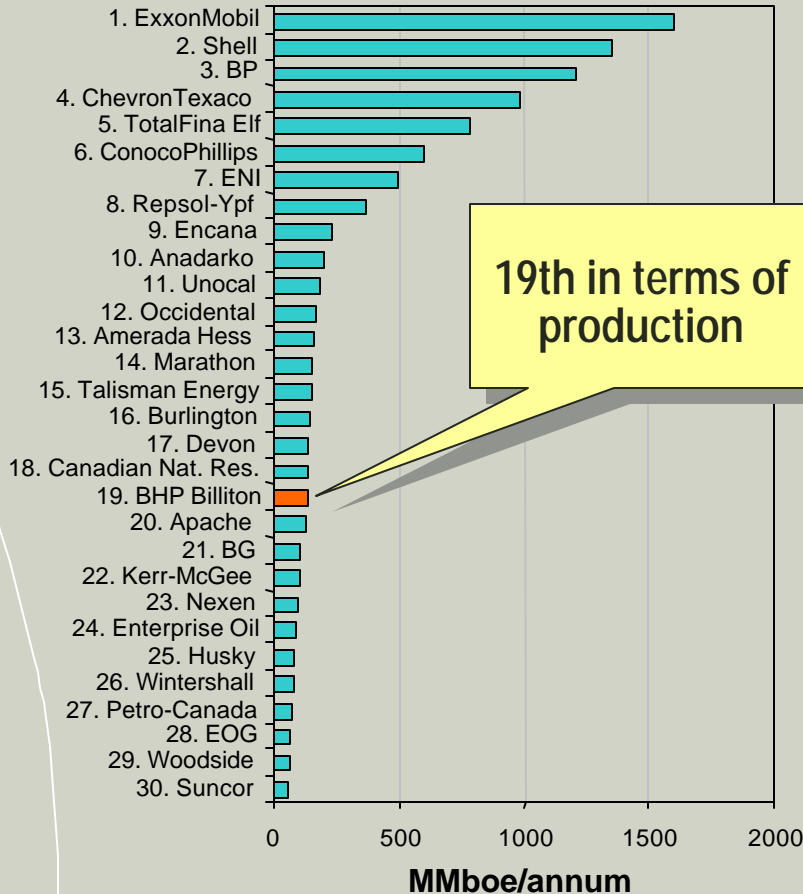
**bhpbilliton**

# Petroleum Financial Year 2002

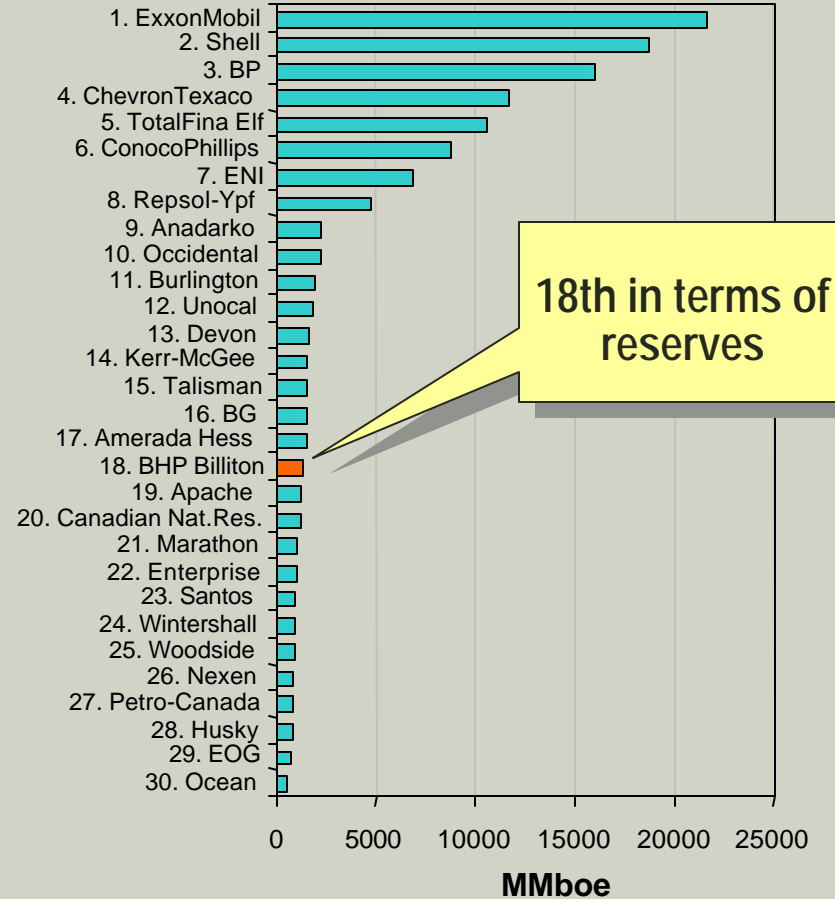
Revenue:	US\$2.9 billion
EBIT:	US\$1.1 billion
Total reserves:	1.4 billion boe
Average daily production:	366,000 boe/d
Total production:	134 MMboe
No. of staff & contractors:	1,600
Main centres:	Melbourne, London, Houston, Perth

# Petroleum Relative to the Industry Players

## Annual Production



## Proven Reserves

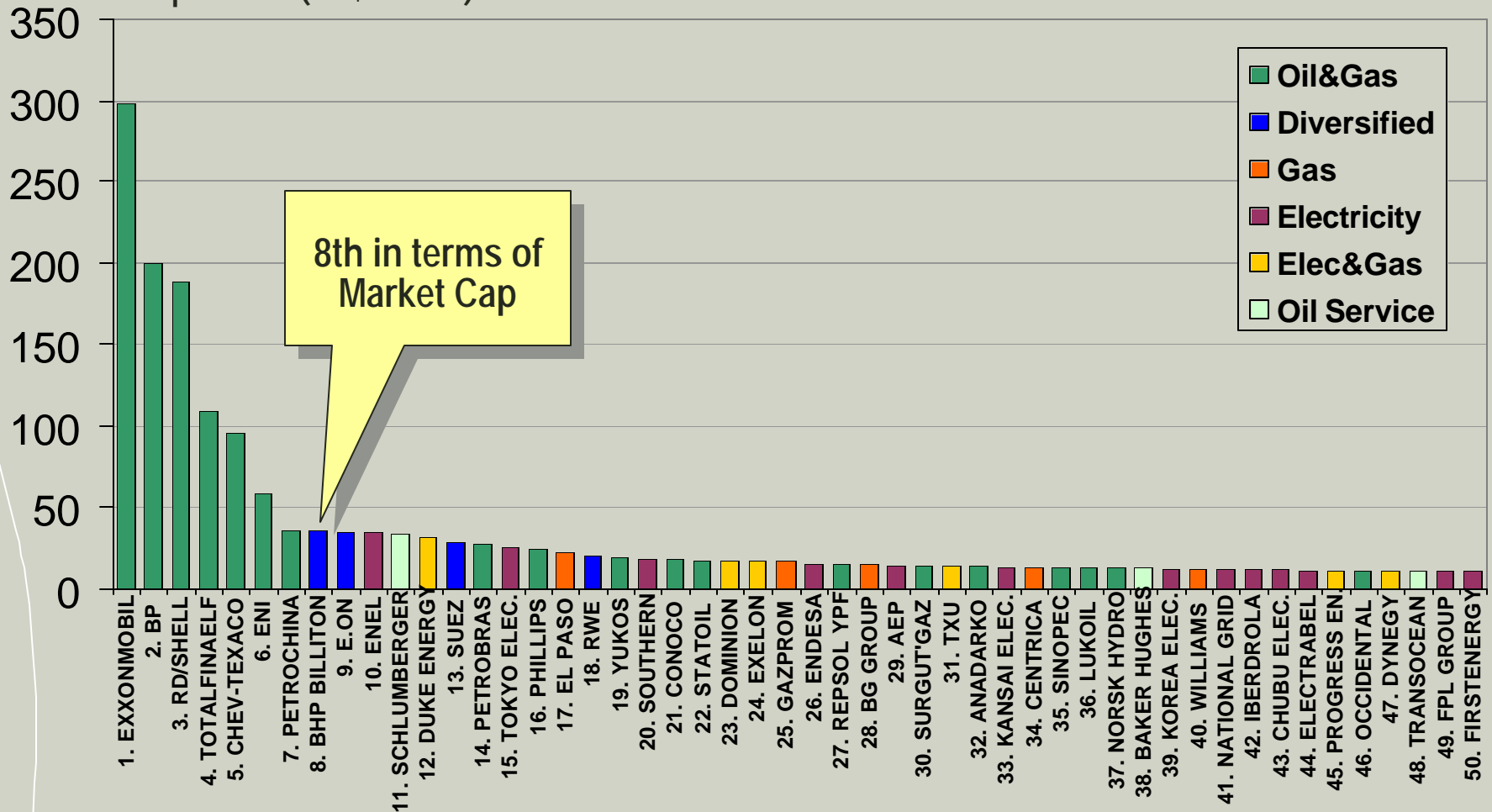


*Excludes companies with significant state ownership*  
*BHPB shown with FY01 production*  
*Other companies are CY01 data except CY00 where not available*  
*Source: Evaluate Energy*

# BHP Billiton

- is a small-medium player in a huge energy industry

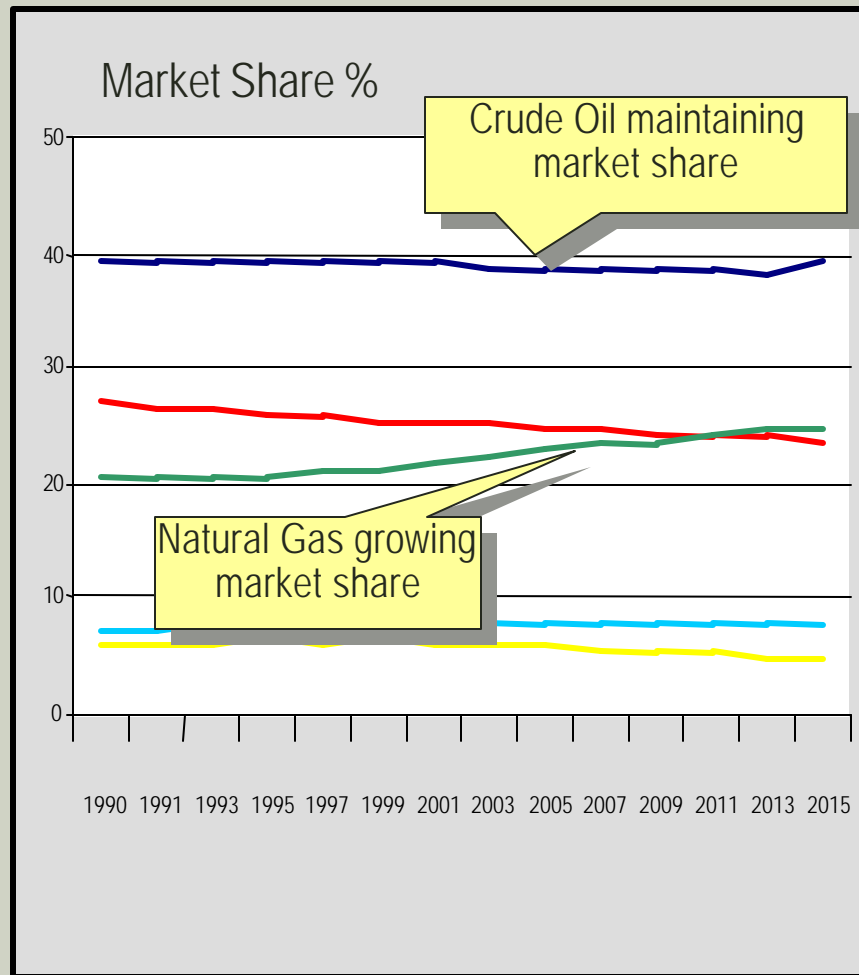
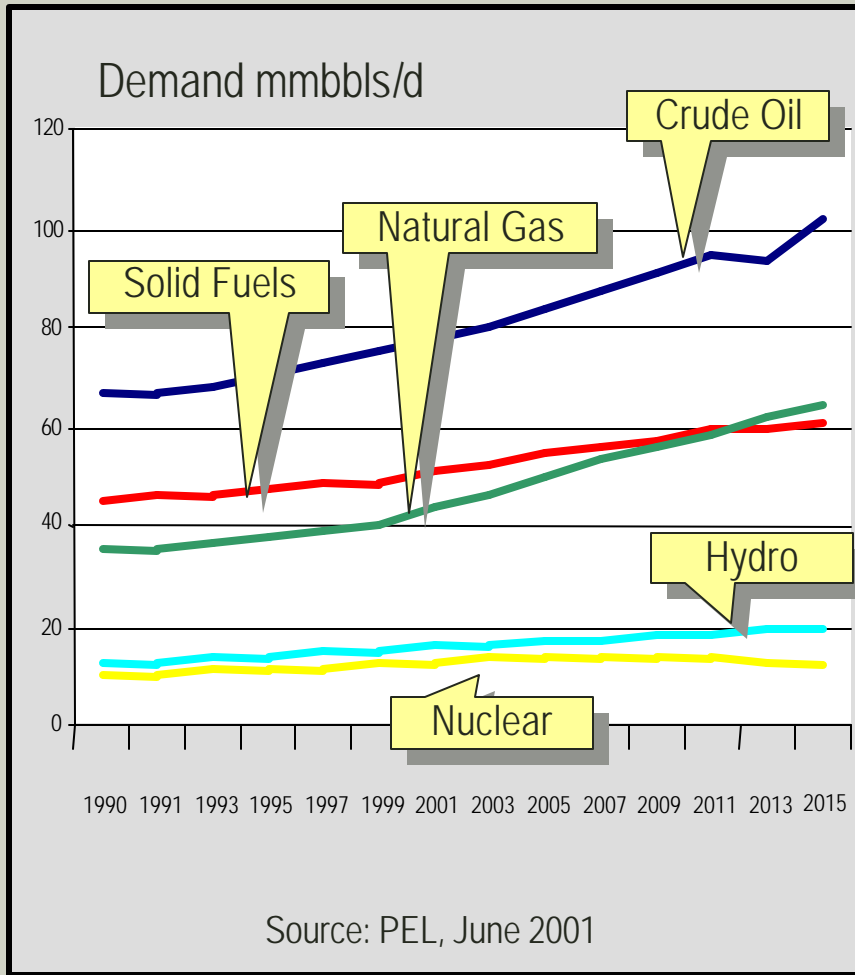
## Market Capitalization of the Top 50 Energy Companies (PFC Energy 50) April 2002 (US\$ Billion)



Source: The Petroleum Finance Company

# The Energy Industry

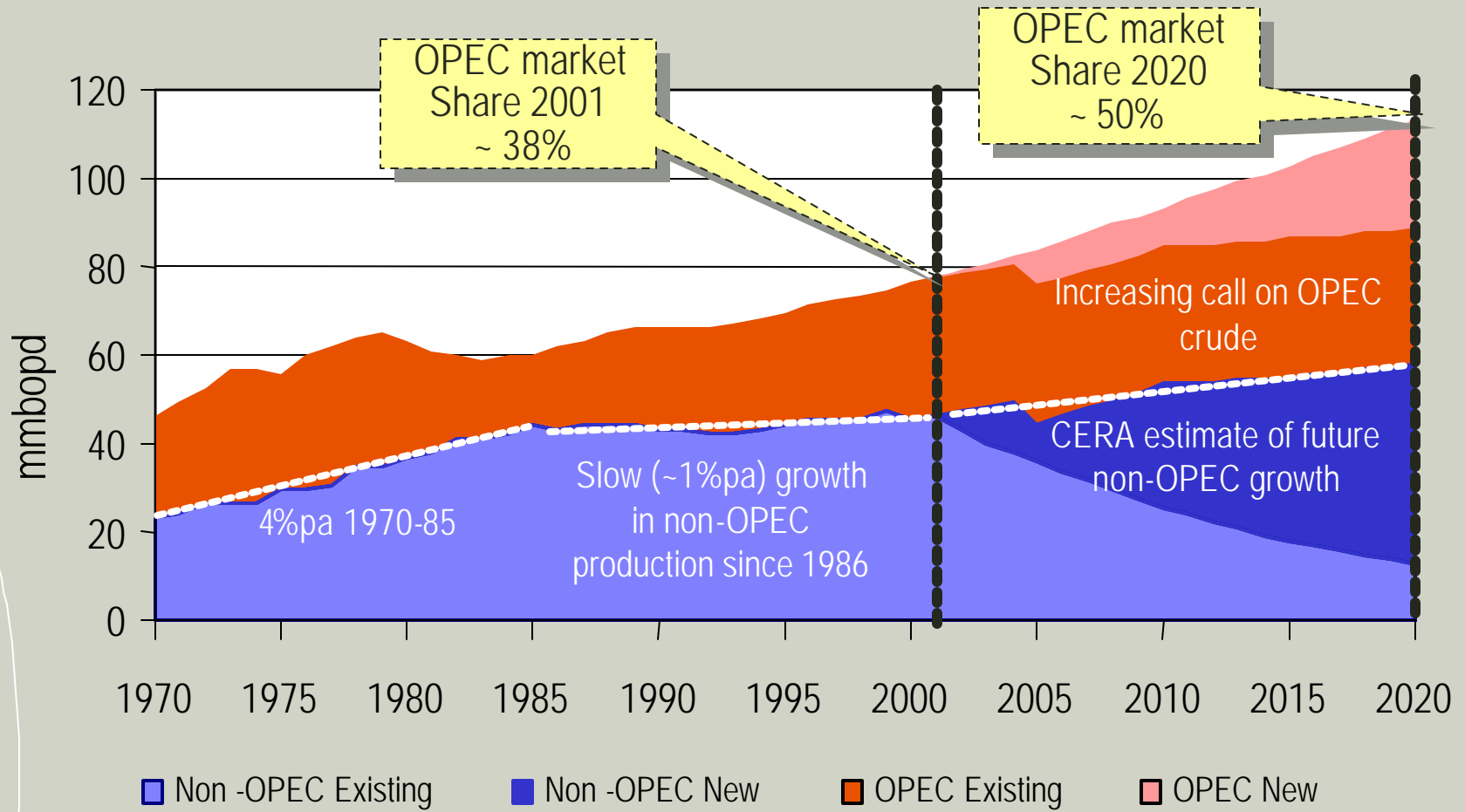
-maturing but global demand looks robust, particularly for gas



# Long-Term Production View

-increasing liquids demand to be met largely through OPEC production

## Future Production Requirements



# Oil Price-Key Determinant of Profitability

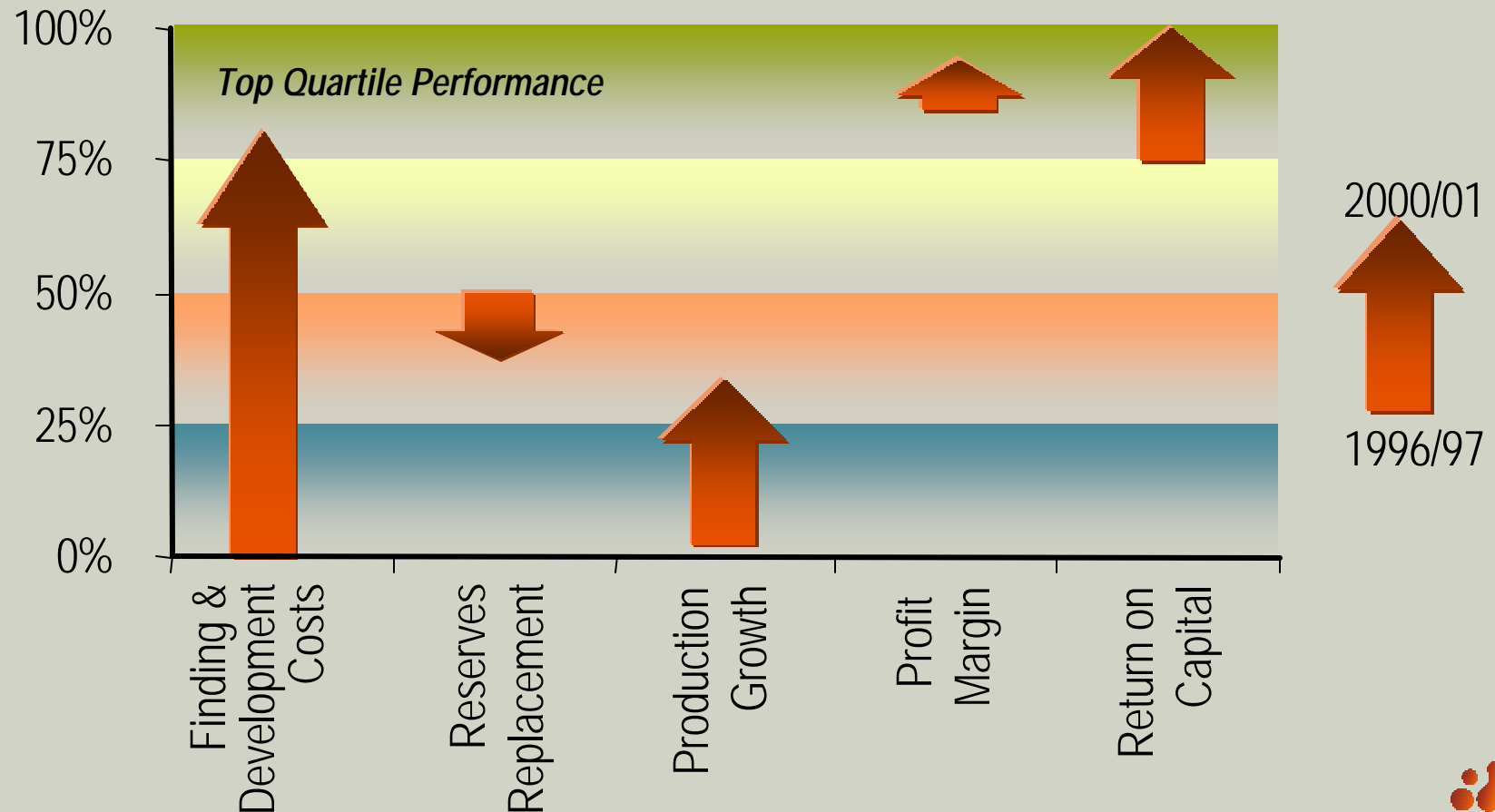
There has been a positive and widening spread between oil price and marginal cost since 1995



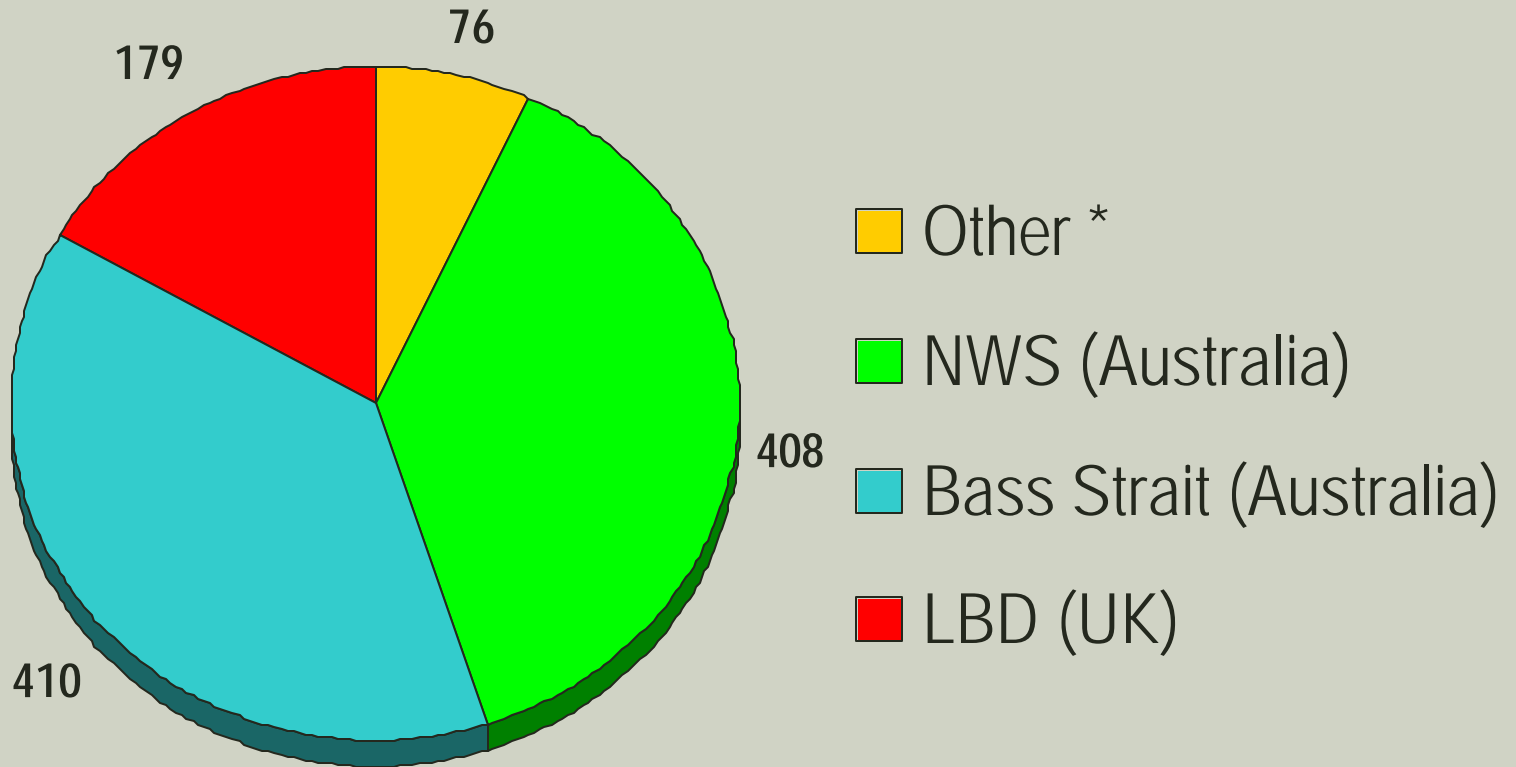
"Marginal Cost" is the oil price required for the 3/4<sup>th</sup> quartile producer to meet his cost of capital (Source: Goldman Sachs)

# Peer Group Benchmarking

BHP Billiton's Peer Group Ranking – change in industry position over 4 years  
Performance based upon 3 year averages to 1996/7 and 2000/2001



# Petroleum EBIT FY 2002 US\$million



**US\$1073 million**

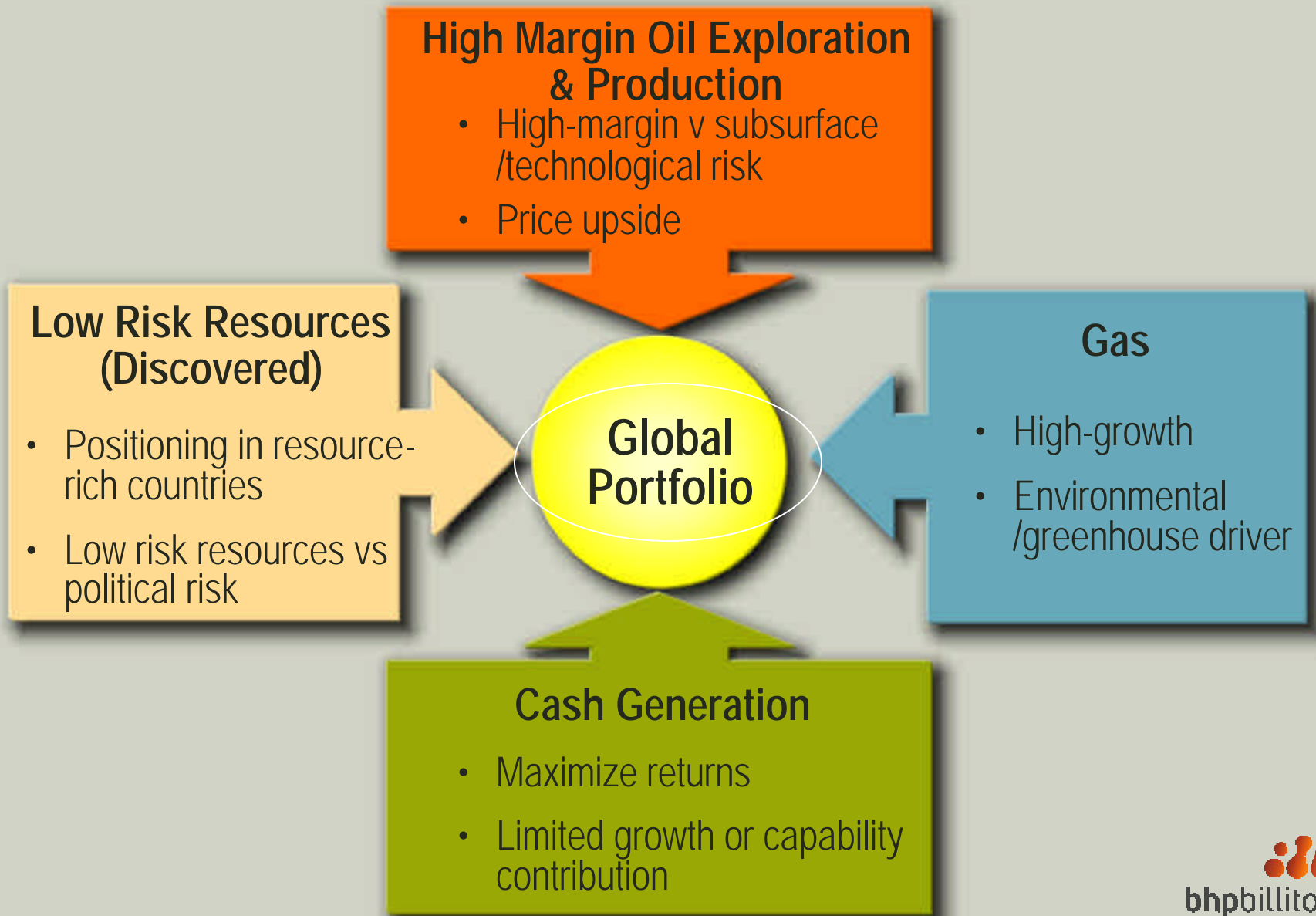
*\* Includes exploration expenditure and overhead*

## Petroleum Production FY 02 – 134 MMboe

- Bass Strait - Australia
- North West Shelf - Australia
- Laminaria/Corallina - Australia
- Griffin - Australia
- Liverpool Bay - United Kingdom
- Bruce/Keith - United Kingdom
- Gulf of Mexico - United States
- Mamore - Bolivia
- Zamzama - Pakistan



# Petroleum Complementary Growth Strategies



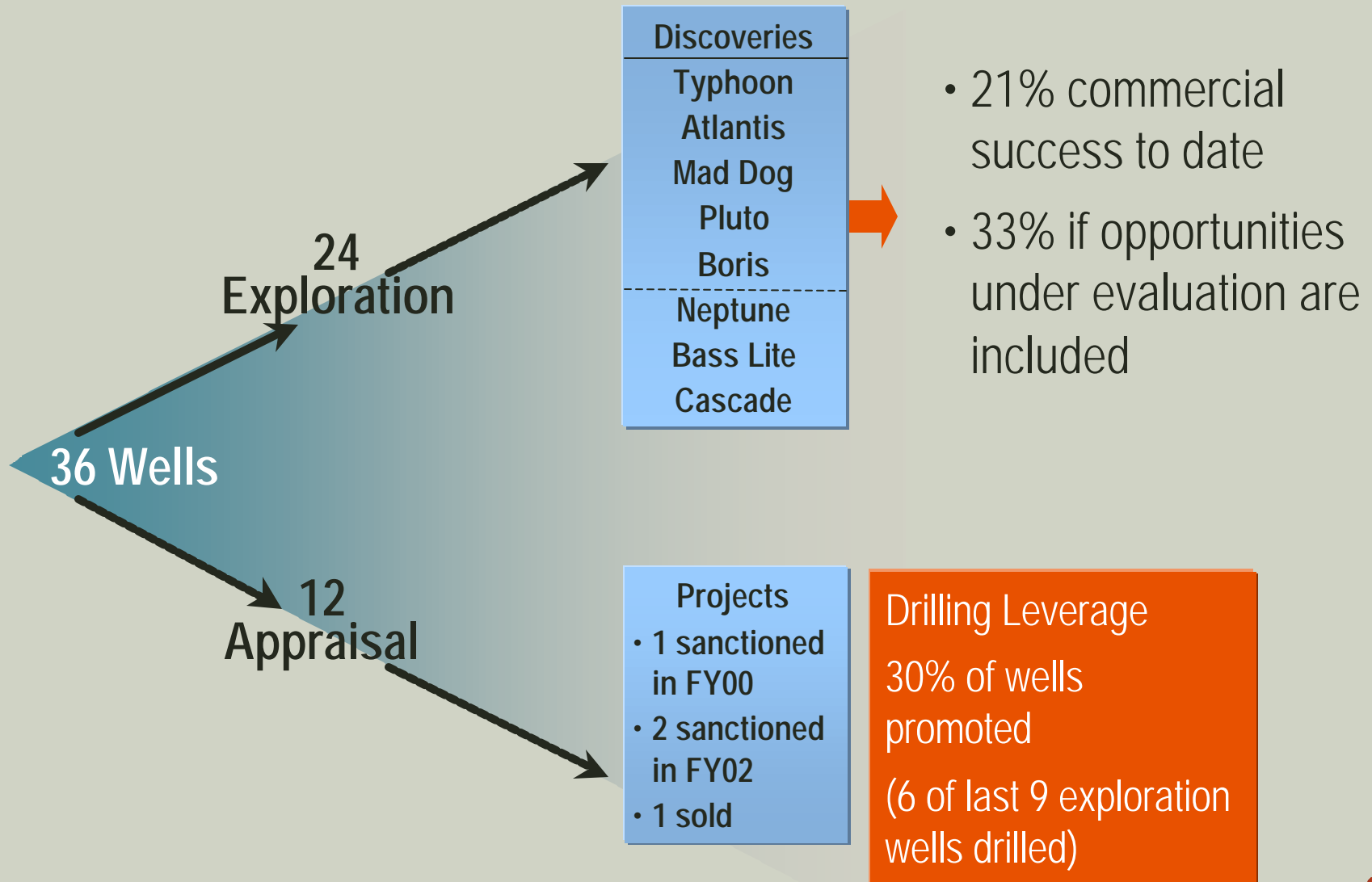
# High Margin Exploration

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

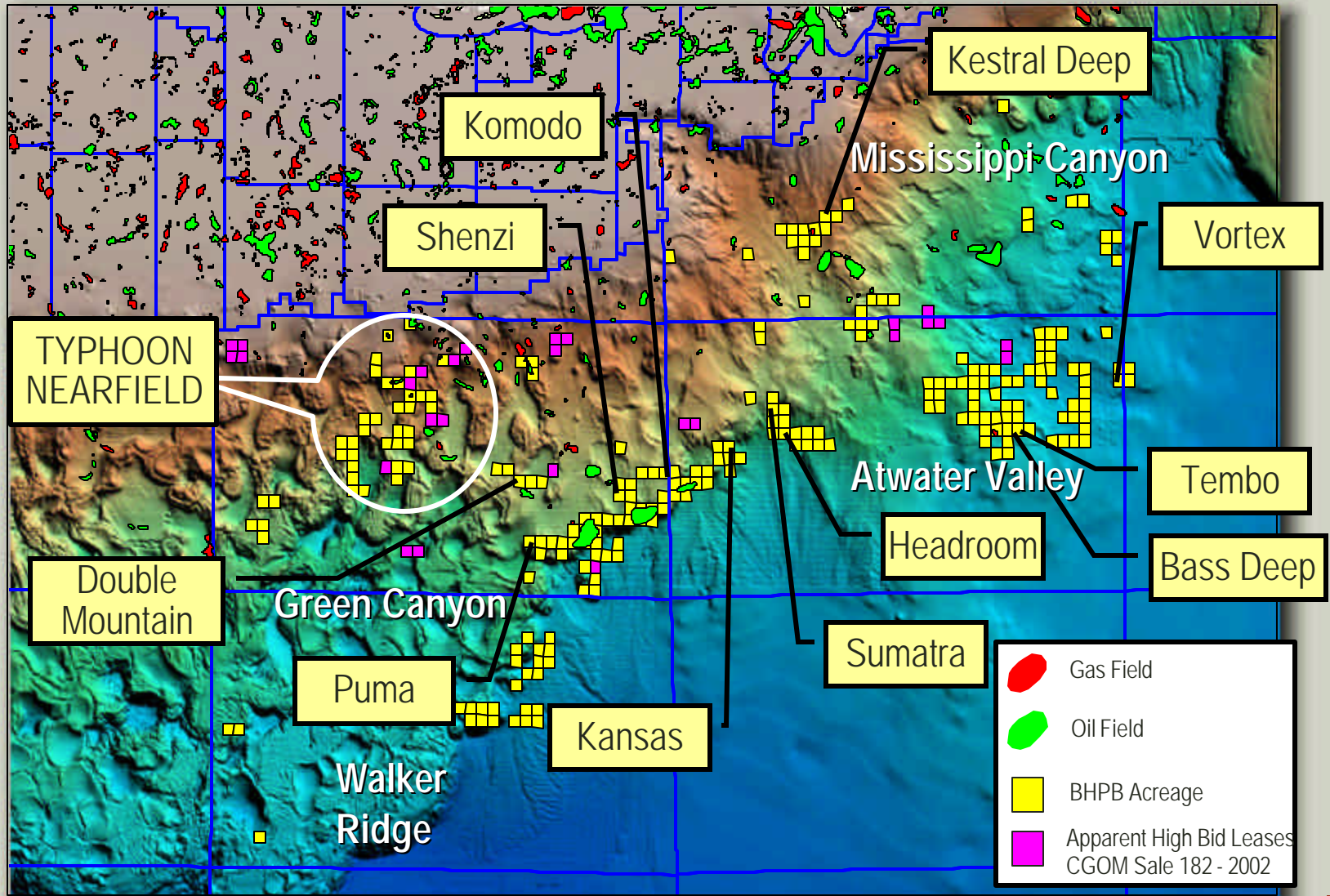




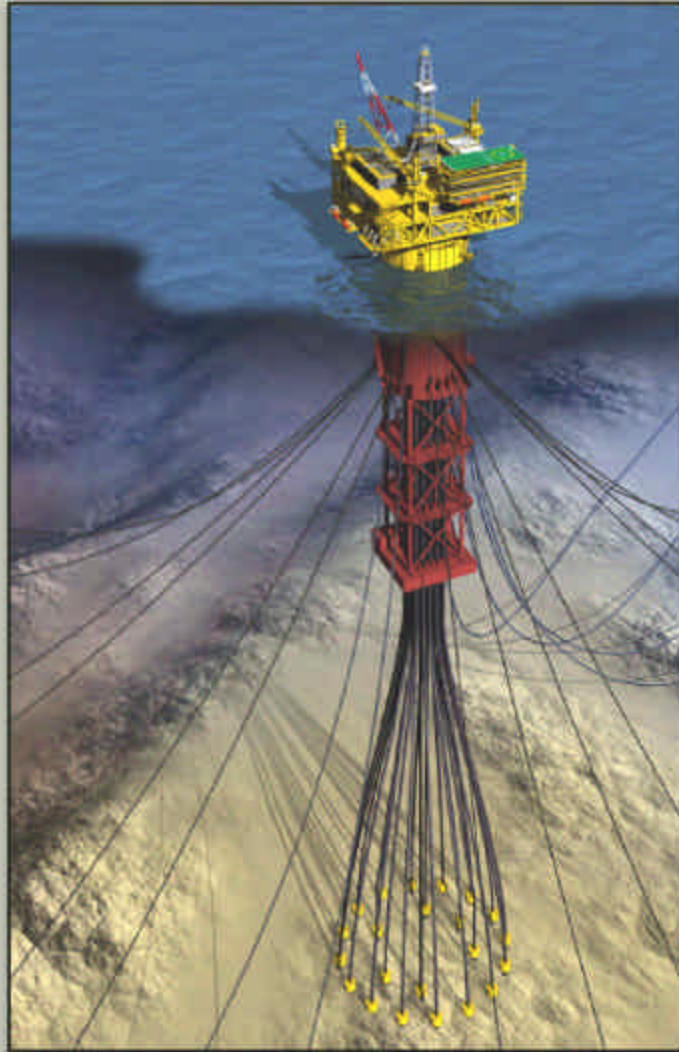
# Gulf of Mexico Exploration - Program Result FY94 - FY02



# Gulf of Mexico Exploration Current Inventory

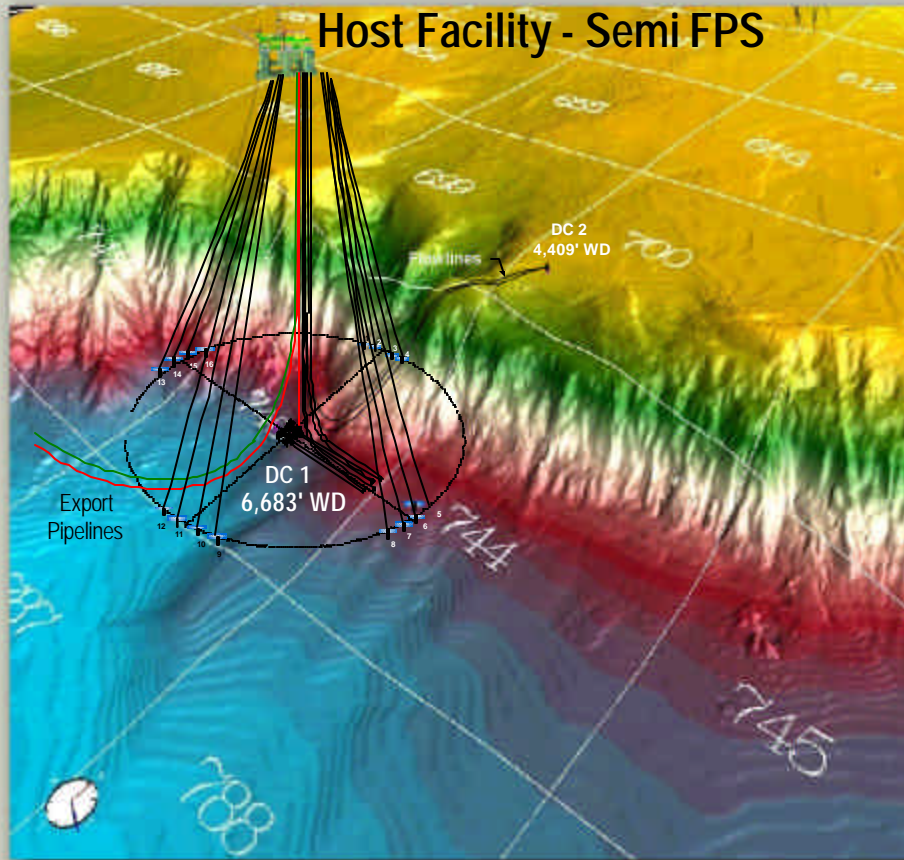


# Mad Dog SPAR Facility



- Reserve Range (gross)
  - 200 - 450 (operator estimate 350) MMboe
- BHPB share 23.9%
- Gross capex US\$ 1.4 billion
- Investor in transportation
- Wells
  - 16 well slots, 13 producers
- Capacity
  - ~80 mbb/d, 40 MMcf/d
  - ~50 mbb/d produced water
- Drill Rig
  - ~5250 ton rig payload
- Accommodation
  - 130 (drilling & operations)
- Subsea System
  - 3 - 4 wells

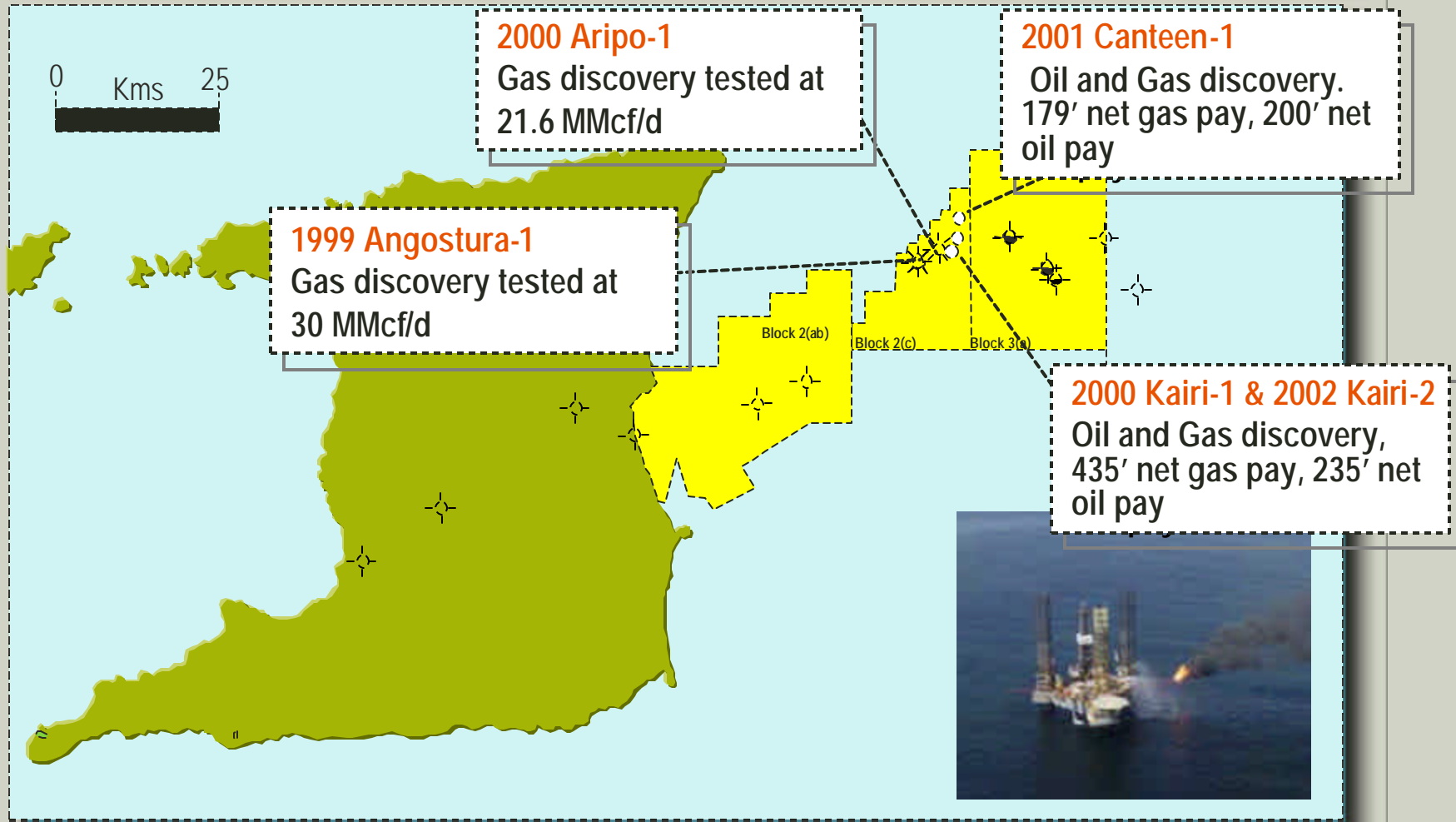
# Atlantis Development



- One of Gulf of Mexico's largest fields
- Water depths in excess of 6,000 feet
- Gross capacity 150,000 bbl/d
- Gross reserves 575 MMboe
- BHPB share 44%
- FEED studies underway
- Gross capex >US\$2 billion



# Trinidad – Basis of Development



# Gas Commercialisation

- North West Shelf Train 4  
(gross capex A\$2.4 billion)
- Pakistan
- Bass Strait
  - Eastern States  
Australia/Minerva  
(gross capex US\$137 million)
- Other LNG
  - China supply deal
  - Korea potential
  - Taiwan potential



# Zamzama - Pakistan



- Good prospectivity and growing domestic gas demand
- Brownfield development based on existing production asset
- Further gas sales agreements completed
- Full field development of 300 MMcf/d gross with first gas in 2003
- BHPB share 38.5% and Operator
- Gross capex ~ US\$100 million

# Low Risk Discovered Resources

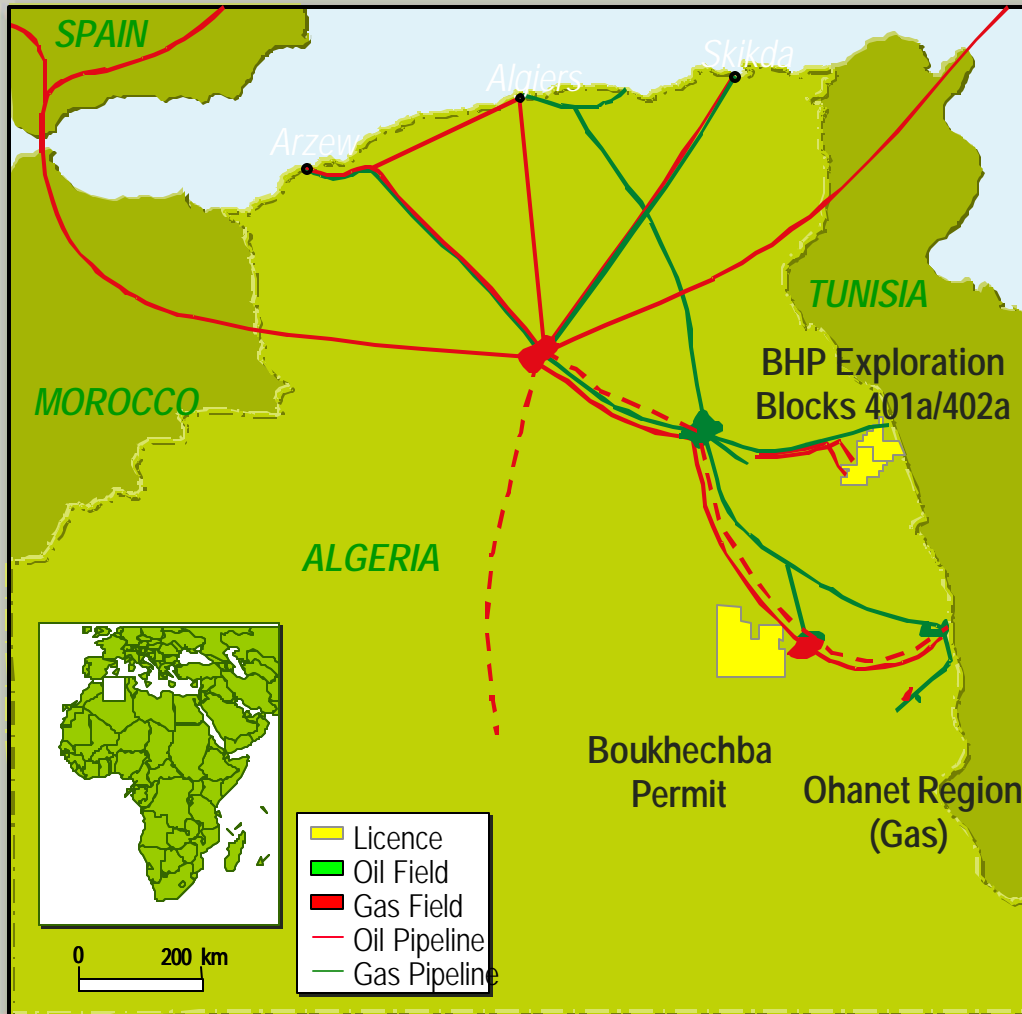
## Algeria

- ROD and Ohanet

## Other Middle East

- evaluation of opportunities

# Algeria



- BHP Billiton entry 1989
- Successful exploration
- ROD oil development sanctioned June 2000
- Excellent relationship with SONATRACH
- Successful bid for Ohanet wet gas field development
- Algeria's first Risk Service Contract
- Total investment US\$1.5 billion

# Algerian Projects

## ROD oil field

- Central process facility at BRN
- Production 80,000 bbl/d
- First oil: 2004
- Capital Expenditure: US\$500M
- Partners:
  - BHP Billiton 35%  
(45% in 401/402)
  - AGIP/ENI
  - SONATRACH

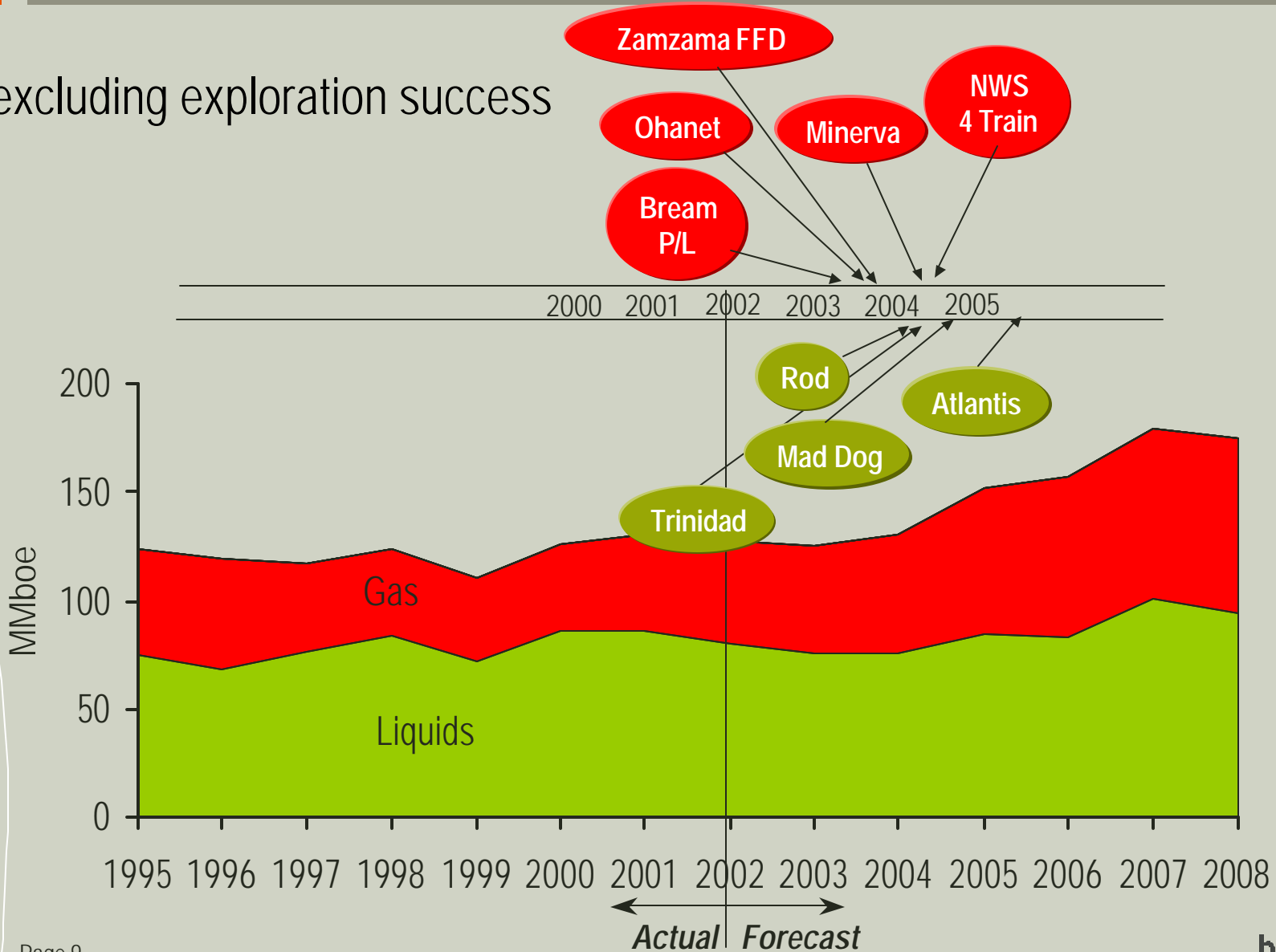
## Ohanet

- Wet gas development
- 700 MMcf/d processing facility
- First gas target: FY 2004
- Capital Expenditure: US\$1,030M
- JV partners:
  - BHP Billiton (45%)
  - JOOG
  - Petrofac
  - Woodside\*

\*subject to government approval

# Petroleum Production Forecast

...excluding exploration success



# The existing focused asset portfolio



## Summary: Business Focus

- Maximize existing value (now)
- Deliver projects in progress (1-3 years)
- Sanction and develop (3-4years)
- Create new opportunities (4+ years)

# Summary

- BHP Billiton is a significant global resources company
- BHP Billiton Petroleum is a well established oil and gas business with:
  - strong producing assets; and
  - substantial growth opportunities
- BHP Billiton Petroleum is a significant contributor to BHP Billiton



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