



# BHP Billiton Petroleum

## 2010 CERAWEK Upstream Oil Plenary

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March 9, 2010



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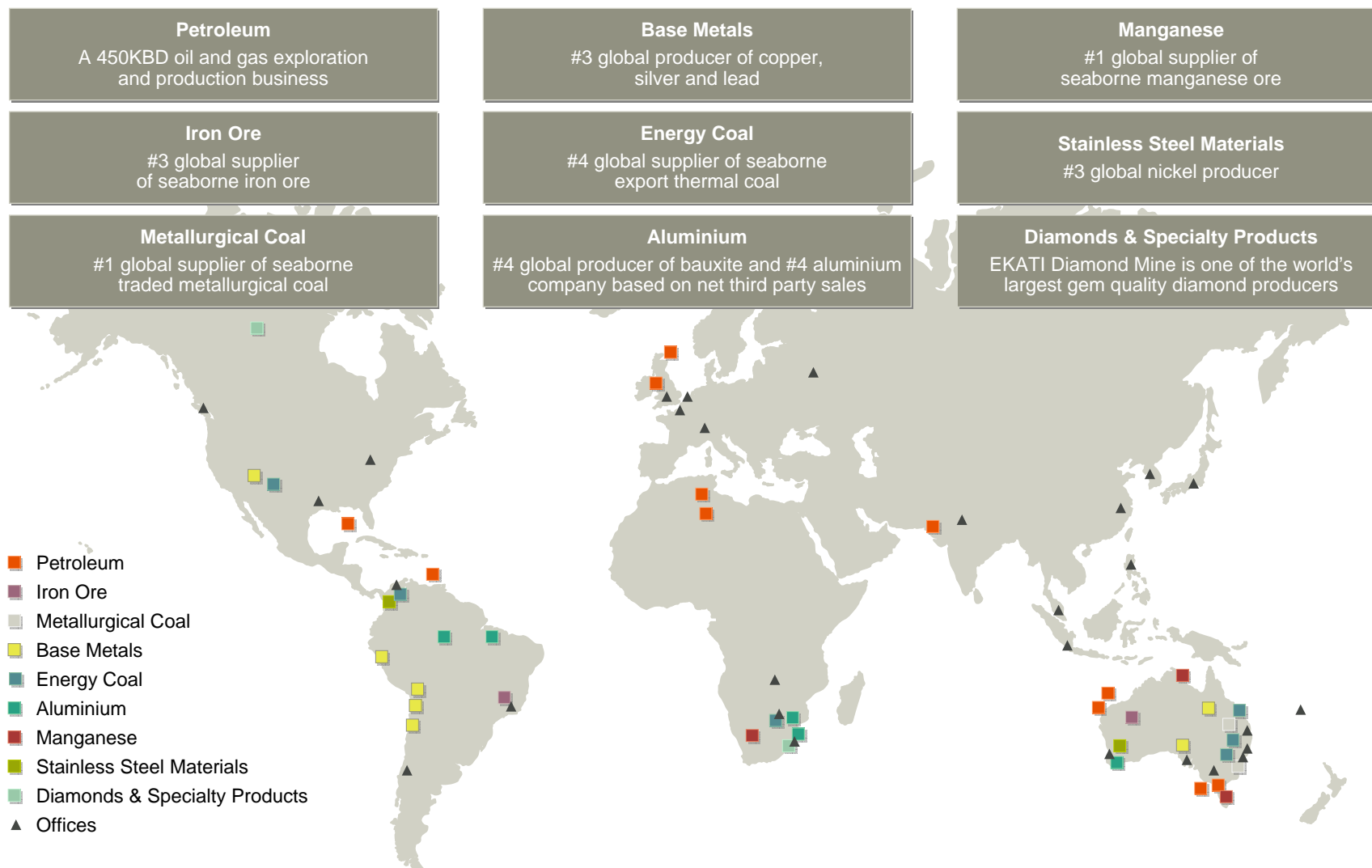
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BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude any exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement, available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

# A global upstream portfolio

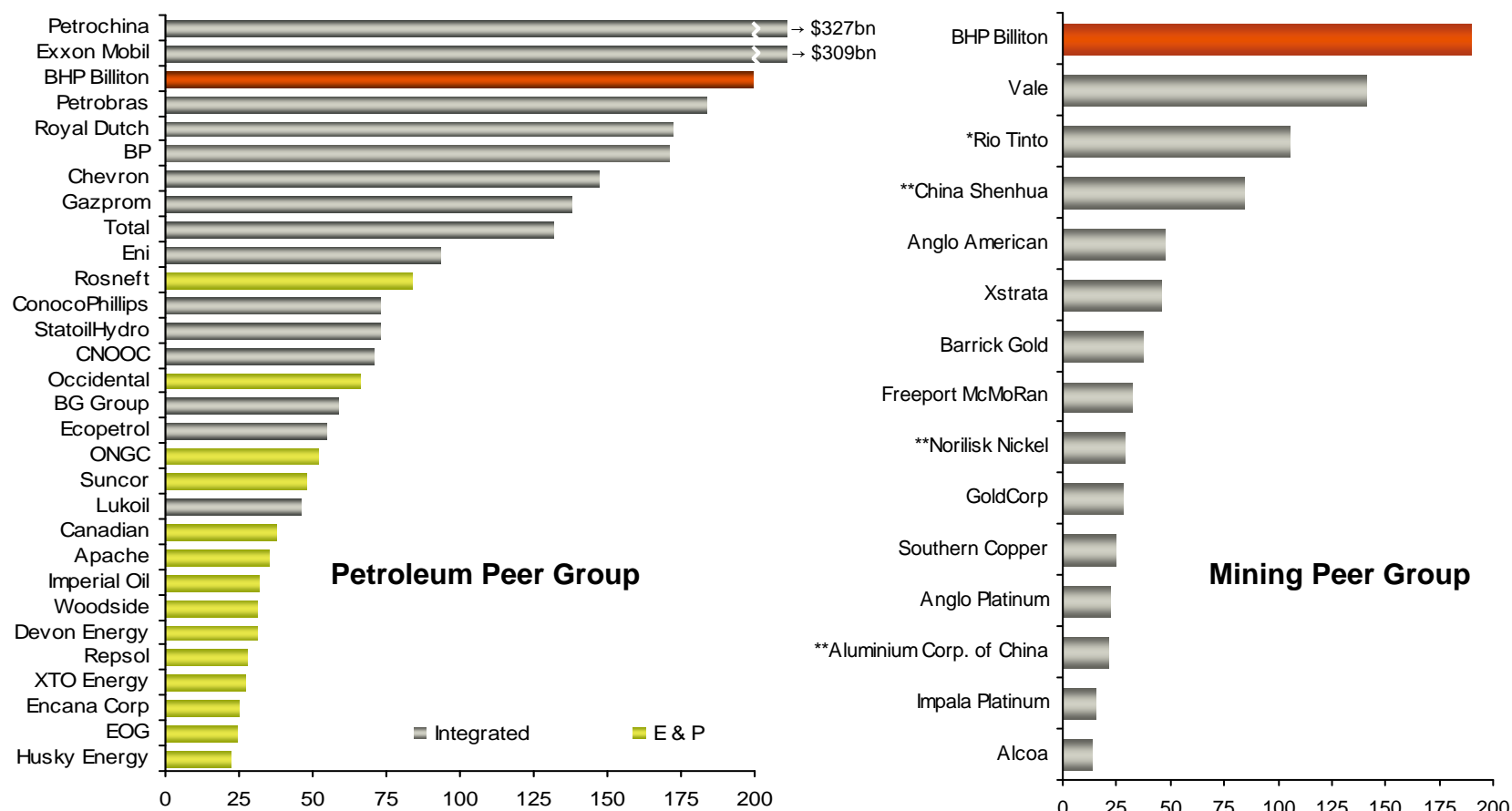


Note: Ranking based on production volumes. Location of markers indicative only.

# An E&P Player with the Power and Reach of a Super-major



## Market Capitalisation (US\$bn, March 2010)



Source: Bloomberg

\* Rio Tinto Market Cap = Market Cap of Rio Tinto Plc + 62.6% of Market Cap of Rio Tinto Ltd (due to Rio Tinto Plc's approximate 37.4% holding of Rio Tinto Ltd, as per [http://www.riotinto.com/annualreport2007/shareholderinformation/dual\\_listed\\_companies/index.html](http://www.riotinto.com/annualreport2007/shareholderinformation/dual_listed_companies/index.html))

\*\* Market value may be unreliable due to a high percentage of non free-float shares.

## Core Strategy

- Pursue large, upstream opportunities with multiple options
- Take large positions, early
- Be functionally strong where we compete
- Fundamentals focus – safety, volume, cost
- Maintain long term view with continued investment through the cycles
- Same for all BHP Billiton businesses

# Large, multiple options



Stybarrow



Pyrenees



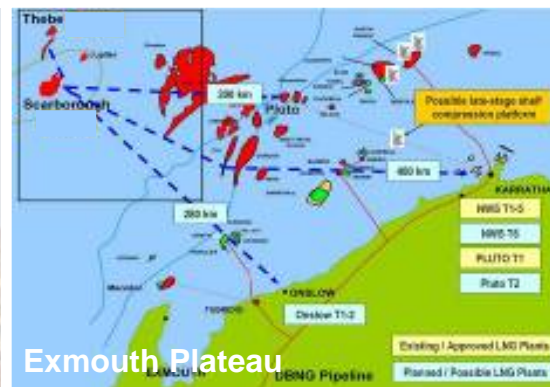
Neptune



Shenzi



NWS (Train V – South West View)



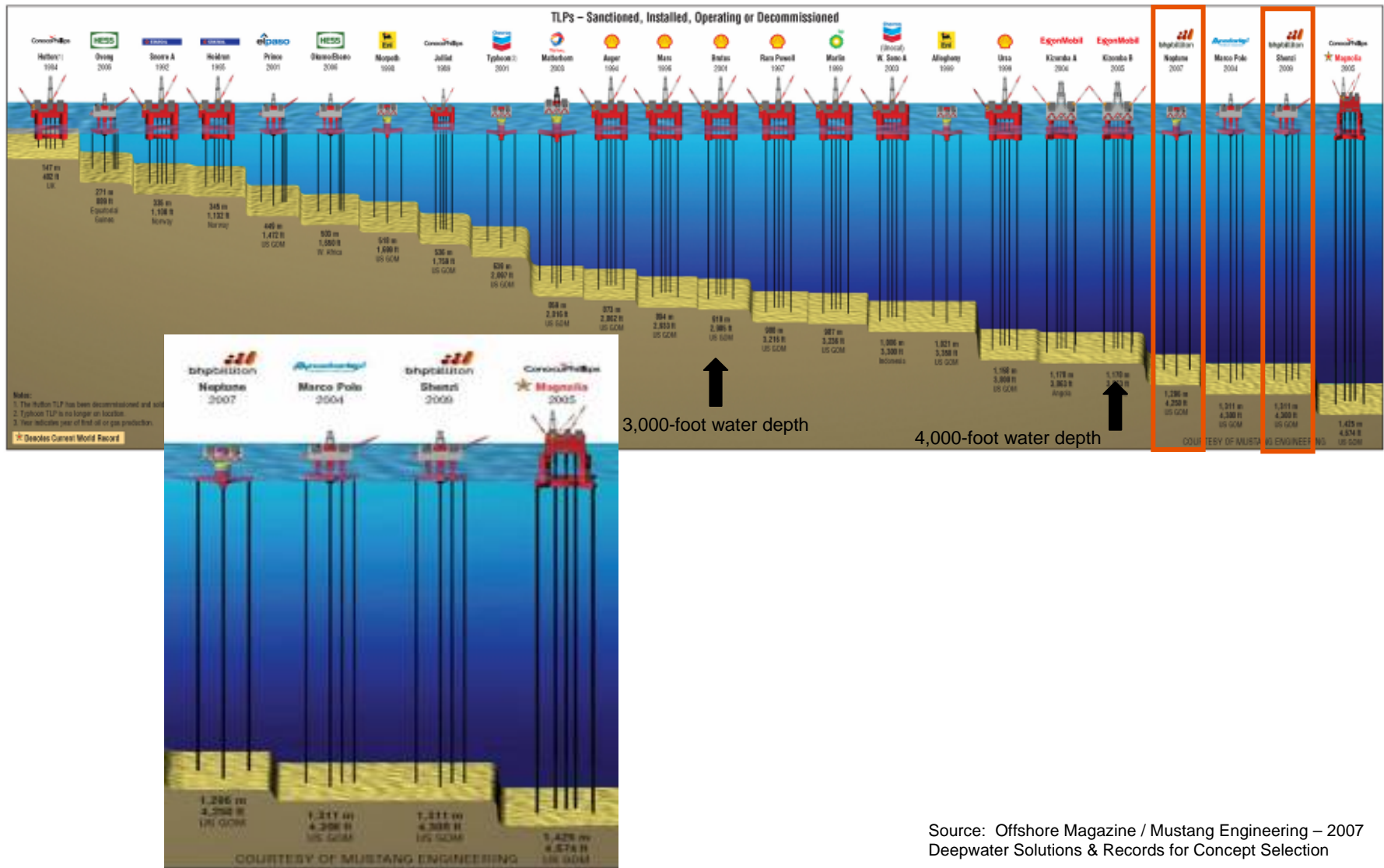
Exmouth Plateau

# Taking large positions





# Being functionally strong

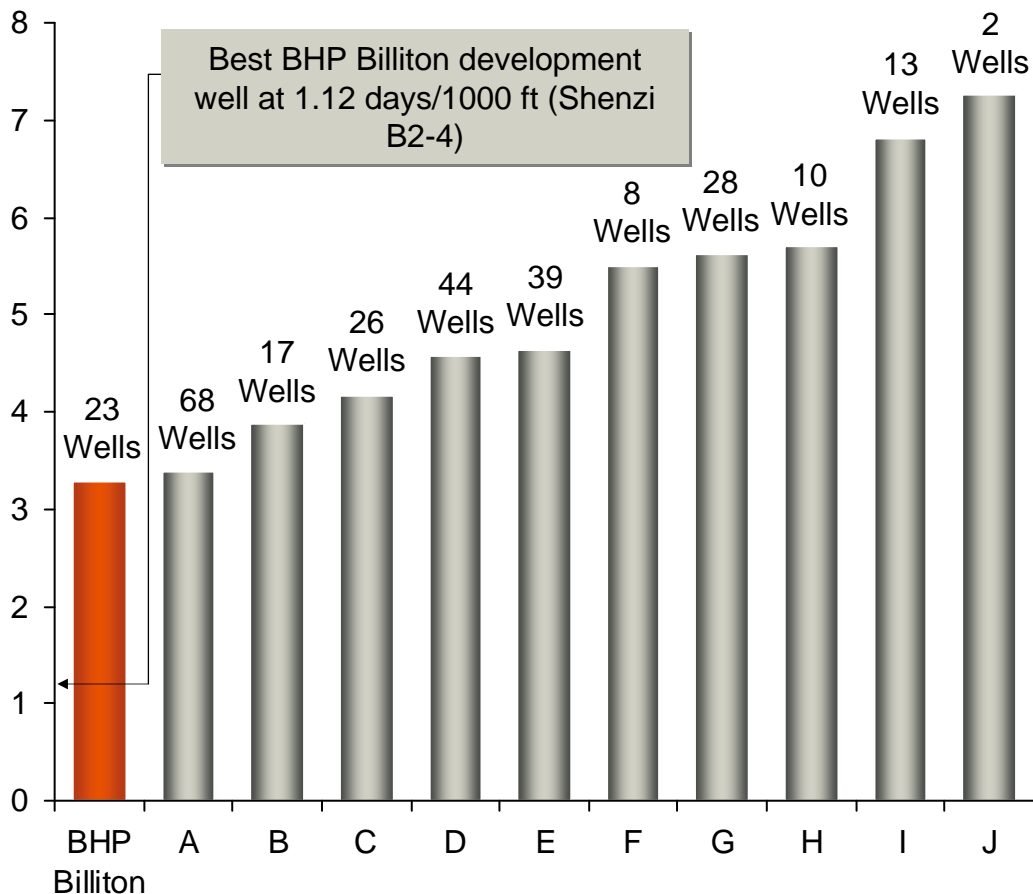


Source: Offshore Magazine / Mustang Engineering – 2007  
Deepwater Solutions & Records for Concept Selection



# Being functionally strong

## GoM deepwater exploration and appraisal wells (Days per 1000 ft drilled, Jan-2000 to Jul-2008)



- On average, it takes BHP Billiton less time to reach total depth than our competitors
  - Rigorous well planning, geographic experience, and robust procedures
- Time = Cost
- Consistently reach target depth
- Committed rigs on contract to execute deepwater program
- Manage global drilling operations centrally
- Industry best completions technology

# Fundamentals: Safety, Volume, Cost

## Safety Record

- Achieved 100% reduction in LTIFR between FY07 and FY09
- Negligible level of hydrocarbon releases

## 100,100,100

- Operated production uptime increasing year-over-year – now 95%
- Record production ramp-ups from new projects – Shenzi, Stybarrow, Pyrenees

## Unit Cost Focus

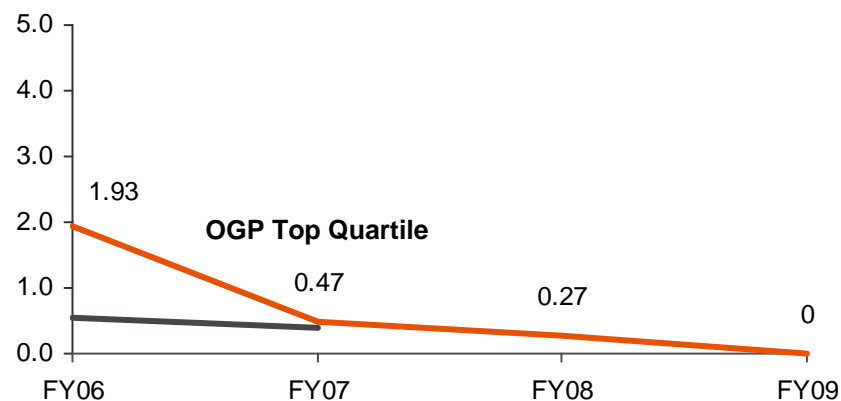
- Unit operating costs holding steady at less than \$6/boe
- Unit DD&A currently at ~\$12.50/boe

## Reserve Replacement

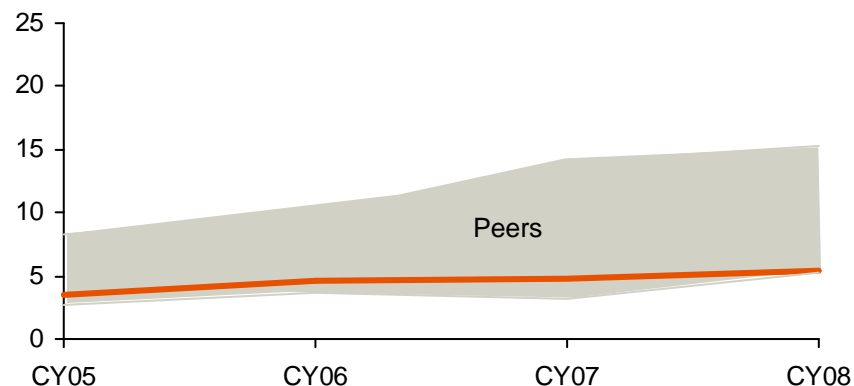
- >100% past two years

Peers: APC, APA, DVN, HES, WPL, MUR, TLM.

## Lost Time Injury Frequency Rate (LTIFR) (Per million hours)

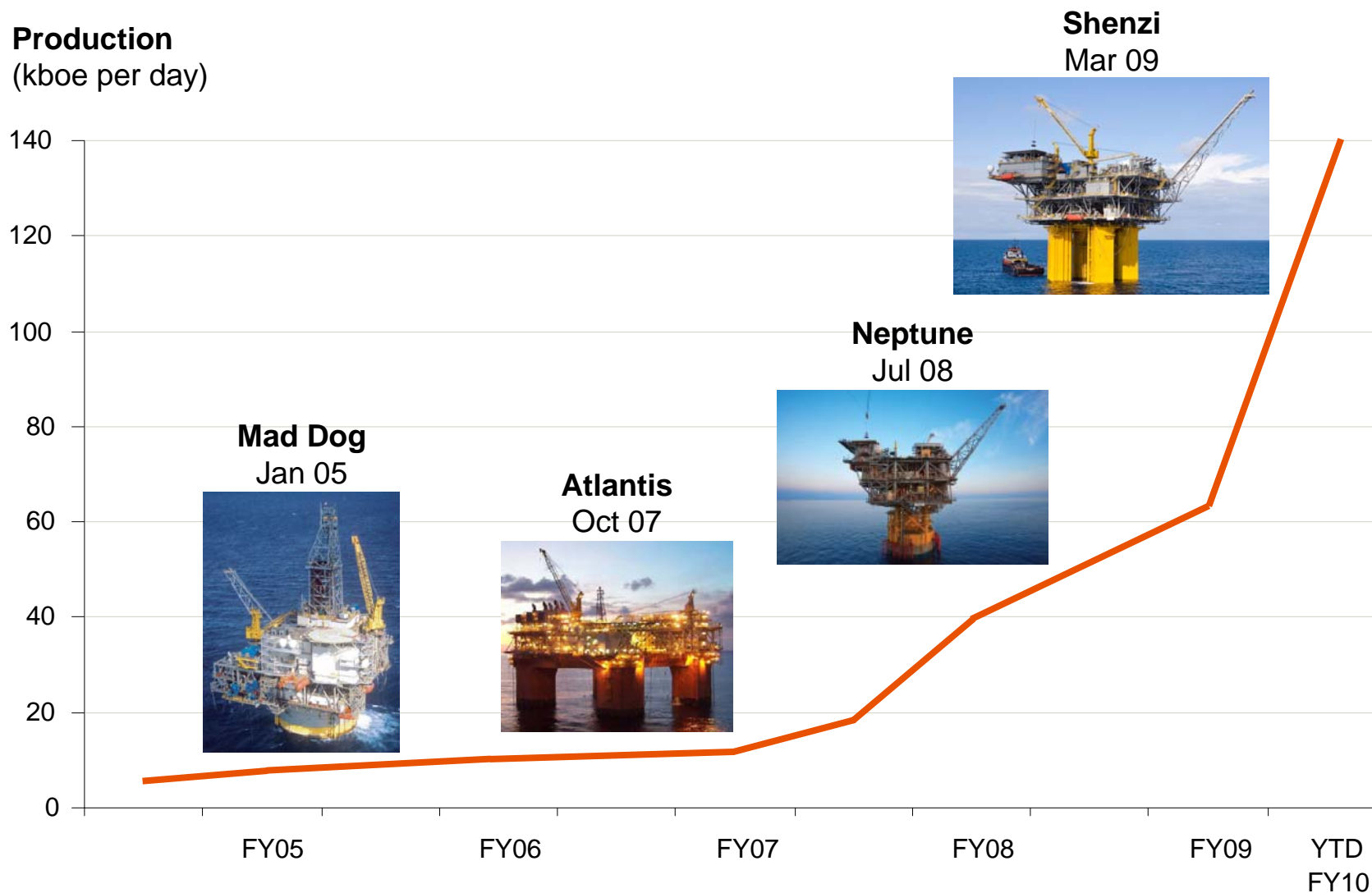


## Cash operating costs (US\$/boe)



# Fundamentals: Safety, Volume, Cost

**Production**  
(kboe per day)



# Pyrenees (71.43% w.i., BHP Billiton Operated)



## Project Overview

- 96 kbpd and 60 mmcf/d capacity (gross)
- Sanction date: July 2007
- Start-up: March 2010
- Sanction CAPEX: US\$ 1.7 billion (Gross)
- Partner: Apache Corporation, 28.57% interest





# Deep Opportunity Pipeline

## GoM

- Mad Dog South
- Atlantis North

## Western Australia

- Pyrenees Ramp Up
- Macedon Gas
- NRB
- CWLH

## Bass Strait

- Kipper
- Turrum

## Worldwide

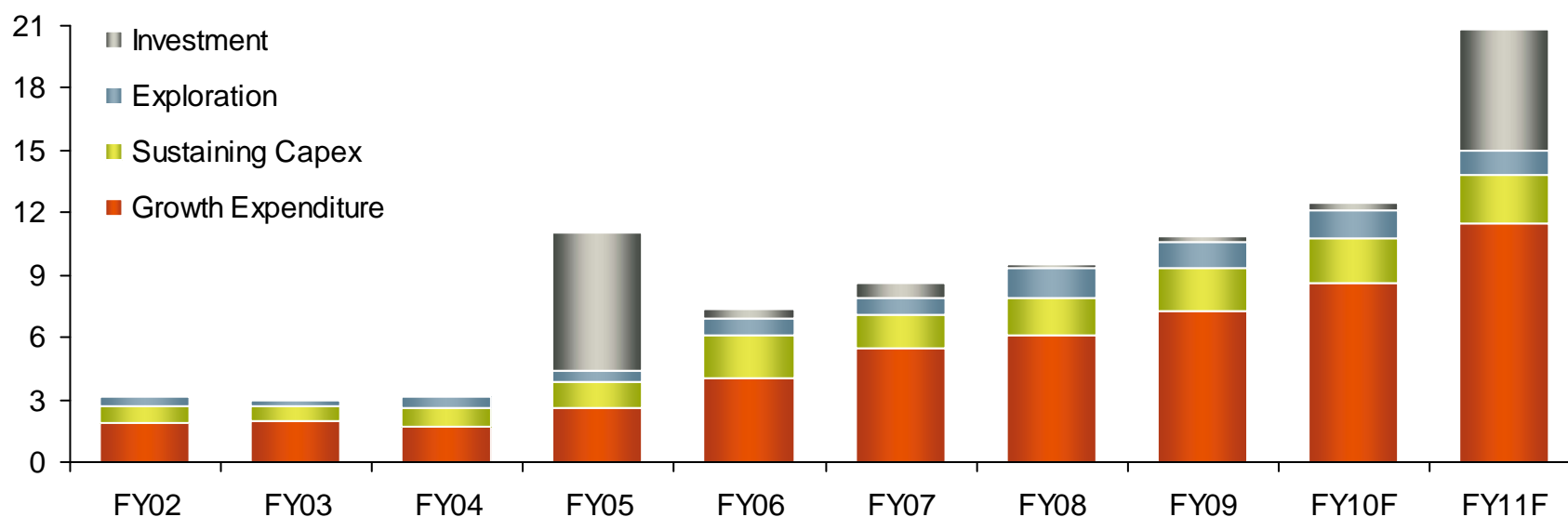
- Angostura Gas
- Pakistan FEC



# Maintain long term view

- Continue to invest through the cycle, while maintaining good balance sheet discipline
- Net gearing at 15.1 percent
- Top credit rating: ~Moody's A1 ~Standards & Poors A+

(US\$bn)



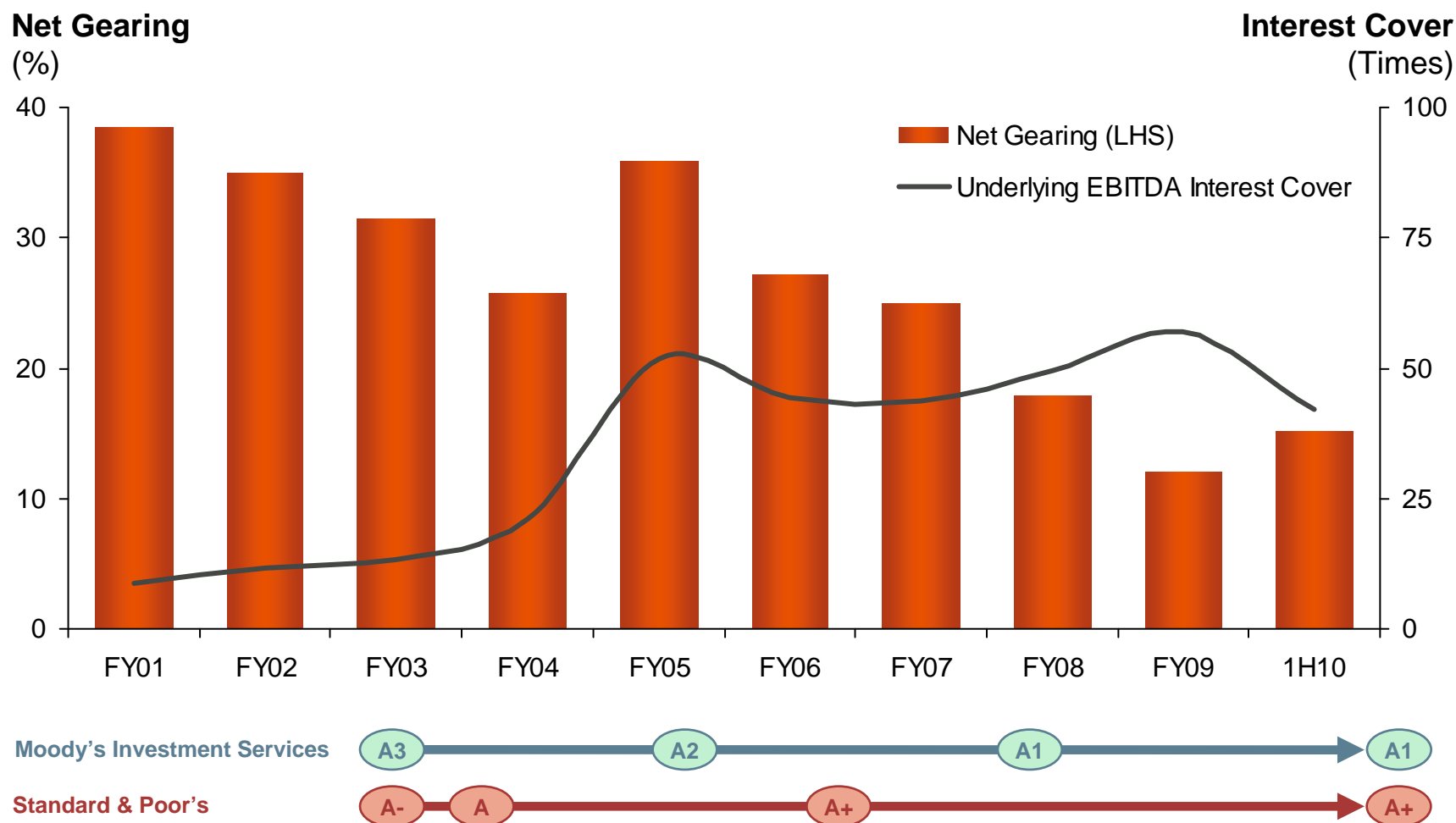
(a) FY10F includes US\$800m for Petroleum.

(b) Reflecting announced transactions only. FY11F relates to Western Australia Iron Ore Production Joint Venture equalisation payment to Rio Tinto which is subject to finalisation adjustments.

Calculated on the basis of UKGAAP for periods prior to FY05.



# We are in a unique position



Underlying Gearing and Underlying EBITDA interest cover shown for FY05 to 1H10. Calculated on the basis of UKGAAP for periods prior to FY05.

# Same for all BHP Billiton businesses

Iron Ore



Copper



Metallurgical Coal



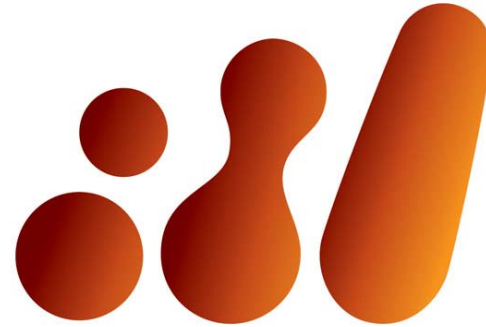
Petroleum



# Conclusions



- BHP Billiton's approach has been successful
- Strong financial position to stay the course
- Safety, volume, cost
- Positioned in Petroleum and other businesses to grow



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resourcing the future