Responses to Shareholder Questions

BHP Billiton Plc and BHP Billiton Limited

2013 Annual General Meetings

December 2013

Version: 1

Responses to Shareholder Questions

Below is an overview of BHP Billiton's position on a range of subjects raised by shareholders ahead of the 2013 Annual General Meeting (AGM) of each of BHP Billiton Plc and BHP Billiton Limited.

Many shareholders raised the same or similar issues so we have grouped responses under common themes. These responses should be read in conjunction with the Chairman's and CEO's addresses to the AGMs, which are available at:

http://www.bhpbilliton.com/home/investors/shareholderinfo/Pages/Meetings.aspx

Thank you to those shareholders who submitted questions.

Executive Remuneration and Grant of Awards to CEO

How is executive remuneration (salary and incentives) structured at BHP Billiton and how are the amounts justified?

BHP Billiton's remuneration arrangements reinforce the achievement of our success, as set out in *Our Charter*, and are designed to ensure that executives take a long-term approach to decision-making and minimise activities that focus only on short-term results at the expense of longer-term business growth and success. The Remuneration Committee has considered the ways in which risk management and the long-term horizon are reflected throughout BHP Billiton's remuneration arrangements for all executives, and is satisfied that the approach reinforces the desired behaviours.

This is largely achieved through the Group's approach to short-term incentive (STI) and long-term incentive (LTI) awards, which comprise a significant portion of total remuneration for the members of the GMC. The equity component of the STI award is deferred for a two-year period, and performance under the Long Term Incentive Plan (LTIP) is measured over a five-year period. The actual rewards received by members of the Group Management Committee (GMC) therefore reflect the Group's performance and share price over an extended period.

It is the Committee's view that this provides an appropriate focus on BHP Billiton's sustained performance beyond the end of the initial measurement period. This approach also provides a transparent mechanism for clawback or adjustment in the event of a restatement of Group results, through changes to the vesting or non-vesting of deferred equity.

In addition, STI and LTI outcomes are not driven by a purely formulaic approach. The Committee holds discretion to determine that awards are not to be provided or vested in circumstances where it would be inappropriate or would provide unintended outcomes. The Committee has no discretion to allow vesting when performance conditions have not been satisfied (other than in the event of death, serious injury, disability, illness that prohibits continued employment, or total and permanent disablement).

The Committee considers the appropriate total remuneration for each member of the Group Management Committee (GMC) by examining the remuneration provided to comparable roles in organisations of similar global complexity, size, reach and industry.

Each year, the Committee's independent adviser, Kepler Associates, sources and consolidates relevant remuneration data for appropriate roles, based on their analysis of relevant organisations and markets. The adviser prepares a comparison to current GMC remuneration, but does not make specific recommendations regarding the level of individual executives' remuneration.

From this market comparison, the Committee determines the appropriate remuneration for each individual, taking into account their responsibilities, location, skills, experience and performance within the Group. In doing so, the Committee recognises that levels of remuneration should be sufficient to attract, motivate and retain highly skilled executives, but also that the Group should avoid paying more than is necessary for this purpose.

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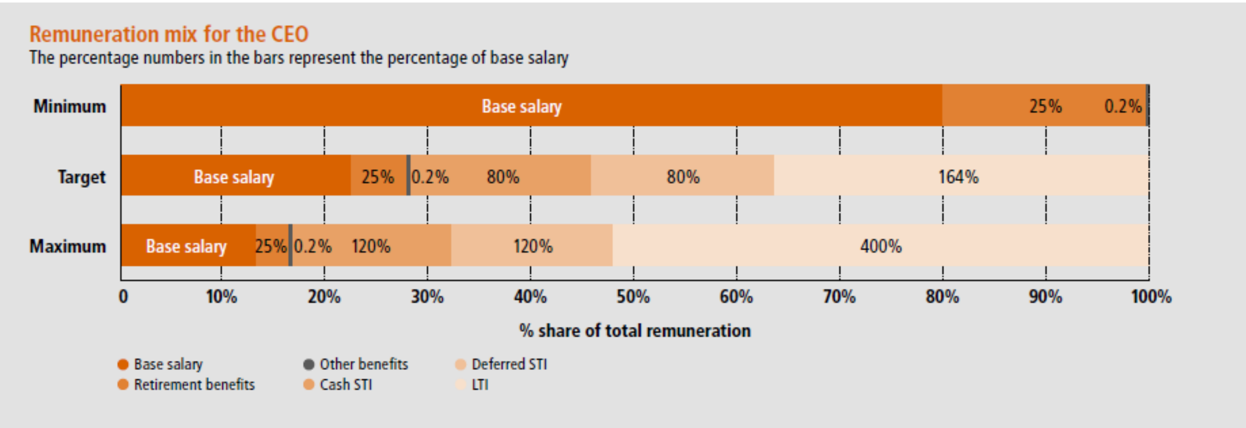
Total remuneration comprises different elements of remuneration to reflect a balance between fixed and at-risk remuneration and between short- and long-term incentives. The mix of remuneration elements is described below.

GMC members' target remuneration is structured in three components as follows:

1. Fixed pay: Base salary and pension contributions need to be competitive, and are broadly aligned with comparable roles in global companies of similar global complexity, size, reach and industry, and reflects an individual's responsibilities, location, performance, qualifications and experience within the Group, in order to attract and retain executives. We benchmark fixed pay against other large companies in Australia, the United Kingdom and the United States, and in our sector. We reduced the new CEO's package by 25 per cent compared to the previous CEO, and also rebased the remuneration packages of other GMC members downwards. With our recent pay reduction, our executives are positioned in the lower part of the relevant peer groups.

2. STI: An individual scorecard of measures is set for each executive at the commencement of each financial year. These measures and their relative weightings are chosen by the Committee in order to appropriately drive overall performance in the current year, including achievement of financial outcomes and delivery against measures that impact the long-term sustainability of the Group. At the conclusion of the financial year, each executive's achievement against their measures is assessed by the Committee and the Board, and their STI award determined. Half of any STI award is paid in cash and half is delivered in deferred equity vesting in two years.

3. LTI: The purpose of the LTIP is to focus management's efforts on the achievement of sustainable long-term value creation and success of the Group and to align senior executive rewards with sustained shareholder wealth creation through the relative Total Shareholder Return (TSR) performance measured over a five year period. This is a longer measurement period than most other companies use.



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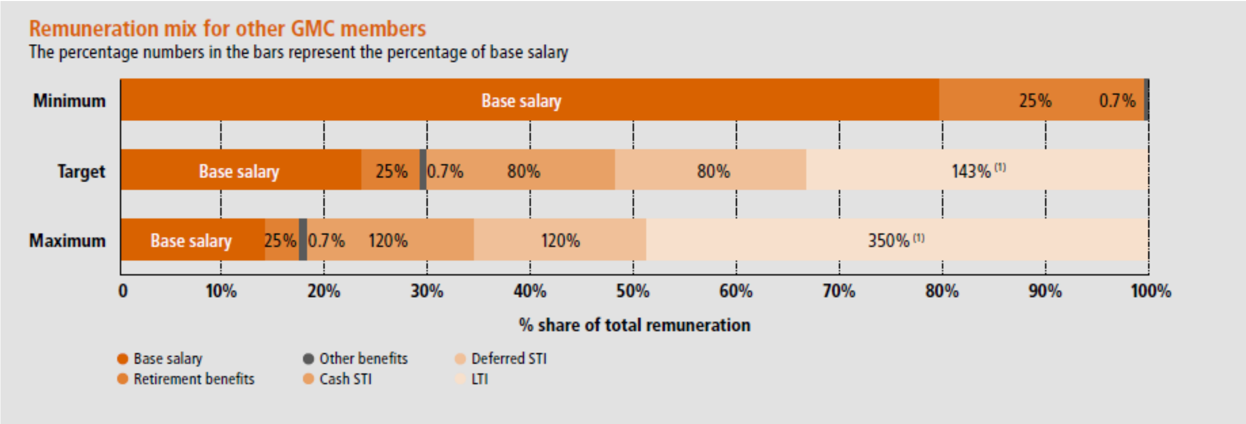


(1) *GMC members (other than the CEO) have a maximum LTI award of 350 per cent of base salary at face value (or 143 per cent of base salary at fair value), with the exception of Jane McAloon, who has a maximum LTI award of 300 per cent of base salary at face value (or 123 per cent at fair value).*

A large part of GMC members' remuneration is at risk.

An individual STI scorecard of measures is set for each executive at the start of each financial year. These are health, safety, environment and community (HSEC); Profit; capital project management; individual performance. Business outcomes are used for those GMC members running Businesses. These measures have been chosen as they reward participants for overall performance in the current year, comprising both financial performance and delivery against measures that impact the long-term sustainability of BHP Billiton, along with individual contribution to the business. At the conclusion of each financial year, each executive's achievement against their measures is assessed by the Remuneration Committee (with assistance from the Sustainability Committee and the Risk and Audit Committee in relation to the HSEC and financial measures respectively) and the Board. Whether a bonus is paid – and the level – is dictated by performance. The Board believes this method of assessment is transparent, rigorous and balanced, and provides an appropriate, objective and comprehensive assessment of performance.

In respect of LTI, over the last five years, the weighted average TSR for peer companies was negative 44.0 per cent which compared to BHP Billiton's TSR of negative 9.4 per cent. As a result, BHP Billiton outperformed its peer companies by 34.6 per cent, and therefore met the requisite performance hurdle for full vesting.

The rules of the LTIP give the Remuneration Committee of the Board a discretion to reduce the number of awards that will vest, notwithstanding the fact that the performance hurdle for full vesting has been met. This year the Committee, with the support of the Board, exercised that discretion and reduced vesting by 35 per cent for all current and former participating GMC members. Accordingly, 35 per cent of awards will not vest and will instead lapse.

In doing so, the Committee took into account a range of factors, including the negative TSR over the five year performance period which shareholders have experienced. While the Committee recognised that the TSR performance was delivered in a difficult business environment, it also felt that more closely aligning the experience of shareholders and executives was important. As always, the Committee also looked at the total remuneration for executives.

There is no perfect structure. Each company needs to decide on its own approach. Based on the voting results in recent years, the majority of our shareholders believe our structure has worked. However, we continue to review the remuneration structure and make adjustments as appropriate.

Severance package of former CEO

How were the former CEO's FY2013 remuneration and his leaving arrangements determined and how are the amounts justified?

Marius Kloppers stepped down as CEO, a member of the GMC and a Director on 10 May 2013. He retired from BHP Billiton on 1 October 2013. Mr Kloppers served BHP Billiton and its shareholders well for more than 20 years. His FY2013 remuneration and his leaving arrangements were in accordance with shareholder approved pay arrangements, policy and plans. No severance and no additional payments were made.

Mr Kloppers' FY2013 base salary and pension contributions remained at the same levels as in FY2012. He worked through the applicable notice period and received his base salary and pension contributions to 1 October 2013. In addition, he received accrued leave payments and pension entitlements accumulated over his 20 years with the Group.

Mr Kloppers received a pro-rated STI payment under the group incentive scheme for FY2013, in respect of his period of service as CEO until 10 May 2013. The STI awards were tied entirely to Company performance, primarily around achieving financial and operating metrics for FY2013. He also participated as usual in the normal vesting of share awards from previous short term incentive payments.

Mr Kloppers held LTI awards granted in 2008 which vested in August 2013. While we outperformed the peer group by almost 35 per cent in respect of these LTI awards, the Remuneration Committee used its discretion to reduce vesting by 35 per cent. Mr Kloppers received 325,000 shares following this decision.

The terms of Mr Kloppers' departure reflect the Group's remuneration policy and the rules of our incentive arrangements as approved by shareholders. Mr Kloppers did not receive any financial benefit over and above those provided for within his existing contractual entitlements.

Under the terms of the shareholder approved plan, LTI awards granted in prior years that may vest in the four years after Mr Kloppers' departure were retained on a pro-rata basis. However, the number of awards was reduced to reflect the period of service in relation to each grant. Under the pro-rating rule, Mr Kloppers retained 504,675 awards, and 412,649 awards lapsed.

Whether the 504,675 retained awards vest will depend on BHP Billiton's relative TSR performance over the five-year periods to 30 June 2014, 2015, 2016 and 2017, respectively. In addition, even if the performance hurdle is met, the Committee has an overriding discretion under the plan rules to reduce the amount of awards that vest. Accordingly, the vesting outcome and the number of long-term incentive awards that will ultimately vest are unknown at this time. The number of long-term incentive plan awards that vest cannot exceed the 504,675 awards retained, and could be considerably lower, or even zero.

CEO Remuneration for FY2013 – Mr Kloppers

The chart below shows the 'single figure of remuneration' required under new UK remuneration reporting requirements for Mr Kloppers. In line with the new UK requirements, the table reports only remuneration relating to the period served as an Executive Director and the CEO (i.e. from 1 July 2012 to May 2013).

These pension contributions are 40% of base salary which is within the market range for CEO pension contributions globally.

The STI is **entirely performance based** and comprises 50% Cash STI and 50% Deferred Equity STI:
- These amounts are the 50% paid in cash.
- Performance measures include various HSEC, financial, capital management and personal elements.
- Mr Kloppers received 47% of the maximum possible STI for FY2013. He received no STI in FY2012.

The LTI is **entirely performance based and aligned to shareholder interests.** The FY2013 LTI amount is the value of 325,000 awards that vested as a result of performance up to and including the FY2013 performance year (500,000 LTI awards were allocated five years earlier in 2008; and the Remuneration Committee reduced vesting by 35% so 175,000 LTI awards lapsed).

"At risk" remuneration
Fixed remuneration

US dollars ('000)		Base salary	Pension contributions	Other benefits	STI Cash	STI Deferred equity	LTI	Total
Marius Kloppers	**FY2013**	**1,906**	**762**	**72**	**1,442**	**1,442**	**10,367**	**15,991**
	FY2012	2,201	880	109	0	0	12,902	16,092

The former CEO earned these amounts as base salary during FY2012 and FY2013 (to the date he retired as CEO and from the Board).

Health and other insurances and the costs of preparing tax returns in multiple jurisdictions

This is the 50% of the STI amounts that are provided in the form of Deferred Equity, so are also **entirely performance based**.
- They will vest in two years (based on continued employment).
- They have the same performance measures as the amounts shown for the Cash STI portion.

Dividend Policy

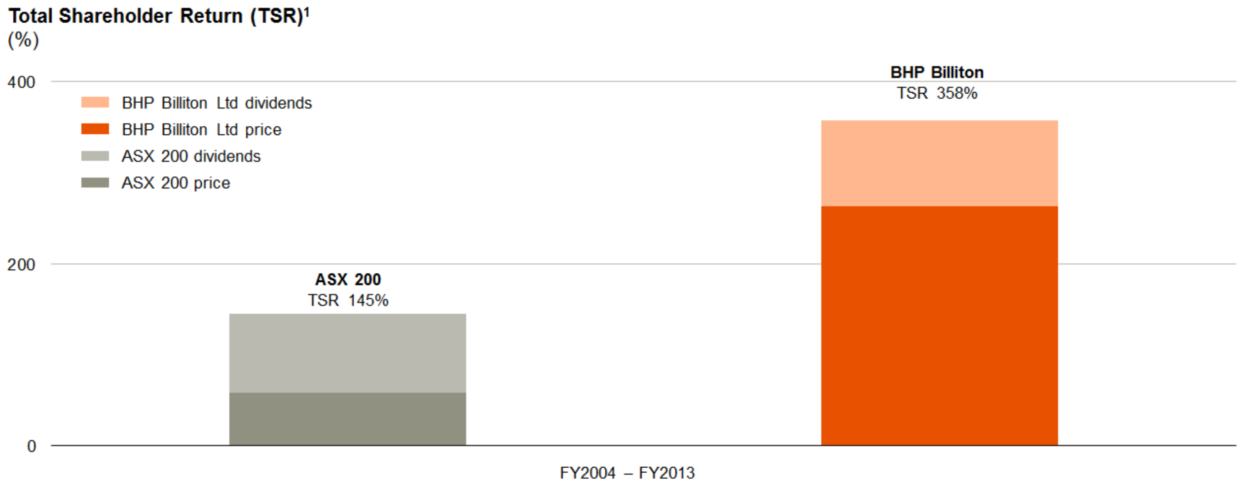
What is the Board's policy in relation to delivering a return to shareholders through the payment of dividends?

BHP Billiton has a progressive dividend policy. The aim of this policy is to steadily increase or at least to maintain the dividend in US dollars at each half yearly payment.

Over the last decade, our progressive dividend increased at a compound annual growth rate of 18 per cent in US dollar terms (14 per cent in Australian dollar terms). We believe our dividend performance demonstrates our ability to grow cash flow while balancing investment with shareholder returns. Our payout ratio is an outcome of our approach to capital management. Our FY2013 dividend in US dollars reflected a dividend payout ratio of 52 per cent.

For over a decade our capital management strategy has been clear – we invest in our business for value, through the cycle, while maintaining a strong balance sheet and a progressive base dividend, with any excess capital returned to shareholders. By allocating capital in this disciplined manner, both BHP Billiton and our shareholders have benefited. Over the past decade we have returned US$59 billion to shareholders in the form of dividends and buy backs, which is as much as our peer group combined. In addition, we generated a TSR of 358 per cent against an ASX200 TSR of 145 per cent (BHP Billiton Limited) and a TSR of 588 per cent against a FTSE100 TSR of 122 per cent (BHP Billiton Plc).

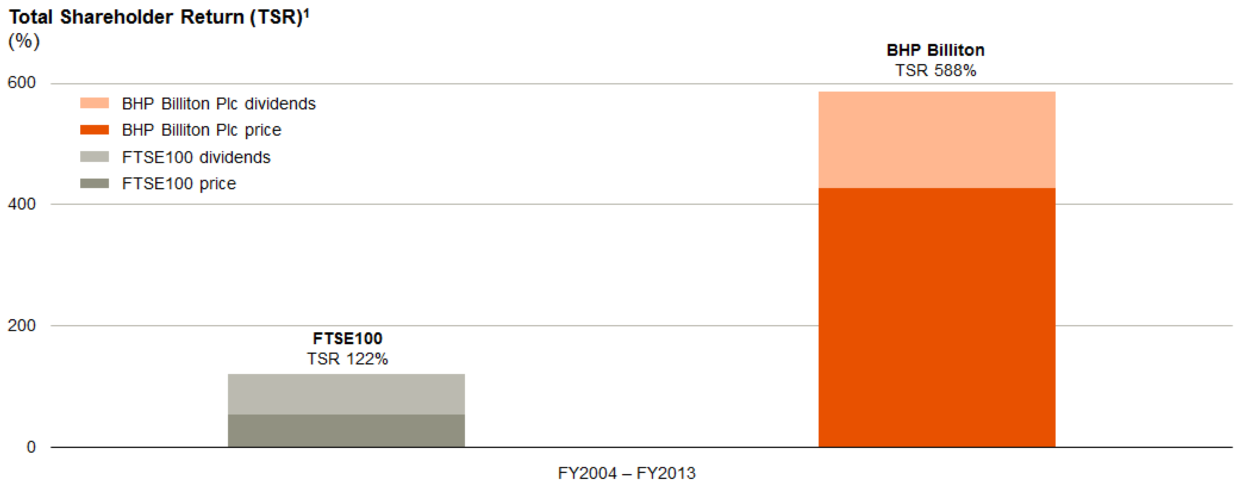
BHP Billiton Limited TSR against ASX200: FY2004 – FY2013



1. TSR calculated in Australian dollars from 30 June 2003 to 30 June 2013. Share price reflects adjustments for rights issues and bonus shares and dividends assume reinvestment on the ex-dividend date.

Source: Datastream.

BHP Billiton Plc TSR against FTSE100: FY2004 – FY2013



1. TSR calculated in British pence from 30 June 2003 to 30 June 2013. Share price reflects adjustments for rights issues and bonus shares and dividends assume reinvestment on the ex-dividend date.

Source: Datastream.

Dividend Reinvestment Plan

Will BHP Billiton consider implementing either a Dividend Reinvestment Plan or a Scrip Dividend Scheme?

We understand that a Dividend Reinvestment Plan (DRP) or a Scrip Dividend Scheme would be attractive to some shareholders. There are two ways to implement a DRP – issuing new shares or buying them on market. In our case, rather than issuing new shares, we have returned US$59 billion to shareholders in dividends and buy-backs over a 10 year period. Although we have not offered a DRP for some time we regularly review our capital structure, including whether we should reintroduce a DRP, and will continue to keep this under review.

Board Size

Why is the BHP Billiton Board so large?

The Board considers that a diversity of skills, experience, age, gender, backgrounds, geographic location, nationalities, independence and Group knowledge is necessary to effectively govern the business. The Board also considers the size and structure of the Group's business in determining the appropriate Board size.

Our Nomination and Governance Committee has a formal process through which it continually reviews the composition of the Board. It reviews the skills and experience on the Board and identifies future requirements. In particular, we look for sustainable success in business including at a very senior executive level; experience in multiple global locations; and a track record developing and implementing a successful strategy within a major organisation.

There is a good mix of tenure on the Board. We have four Directors with less than three years' tenure and three Directors with over 10 years. This gives a blend of fresh perspectives, and significant corporate memory. Longer serving Directors are important in a long-term industry like ours. Geographic diversity also enhances the Board: six of our Directors are based in Australia, three in the US and two in each of the United Kingdom and South Africa.

Our Annual Report sets out the skills and experience of the Board members.

Board Diversity

What strategy is BHP Billiton currently pursuing to encourage greater gender diversity on the Board?

The Board considers that a diversity of skills, experience, backgrounds, geographic location, nationalities and gender is required to effectively govern BHP Billiton. Directors must have current international business skills and experience, as well as an objective view on social and economic issues. We work hard to ensure that we continue to have the right mix of these attributes on our Board – as well as a balance of independence and Group knowledge. We take a five-year view as we consider succession for Board members. We seek continuity and corporate memory, balanced with fresh perspectives as part of our overall succession planning approach. The Board is committed to ensuring gender diversity is actively pursued and we have an aspirational goal of increasing the number of women on the Board to at least three by FY2015.

This information is also set out in Section 5, Corporate Governance Statement, of our 2013 Annual Report.

Non-executive Directors' Remuneration

What is the process for setting the fee levels for Non-executive Directors?

As a global company operating in 26 countries, we need to attract the best possible people globally to our Board. The Board is conscious that, just as it must set remuneration levels to attract and retain talented executives, it must also ensure that remuneration rates for Non-executive Directors are set at a level that will attract and retain the calibre of Director necessary to contribute effectively to a high-performing Board. We have 12 Non-executive Directors based in the United Kingdom, the United States, South Africa and Australia. They bring the skills and experience necessary to make the best decisions for shareholders.

Remuneration rates for Non-executive Directors are set at a competitive level, with advice on benchmark fees in equivalent sized companies provided by external advisers. The remuneration levels reflect the size and complexity of the Group, the multi-jurisdictional environment arising from the Dual Listed Company structure, the multiple stock exchange listings, the extent of the geographic regions in which the Group operates and the enhanced responsibilities associated with membership of Board Committees. They also reflect the considerable travel burden imposed on members of the Board. In setting the remuneration of the Non-executive Directors, the economic environment and the financial performance of the Group is taken into account, along with pay and employment conditions of employees elsewhere in the Group.

Fees for the Non-executive Directors and Chairman are reviewed annually and benchmarked against peer companies, with the assistance of externally provided benchmark data. As a result of the review, a decision was taken to make no change to the fee levels of the Non-executive Directors or the Chairman for FY2014. Fees have been unchanged since July 2011 and will remain at the current level at least until July 2014.

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Climate change and environment

What is BHP Billiton's position on climate change?

Climate change represents a complex, global challenge and there are many views on what an appropriate response should include. BHP Billiton's position on climate change however, is clear and well-established. We accept the mainstream science of climate change. We believe we have a responsibility to engage with stakeholders on this topic and understand the risks it poses to our economic and social wellbeing. We seek to reduce our greenhouse gas (GHG) emissions and build the resilience of our Businesses to the impacts of climate change.

Climate change has been a priority for BHP Billiton for nearly 20 years. We first outlined our plans to reduce our GHG emissions in 1996. Since then we have reported on our performance every year through our independently verified Sustainability Reports. We have also reported to shareholders on the potential risks to our business from climate change and consider a carbon price in investment decision-making.

BHP Billiton's actions on climate change include:

- investing over US$430 million in GHG emissions reduction and energy efficiency projects across our global operations between FY2007 and FY2012;
- achieving a 16 per cent reduction in the greenhouse intensity of our production between FY2007 and FY2012, compared with our target of 6 per cent; and
- setting a new target in 2013 to maintain our FY2017 GHG emissions below our FY2006 baseline while continuing to grow our business.

Emissions reductions can be achieved through a range of policy responses including carbon pricing and other complementary measures. Governments around the world will adopt different policies on GHG emissions reductions to suit their particular circumstances. BHP Billiton recognises our role to engage constructively with governments around the world on this issue.

The Australian Government has decided to repeal the current carbon tax. Our position remains that GHG emissions reductions are necessary and that a price signal is an important element of an effective policy regime. We are committed to working with the Australian Government to support the development of a long–term, effective policy framework in line with our principles to achieve emissions reductions.

What is BHP Billiton doing about shifting towards lower carbon fuels?

BHP Billiton has recognised for some time that climate change and various policy and market responses to it represent key strategic risks to our business. We also know that markets are constantly evolving, for example we have all seen the shift in recent years in the US from coal to gas driven by new technology and processes.

We have a uniquely diversified portfolio that spans the steel making, metals, energy and food sectors. The diversity of our portfolio enables us to respond to changes in energy demand as the world responds to the challenge of climate change. We test the robustness of this portfolio against a range of scenarios, including extreme climate change scenarios. This analysis highlights the value of diversity and the flexibility this gives us to reweight the portfolio.

BHP Billiton actively manages its portfolio to meet new challenges. Our recent investment decisions have prioritised gas over thermal coal amongst our energy businesses. Uranium may similarly benefit from a move towards low carbon fuels while copper is a recognised critical component in the manufacture of renewables.

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How is BHP Billiton managing the risk of a carbon-constrained world?

BHP Billiton takes a comprehensive approach to assessing the risks of climate change to our Businesses.

Regulations to control GHG emissions can impact operational costs, particularly for more GHG intensive assets as well as impacting demand for fossil fuel products such as coal and gas. We have been considering carbon pricing in our decision making for a decade. We maintain a Carbon Pricing Protocol, an internal mechanism for pricing carbon to determine the potential cost as a result of our operational GHG emissions and the impact of a carbon price on demand for our products. The Protocol is updated annually to reflect internal and external developments, and includes a range of carbon prices for developed and developing countries based on likely scenarios of science, policy and technology developments.

As part of our financial reporting processes we conduct a prescriptive and thorough test to assess the value of all of our assets. The outcomes of this assessment are reviewed by our Risk and Audit Committee and are also subject to an independent review by our external auditors as part of the external audit process. This is a rigorous process that is applied to all our assets and it considers a wide range of factors, including the potential impacts of a carbon price on our operations and products.

Our internal modelling enables us to readily determine the impact of a range of potential scenarios. Our strategy and portfolio is well developed to meet changing demands. Our planning and capital investment processes include consideration of the future global macroeconomic landscape, expected market prices and detailed consideration of carbon price impacts. This enables us to respond in a measured way to changes in the science, relevant technologies or the outlook for our products.

Potential physical impacts of climate change on our operations may include changes in precipitation patterns, increased storm intensity and higher average temperatures, which may adversely affect the productivity and financial performance of our operations.

By understanding the risks and opportunities of climate change and how these affect our organisation, we believe we can better manage our own risks while making a positive contribution to policy development.

How does BHP Billiton manage its environmental impacts?

Our operations, by their nature, impact the environment. We seek to understand any potential impacts to the environment so that we can implement measures that avoid or, where this is not feasible, minimise our impacts across the lifecycle of our Businesses. We will not proceed with any project that is inconsistent with *Our Charter* values. We recognise our reputation and performance in this area are key to our success.

BHP Billiton has developed a Group Level Document (GLD) which sets out the minimum mandatory performance requirements of our operations for the management of impacts to water, land and biodiversity and air. This document is available at:

http://www.bhpbilliton.com/home/aboutus/ourcompany/Documents/2013/Environment.pdf

Closure planning is also a key consideration. Operations are required to maintain closure plans, which describe the proposed methods to rehabilitate and remediate following resource development and address closure obligations. The closure plans provide the basis for estimating closure costs and the associated accounting for closure and rehabilitation provisions. We have set aside, as of FY2013, closure and rehabilitation provisions of US$7.6 billion.

In FY2013 we introduced new public environmental targets to address our most material environmental issues. These targets were developed to be integrated into our Businesses' established five-year planning processes and are supported by the performance requirements contained within the *Environment* GLD.

We have set an ambitious target to maintain our FY2017 GHG emissions below FY2006 baseline levels, while continuing to grow our business. In order to achieve our target we intend to focus on the continued implementation of identified abatement opportunities by our Businesses. Without this focus, we forecast that our absolute emissions would exceed the FY2006 baseline as a result of growth across our organisation.

Where our Businesses have water-related material risks, they must set targets to reduce their impacts on water resources. This target recognises the local and regional context of water and allows operations to annually review and define the necessary project that will best address their material water risks.

Recognising both our impacts to and dependence on biodiversity and the related ecosystem services it provides, we introduced two targets focused on biodiversity and conservation. The first target supports a core business requirement to develop Land and Biodiversity Management Plans that include controls to avoid, minimise, rehabilitate and offset impacts to biodiversity and ecosystem services.

In addition to the environmental management activities required by our operations, we have voluntarily committed to financing the conservation and ongoing management of areas of high biodiversity and ecosystem value that are of national and international conservation significance. In FY2013, through a five-year alliance with Conservation International, we established two projects of international conservation significance, the Five Rivers Conservation Area in Tasmania Australia and the Valdivian Coastal Reserve in Chile.

We publish our performance on these matters in our annual Sustainability Report at:

http://www.bhpbilliton.com/home/aboutus/sustainability/reports/Pages/Roll%20up%20Pages/2013-BHP-Billiton-Sustainability-Report.aspx

Business Performance & Capital Management

Can you comment on the recent performance of the business, the financial position of the Group, the productivity agenda and dependence on China?

BHP Billiton delivered robust financial results in FY2013, a period characterised by slowing global growth and volatile commodity markets. Underlying EBIT declined by 22 per cent, or US$6.1 billion, to US$21.1 billion. Lower commodity prices reduced Underlying EBIT, partially offset by increased sales volumes, reduced operating costs and consistently strong operating performance across the business. Attributable profit (excluding exceptional items) of US$11.8 billion was negatively affected by a temporary increase in the Group's effective tax rate to 39.3 per cent (excluding exceptional items) and financing charges of US$280 million incurred managing interest rate exposure on recently issued debt securities.

BHP Billiton's strategy of owning and operating large, long life, low cost, expandable, upstream assets diversified by commodity, geography and market remains the foundation for our sector leading shareholder returns. We also maintain our commitment to a solid 'A' credit rating. We have a proven strategy, a high quality and diverse asset portfolio, a strong balance sheet and talent at all levels of the organisation. In FY2013 we extended our strong track record of operating performance, with production records achieved across seven operations and five commodities.

Our priorities for cash flow have remained unchanged for more than a decade. The modest 3 per cent increase in our gearing ratio this year (to 29 per cent) reflects continued investment in the future growth of some of our highest margin Businesses. With strong cash flow and a net debt to Underlying EBITDA ratio of 1.0 times, the Group's capital structure remains strong. We also retained our solid 'A' credit rating.

The growth of our industry in the last decade increased demand for specialised labour and materials. Cost pressures were global and industry wide. BHP Billiton's focus on productivity is not simply about cutting costs, we are targeting more tonnes and more barrels from our existing capital base. Our effort to reduce operating costs and drive productivity improvements realised a reduction in controllable cash costs of US$2.7 billion, excluding one-off items, in FY2013. In addition to the productivity gains delivered during the period, the Group applied strict capital discipline.

We operate in a cyclical environment and volatility in China and other markets will continue to affect prices and our financial results. However, our focus on world class assets, our uniquely diversified portfolio and broad exposure to a wide range of markets ensures our business and our cash flows are more predictable. This strategy has allowed us to grow our 'unbroken' progressive dividend, often through periods of significant economic volatility. The total dividend for FY2013 increased by four per cent to 116 US cents per share.

Looking ahead, we remain confident in the outlook for our business. We expect China and other emerging economies to underpin robust growth in commodities demand. This will continue to drive further improvements in living standards and create demand for the commodities we produce. We also continue to see other emerging economies as significant sources of economic growth in the long term. As a result, we are confident the global recovery will continue, although risks remain regarding the unwinding of monetary stimulus. We maintain a positive outlook over the long term as the fundamentals of wealth creation, demographics and urbanisation continue to create demand for our products.

Ok Tedi

What is the current status of BHP Billiton's interest in the Ok Tedi mine and how will the recent actions by the Papua New Guinea *(PNG) Government impact on shareholders?*

BHP Billiton withdrew from the Ok Tedi mine in 2002 due to concerns about the potential for environmental conditions to worsen if the mine continued to operate. Our preferred option was to close the mine early, however, this was not acceptable to the PNG Government because of the adverse social and economic impacts which would have flowed from the loss of income which the mine generated for the PNG economy. As a result we reached an agreement with the Government whereby we transferred our equity to a new company (PNG Sustainable Development Program (PNGSDP)) established in Singapore with the sole purpose of delivering sustainable development programs in PNG. The agreement included a series of releases, indemnities and warranties to protect BHP Billiton from legal liability for the period after its exit.

A number of other elements were put in place to mitigate the risk of further environmental impacts, including retention of key staff (for a transitional period), dredging of the lower Ok Tedi and provisions for mine closure. PNGSDP and Ok Tedi have operated independently of BHP Billiton since our exit.

The arrangements have served all parties very well and it is disappointing that the PNG Government has attempted to unilaterally unwind the agreement, expropriate PNGSDP's equity in the mine and remove several of BHP Billiton's protections. PNGSDP is challenging the legality of these actions through international arbitration and in PNG and Singapore. Irrespective of the outcomes of these challenges, the indemnities provided by PNGSDP as part of the exit arrangements remain in place. Given this and the substantial funds held outside PNG by PNGSDP, we do not believe the recent events materially increase the risk of financial exposure for BHP Billiton.