



Fayetteville Acquisition

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Highlights



- **100% of Chesapeake Energy Corporation's upstream and midstream Fayetteville interests acquired for US\$4.75 billion**
- **Largest U.S. shale gas asset transaction**
- **Single, giant field enables focus and is consistent with our corporate strategy**
- **Substantive BHP Billiton operated entry into shale gas**
- **Major resource addition, immediate increase to Petroleum volumes and significant growth ahead**
- **Transition service plans in place**

Transaction details

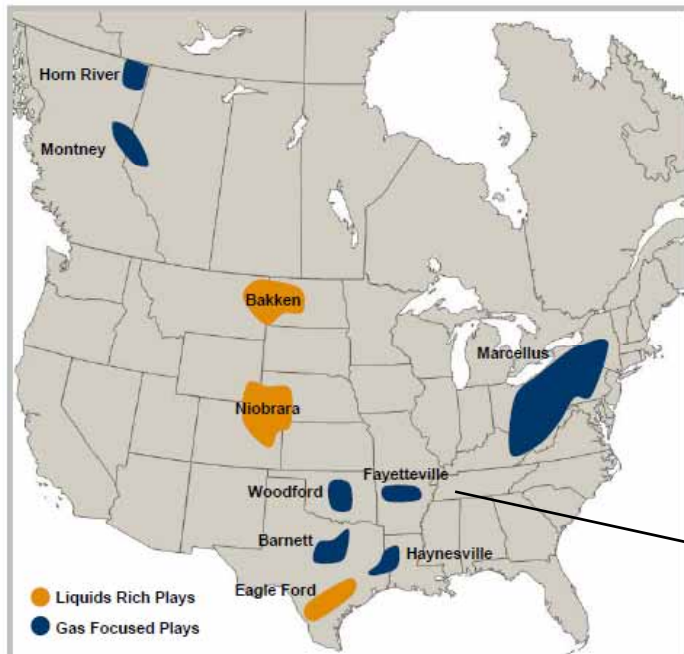


- Agreed price of US\$4.75 billion in cash includes US\$0.5 billion for midstream interests
- 487,000 net acres, 415 MMcf/d current production, 2.4 TCF proved reserves, and 10 TCF total risked resource
- Purchase price of US\$1.77 per Mcf for proved reserves or US\$0.43 per Mcf for total risked resources
- 12 month transition agreement in place to ensure the safe and smooth transfer of operations to BHP Billiton
- Targeted closing by end 1H CY2011, conditional upon regulatory approvals
 - No other third party approvals required
 - Substantial due diligence performed to date

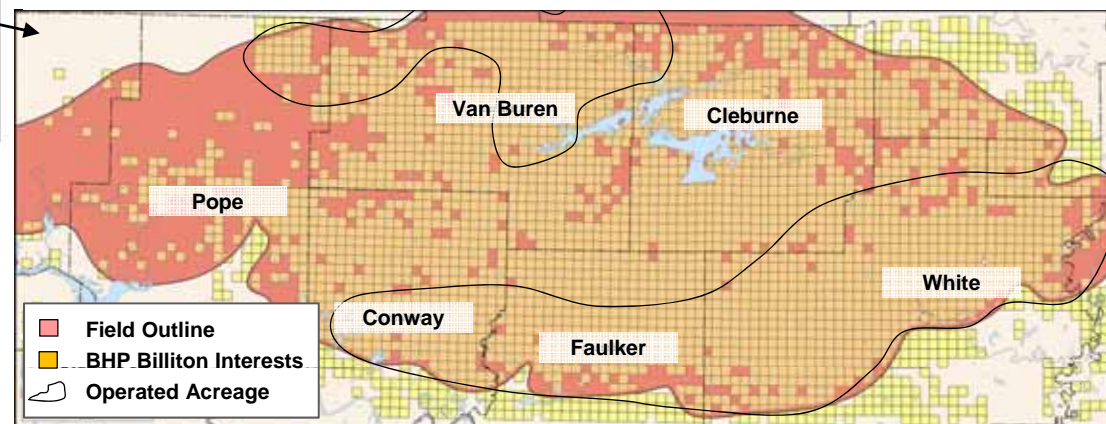
Unique opportunity to acquire a leadership position in a major North American shale



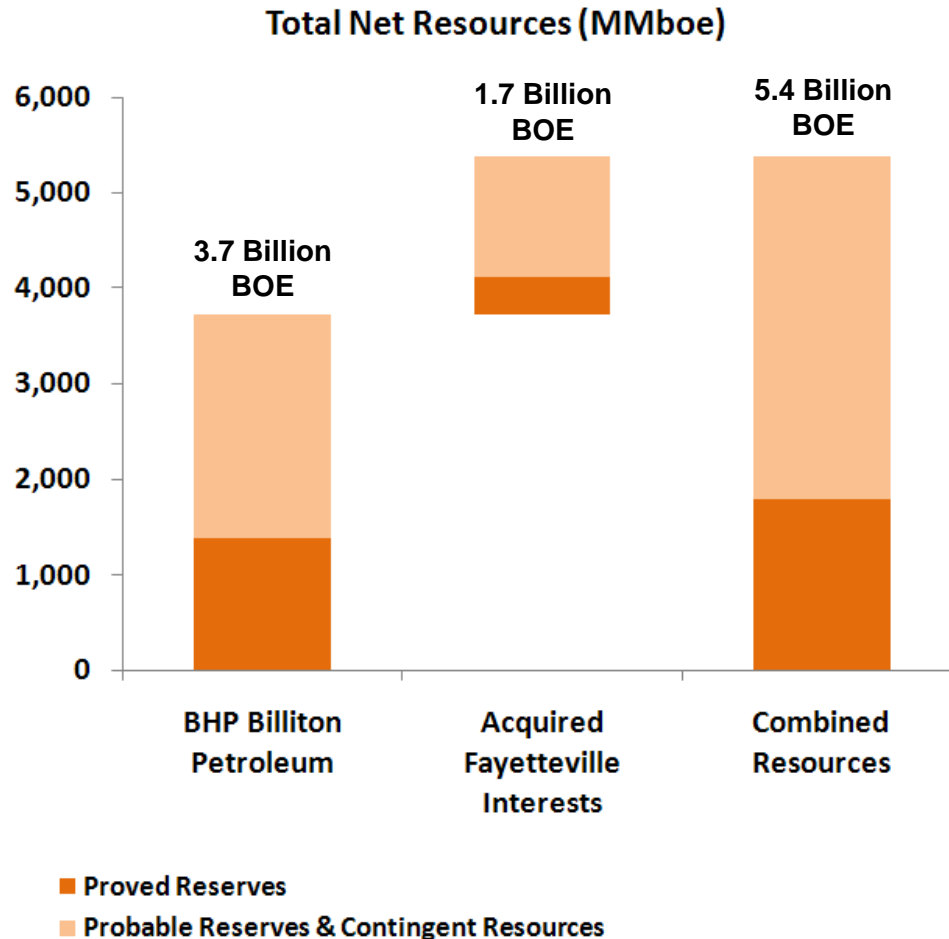
North American Shale Gas Plays



- BHP Billiton becomes the second largest acreage holder in the Fayetteville shale
- Modest topography provides easy operating access
- Shallower wells with low field production decline
- 420 miles of infield gathering pipelines and several compression stations
- Major development program ahead with US\$800 million to US\$1 billion annual investment for the next decade or longer



A material asset with room to grow



- 10 TCF addition is more than double our share of remaining resources at Bass Strait, 3x our share of Scarborough, and 7x our share of Browse
- Large percentage of non-proved reserves remain to be developed
- Fayetteville will be consistent with current Petroleum portfolio – solid EBIT margins at current prices

BHP Billiton Petroleum Net Resources as per BHP Billiton's Production Report for the Half Year Ended December 31, 2010

Fayetteville Net Resources as per Chesapeake's Investor Presentation dated December 2010

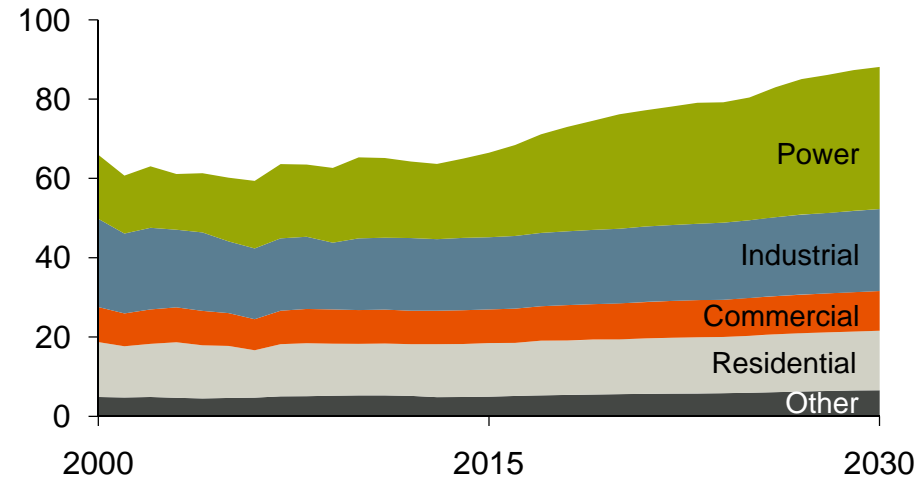
Excellent strategic fit



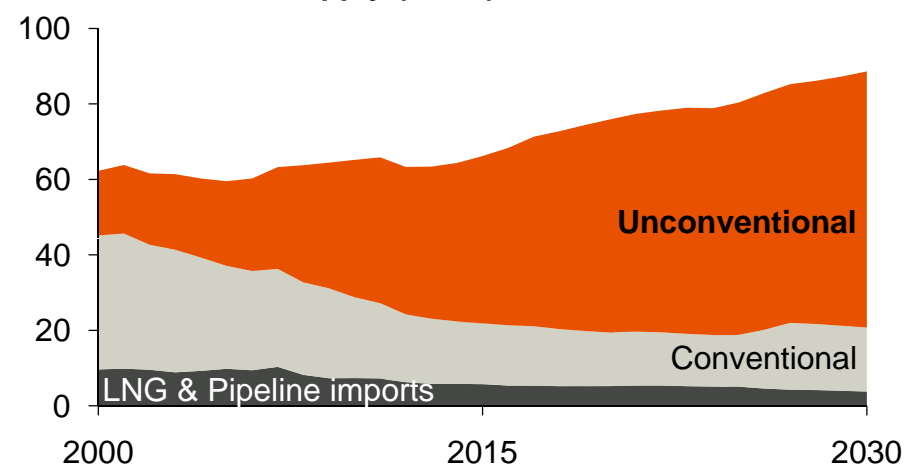
- World-class accessible resource, material to BHP Billiton
 - Large, long-life, low cost, with significant future development
- Access to the world's largest gas market
- Lower risk due to adequate production history and extensive delineation drilling
- Long term investment matches our financial strength
- Large operated position, leveraging our organisation and expertise
- Stable operating environment and attractive U.S. fiscal terms

Strong market fundamentals

U.S. Natural Gas Demand (Bcf/d)



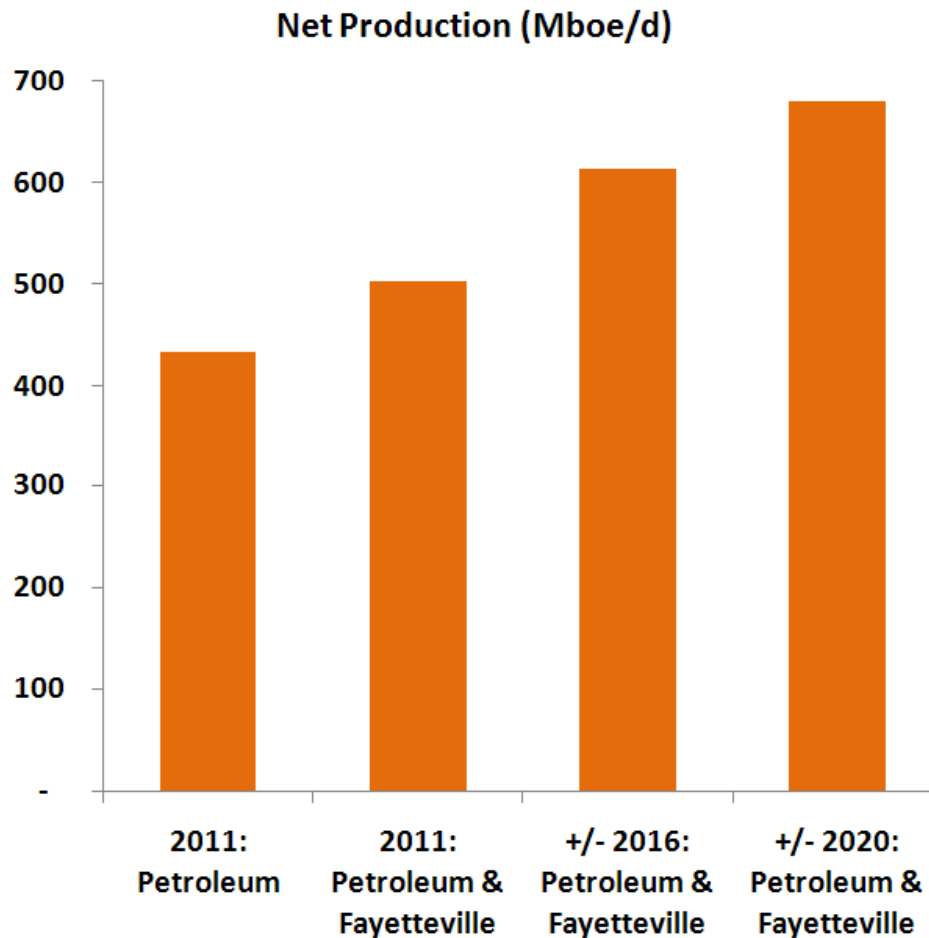
U.S. Natural Gas Supply (Bcf/d)



Source: Wood Mackenzie

- U.S. demand for natural gas set to increase 1.6% annually
- Unconventional gas is the primary source of long-term supply
- Highly liquid market with contracts traded on the NYMEX
- Preferred fuel in low carbon world
- Extensive pipeline network provides access to premium gas markets in the Midwest and Northeast U.S.

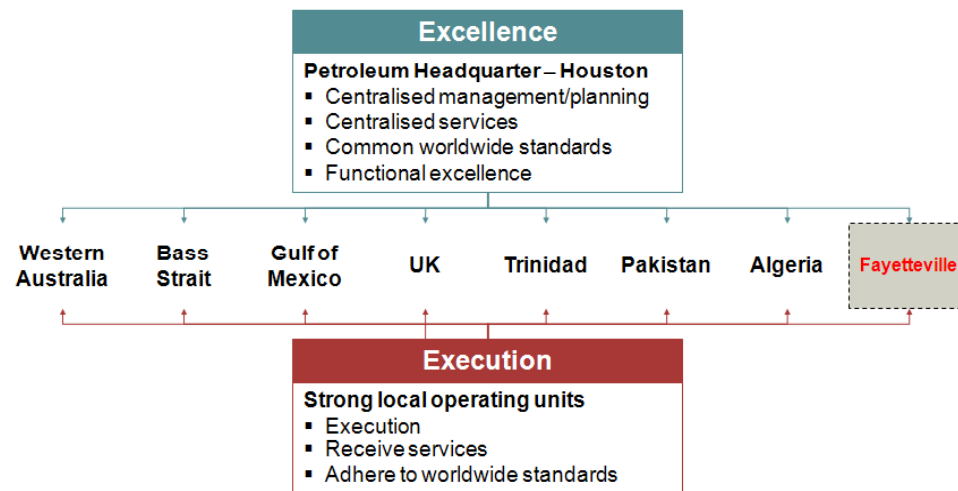
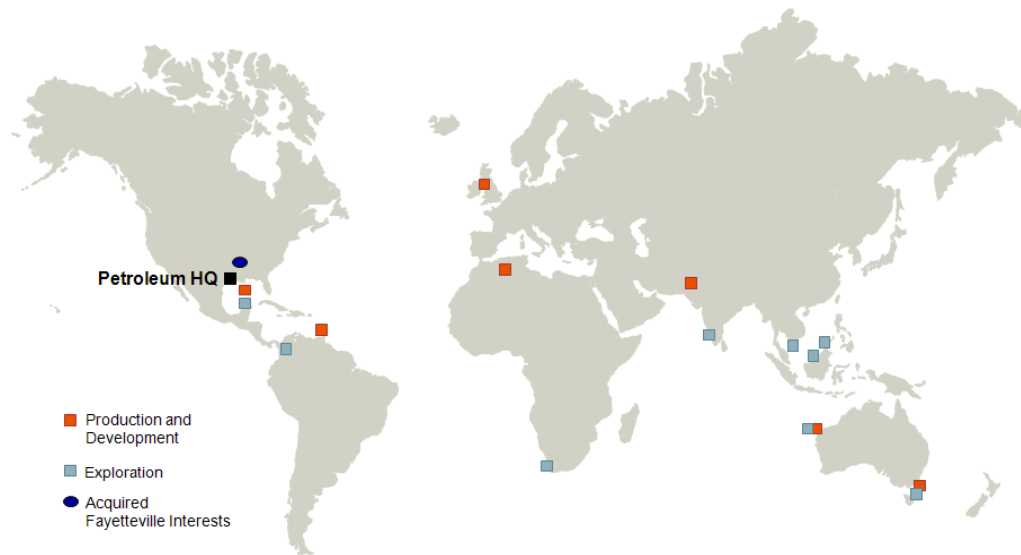
Significant volume growth potential



- Development plans to nearly triple production from Fayetteville assets builds upon large upcoming GOM and WA LNG projects
- Volumes increase to ~500 Mboe/d, with plans to reach ~700 Mboe/d by the end of the decade
- Positive impact on industry-leading unit cost metrics, both cash and non-cash
- Increases the share of volumes operated and controlled by BHP Billiton

FY11 Petroleum volume projection as per BHP Billiton's Production Report for the Half Year Ended December 31, 2010

Transition plans in place with Petroleum organisation adding value at low cost



- Substantially increases onshore gas position and leverages highly experienced personnel
- Industry leader in safety, drilling, project development, and operations performance
- Highly scaleable Petroleum organisation limits additional overhead
- 12 month transition agreement includes all technical support and field personnel and incentivises performance

Conclusions



- Unique opportunity to acquire a leadership position in a consolidated shale play
- Consistent with our strategy and adds to portfolio and customer diversity
- World class resource in largest gas market, low cost and significant immediate production
- Petroleum resource base increases 45% with significant volume growth ahead
- Major BHP Billiton operated position
- Transition plans in place for up to 12 months to integrate with existing organisation



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