

NEWS RELEASE

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BHP BILLITON PETROLEUM OPERATIONAL EXCELLENCE UNDERPINS VALUE AND RETURNS

BHP Billiton President Petroleum Tim Cutt will today explain how the Company expects to create significant value from its Petroleum resources at the Barclays CEO Energy-Power Conference in New York.

Speaking ahead of the conference, he said: “The diversification of BHP Billiton’s portfolio and the strength of our balance sheet allow us to focus on value over volume. We have responded decisively to the change in market conditions and retain significant flexibility across our Petroleum development programs. We can wait until the time is right before investing.

“We are well positioned on the cost curve and our productivity programs are making us even more competitive. BHP Billiton Petroleum is a leader in safety. We have best-in-class operating costs and deepwater drilling capabilities in our Conventional business. And we continue to reduce our Onshore US drilling costs and build on our industry leading well completion efficiency.

“We are the top performer in the Black Hawk, where we generate returns of 35 per cent at current prices with a further three to five years of development ahead of us. In the Conventional business, our operational experience and capability provide a competitive advantage. In the last financial year we reported unit costs of US\$10.92/boe, an EBITDA margin of 70 per cent and average operational uptime of 95 per cent.

“Our portfolio includes several attractive growth options that will add significant value for our shareholders over the long-term. We expect natural field decline and demand growth will support higher oil and gas prices in the medium term but remain focused on improving the competitiveness of these developments in today’s market conditions.

“Applying what we have learned in the Black Hawk to the Permian will reduce the development costs of a field we believe could produce well over 150kboe per day. And we will time development to benefit from the expected improvement in margin.

“Our Onshore US dry-gas resource of 25 TCF could support half a century of production at twice our current production rate. Our Haynesville acreage is in the core of one of the industry’s premier dry-gas positions and we are working to achieve at least 20 per cent returns at US\$3/mcf Henry Hub.

“In our conventional business, we continue to improve the capital efficiency of the Mad Dog II project which provides a significant medium term growth opportunity. We will invest in oil

exploration through the cycle and expect to test three major opportunities in our core basins of Gulf of Mexico, Trinidad & Tobago and Western Australia over the next three years.”

In conclusion, Mr Cutt said “We remain focused on value and returns above all else. Our projects must compete with other opportunities within BHP Billiton’s portfolio. We will keep our plans under review and tailor our investment program to market conditions to maximise value for shareholders.”

Further information on BHP Billiton can be found at: www.bhpbilliton.com.

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