Leading performance everywhere we operate. Operational excellence across our asset portfolio.

INTRODUCTION

The Petroleum business within BHP Billiton is the oil and gas arm of one of the world’s largest resources companies. We run a carefully managed portfolio of upstream assets around the world, including our heartland fields in the deepwater Gulf of Mexico, onshore United States and Australia. The quality of these assets, along with a long-standing focus on safety and operational excellence, is essential to our strategy.

Aggressive moves to improve productivity – through the application of advanced technology and operational efficiencies – are further reducing costs. Benchmarked against our peers and competitors, these efforts are solidifying our superior position in safety, uptime, and drilling and completions efficiency. Further, we are creating the foundation for future success: in onshore assets under development – such as the Permian Basin – and in the deepwater, currently the focus of a targeted exploration campaign.
A FOCUSED GLOBAL PORTFOLIO

The acreage we hold contains the energy equivalent of more than 10 billion barrels of oil.*

PRODUCTION VS. OUR PEERS

In 2014, BHP Billiton produced the energy equivalent of 700,000 barrels of oil per day.

A TOP-TEN PRODUCER

We continue to grow shareholder value by focusing on large, long-life, low-cost and expandable upstream assets. We are a top-ten producer in our heartland regions, with plans to grow in each of these core areas.
At BHP Billiton, the safety of our people comes before anything else that we do. This commitment has long kept our offshore operations — measured against our peers and competitors worldwide — in the top quartile for safety performance. In 2012, we took a significant position in four of the largest U.S. onshore basins. With these acquisitions came new workers and new safety challenges. We brought to bear the same safety standards and processes we’d long been employing in our conventional operations. To engage our people, our operational leaders conduct ongoing training and awareness sessions across our operations — challenging and empowering all personnel on all levels to provide new ideas and new solutions. The results are dramatic, with our onshore workers now achieving some of the lowest Lost-Time Injury Frequency (LTIF) rates in the industry. Taken together, the previous years have shown not only our strong safety, but our constant finding new ways to do even better.
SAFETY

TOP-QUARTILE SAFETY PERFORMANCE WORLDWIDE, CONVENTIONAL AND SHALE

Industry studies from 2014 show BHP Billiton near the top of the industry in terms of safety performance.

INDUSTRY-LEADING SAFETY PERFORMANCE IN SHALE

According to a 2014 benchmarking study, BHP Billiton is a top safety performer in U.S. Shale.

A RIGOROUS APPROACH TO PROCESS SAFETY

Personal safety has been a focus in the oil and gas industry for decades. Industry best practices, along with a standardized set of metrics including Total Recordable Injury Frequency (TRIF) and LTIF, have helped to make personal safety an intuitive part of the business. Process safety – an engineering-driven focus on keeping people safe through the effective management and containment of fluids and gases – is a necessary complement to the personal safety focus.

The BHP Billiton Process Safety Management Model includes ‘lagging’ and ‘leading’ indicators. Lagging indicators look at past incidents, with reporting and analysis that help define causes and create solutions to prevent recurrence. Leading indicators, in contrast, are indicators of possible problems that could occur. These help build the case for proactive maintenance and process refinement before incidents occur, rather than afterward.

A compressor incident in a facility in the Black Hawk shale was an attention-getting moment, helping to drive greater recognition of the importance of process safety. A mechanical failure caused a relatively minor incident – but the process safety team successfully used it as an opportunity to further embed existing methodologies in the day-to-day operational culture.

Process safety is a key operational function at BHP Billiton. In the field, a fully engaged workforce applies the principles of process safety across all disciplines, with ongoing active support from an independent team that sets standards and verifies performance consistently across the Petroleum business. Finally, monthly reporting to leadership, via a dashboard of leading and lagging indicators, helps to ensure that process safety is a constant priority, keeping our operations safe, dynamic and productive.

1. LTIF: Lost Time Injury Frequency
2. IOGP: International Association of Oil and Gas Producers
3. AXPC: American Exploration & Production Council
4. SAFETY
5. 1. LTIF: Lost-Time Injury Frequency
6. 2. IOGP: International Association of Oil and Gas Producers
7. SOURCE: IOGP total LTIF results by company (2014)
8. TOP-QUARTILE SAFETY PERFORMANCE WORLDWIDE, CONVENTIONAL AND SHALE
9. INDUSTRY-LEADING SAFETY PERFORMANCE IN SHALE
10. 1. LTIF: Lost-Time Injury Frequency
11. 2. American Exploration & Production Council
12. SOURCE: AXPC total LTIF results by company (2014)
13. SAFETY
On an average day, BHP Billiton produces more than 300,000 boe of hydrocarbons from conventional assets in Australia, the United States, Trinidad and Tobago, and around the world. In our operated assets, we have an industry-wide reputation for exceptionally high performance in terms of safety, facility uptime and unit cost, particularly in deepwater fields. Our conventional drilling performance is similarly outstanding, even in exceptionally demanding conditions such as Gulf of Mexico subsalt formations.
In 2015, the BHP Billiton-operated Shenzi field – a world-class deepwater oil and gas development in the U.S. Gulf of Mexico – entered its sixth year of production. After first oil on March 23, 2009, Shenzi took just three months to reach 130,000 barrels of oil per day. A month later, production peaked at 149,500 barrels per day. By the summer of 2015, Shenzi was still delivering up to 95,000 barrels of oil per day, just under its nameplate capacity of 100,000 barrels. Since startup, the facility has been running more than 95 per cent of the time. No other deepwater platform in the U.S. Gulf of Mexico has done as well. One reason for Shenzi’s success has been the constant effort to maintain peak flow rates from the platform’s 17 producing wells. In 2014, Shenzi’s production engineers identified and implemented a software tool known as Integrated Field Management®. It allowed them to model the effect of swapping wells – each with different flow rates and pressures – into different parts of the gathering system. By adjusting gas-lift rates for multiple scenarios at a time, engineers can now make hour-by-hour decisions that optimise production.

SHENZI PLATFORM OUTPERFORMS ITS PEERS IN THE U.S. GULF OF MEXICO
CHALLENGING CONDITIONS, SUPERIOR PERFORMANCE

The first exploration well in the Shenzi field was spudded by the drillship C.R. Luigs in the fall of 2002. The well reached a depth of 8,109 metres (24,607 feet), encountering 142 metres (465 feet) of hydrocarbons and 43 metres (140 feet) of net pay. Subsequent appraisal wells found even greater amounts of hydrocarbons and helped to establish the boundaries of the Shenzi field.

In the development drilling campaign that followed these discoveries, BHP Billiton wells began setting efficiency records – drilling safely as much as 50 per cent faster than competitors drilling in similar Gulf of Mexico formations. These facts are particularly impressive given the nature of the subsurface formations at Shenzi: the reservoirs are located below thousands of metres of salt.

BHP Billiton Drilling & Completions engineers worked tirelessly to develop solutions to the challenges of salt creep (when salt squeezing into a wellbore, collapsing production casing) as well as significant pressure buildup – with heat in the wellbore creating risks of damage to the well casing. In addition to the speed with which these highly challenging wells were drilled, they have proven exceptionally robust, with zero well failures after handover to production.

Over the life of the Shenzi asset, drilling has continued, including new producer and injector wells – with wells since late 2014 drilled by the Deepwater Invictus (pictured above). The abilities of the Drilling & Completions team at BHP Billiton have been put to the test through the life of the asset – and every day’s production from the field continues to prove their merit.

INDUSTRY LEADERS IN DRILLING

BHP Billiton consistently posts excellent drilling rates compared to its peers in the Gulf of Mexico’s challenging subsalt plays.
When the right geology, technology and methodology are brought to bear, shale development and production can operate on an efficient, repeatable model that delivers significant production volumes with relatively low up-front costs. This success requires a total commitment to continuous improvement. In our operations, we examine every link in the supply chain, and we engage with our suppliers to make every dollar count. Every process and workflow is analysed, refined and optimised – and our operational decisions are based not on the ways we’ve worked in the past, but rather on the hard metrics that define genuine improvement in process and performance. Decisions of exactly where and how to drill and produce are the result of focused, ongoing collaboration among Geoscience, Engineering, and Drilling & Completions teams. Across key onshore assets, our performance metrics reflect the success of these approaches.
BHP Billiton is one of the largest producers in the liquids-rich Eagle Ford shale, and a major force evaluating the Permian Basin. Across these operations, efficiency and technical excellence are essential to our success. Rig moves that once took seven days are being done in under three. Pre-fabricated wellsite construction techniques and other improvements are lowering costs of multi-well pads by 40 per cent, allowing us to complete these installations in one-third of the time they took just three years ago. Our average drilling times are some of the fastest in the industry. Across all operations, we have trimmed the average cost of new wells by more than US$2 million each.*

* Based on Q1 FY2013 to Q4 FY2015.

FOUR MAJOR ONSHORE U.S. FIELDS
BHP Billiton holds more than 1 million net acres in four prolific U.S. shale plays. Our focus on the Eagle Ford – Black Hawk in particular – helped grow our liquid volumes by 280 per cent in just two years.

BLACK HAWK PRODUCING WELLS
Most of our wells are in what is considered the ‘sweet spot’ of the Black Hawk field.
Our completions in Black Hawk are designed to optimise value over time, with higher recoveries and longer production life. After six months of production, we lead our peers; over three years, our cumulative per-well production is 68 per cent higher than the peer average.

Our intense focus on drilling operations has nearly halved our average per-well drilling cost in Black Hawk.

As we have worked into the Wolfcamp formation, improvements in well placement, extended lateral lengths and optimised completions are leading to increased recovery and strong, predictable well performance across the field.

The Permian Basin, comprising the Midland and Delaware Basins, is one of the largest oil and gas producing regions in the world – and we are rapidly becoming a major producer in the Delaware Basin.
DEVELOPMENT

ON TIME, ON BUDGET, AND FIT FOR PURPOSE

Consistent, reliable project execution is a point of pride. From Western Australia to the Gulf of Mexico and beyond, we have a long history of developing major projects quickly and safely, on time and on budget. We have the human and technical capacity to deliver simple, effective solutions to complex challenges.

We focus on long-term value over short-term volume, which means our projects continue to deliver valuable returns, year after year. Pyrenees, Shenzi and Macedon are just the latest examples.
PROVEN PROJECT DEVELOPMENT CAPABILITY

From exploration to first oil, BHP Billiton is a recognised industry leader in project execution.

DEVELOPMENT

DELIVERING EXCEPTIONAL VALUE FROM OFFSHORE PLAYS

Four of our last six offshore projects ranked best-in-class in alignment to forecast spend and development schedule.

A RAPID RESPONSE TO A CRITICAL NEED

BHP Billiton–operated

Note: Competitors n=58, Financial Years 2007 to 2013. Variances to last board-approved plan:

Source: BHP Billiton analysis, competitor data by Independent Project Analysis (IPA)

Macedon went online in September 2013. The project has an output of around 250 million standard cubic feet per day, and it delivers more than 170 million cubic feet per day of natural gas to downstream partners at the plant base. Timor Leste remains well suited to the project's needs.

The project site was on flat land, near the ocean. Based on flood modelling, no additional measures were taken to raise the plant site to a higher level. As such, the plant was designed to withstand the full impact of significant flood events.

As storms and cyclonic weather moved in, it was critical to secure the offshore well area. The subsea wells were connected via the umbilicals to the Macedon gas plant, enabling the plant to continue to function with remote control and monitoring capabilities.

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Members of the BHP Billiton Exploration team participated in more than 40 per cent of the major discoveries worldwide in the last 25 years – including more than 90 per cent of the major discoveries in the Gulf of Mexico over the same period.*

Today, that team is engaged in a focused, multi-year exploration campaign, built on the results of an in-depth proprietary global endowment study. This study not only addresses the likelihood of significant hydrocarbon deposits, but also evaluates those promising basins on the basis of their viability for development and production. The data and analysis in this study, in alignment with our company-wide strategy of operating a limited number of high-value assets, is allowing us to concentrate our efforts only in areas we feel have the potential to deliver Tier 1 outcomes.

One such area is the deepwater acreage in offshore Trinidad and Tobago. Our exploration campaign there combines unprecedented scale with technological capability that will allow us to mature identified prospects as fast as – or faster than – anyone else in the industry.

* Major discoveries defined as greater than or equal to 200 MMboe gross recoverable resource. SOURCES: BHP Billiton internal analysis, Wood Mackenzie

Photo courtesy of PGS
ACCELERATED TIMELINE

Our exploration efforts in Trinidad and Tobago are on-track to deliver our first exploration well in 2016 – an exceptionally short access-to-drilling timeline.

SCALE

The Trinidad and Tobago 3D seismic acquisition program totalled more than 21,000 square kilometres (8,100 square miles) – the largest seismic shoot ever performed by an independent oil company – and generated more than 400 terabytes of raw data. This total will grow to in excess of 4,000 terabytes (4 petabytes) once processing and derivation is fully complete.1

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INTERPRETATION EFFICIENCY

Once raw seismic data is processed, interpretation begins. Geoscientists must access and analyse immense volumes of data; their ability to do so depends upon computing power and network performance. Over a 36-month period, BHP Billiton geoscientists worked closely with our Information Systems team and select outside vendors to completely reimage and redesign our subsurface computing environment. The ultimate objective? One hundred per cent of data available to 100 per cent of the geoscience staff, 100 per cent of the time.

In each step of the workflow, the project team created dramatic improvements in performance: less time waiting, more time interpreting. This infrastructure is now supporting the analysis of Trinidad and Tobago seismic at an extraordinary rate – and bringing dramatic improvements in the quality of the interpretation.

1. 3D seismic survey conducted on blocks/permits 5, 6, 14, 23(a), 23(b), 28 and 29 in 2014 and 2015; 3D seismic survey conducted on blocks/permits 3 and 7 in 2015
LEADERSHIP

Tim Cutt
President, Petroleum
Appointed President, Petroleum in July 2013. Joined BHP Billiton in 2007 as President of the Production Division in the Petroleum business, with accountability for Petroleum’s operations in the United Kingdom, Pakistan, Trinidad and Tobago, Algeria, Australia, and the United States. In 2011, he was appointed to the position of President, Diamonds and Specialty Products, where he was responsible for the operation of the Ekati Diamond Mine and led the early stages of the Jansen Potash development in Saskatchewan, Canada.

Tim has 32 years of experience in the resources industry. Before joining BHP Billiton, he spent 25 years in engineering, operations and senior management with Mobil Oil Corporation and then ExxonMobil. During this time, he spent 10 years supporting exploration and production activities in the Gulf of Mexico, from Mobile Bay in the eastern gulf to High Island in the western gulf. Tim has extensive heavy oil experience from his time in the San Joaquin Valley in California and the Cerro Negro project in Venezuela. Tim held the positions of President Hibernia Management and Development Company in Canada and President of ExxonMobil de Venezuela.

BS, Petroleum Engineering, Louisiana Tech University

Alex Archila
Asset President, Shale
Joined BHP Billiton in 2009. Accomplishments include the economic appraisal of the upper Wolfcamp horizons in the Permian Basin, South Reeves County. He also led the technical and commercial assessment of the Petroleum and Chrysocolla (Deepwater) Gulf of Mexico acreage. Prior to his commercial role, he served as the President of the BHP Billiton Petroleum business. General Manager of petroleum operations in the Permian Basin, and Vice President of Strategy and Planning.

Alex has more than 32 years of industry experience, including 22 years with Chevron/Texaco. During his tenure, he served as a member of the Chevron Corporation’s Management Committee, CEO of Madagascar Oil Ltd. and President of Chevron Canada. At the end of his career with Chevron, he led the successful development of the Fangao field in Angola, now operated by Madison Oil. His career with Texaco included 15 years in the Gulf of Mexico, won the Texas Section AAPG Technical Paper of the Year Award, and led the acquisition of a 25% equity stake in the Malampaya gas field. His last position with Texaco was President of the Gulf of Mexico branch for the company, a role that resulted in the first-ever extension of a producing contract in Colombia, and Texaco’s acquisition of equity in the Malayacan field from Shell, and created and structured Madagascar Oil Ltd’s 25% participation with Total for the development of the Benguela field.

BS (Hons), Petroleum Engineering, University of Southwestern Louisiana
MBA, Universidad de La Sabana

David Rainey
President, Exploration
Joined BHP Billiton in 2011, leading a worldwide exploration campaign, with a current focus on including the exploration portfolio to concentrate on areas with Tier 1 potential. He led capture of dominant deepwater acreage positions in Trinidad and Tobago and Barbados. In Trinidad and Tobago, he led the completion of the largest 3D seismic program ever acquired by an independent of company.

David has 35 years of experience in the oil and gas industry. He led the BP Gulf of Mexico Strategy Team, setting a strategy to grow production from below 50 mboe/d to 500 mboe/d by 2010. This milestone was achieved in 2009. David also ran BP’s Gulf of Mexico exploration program, delivering roughly 5 billion boe of new reserves and discoveries from 2000 to 2010. He also returned the BP Alaska exploration program in late 1997, participating in the Pr. Moby Dick discovery. cumulative production over 500 million boe to date.

BSc, Geology, University of Edinburgh
Ph.D., Geology, University of Edinburgh

Steve Pastor
Asset President, Conventional
Joined BHP Billiton in 2011. Accomplishments include management and operations role in the Atlantic and Irene Gulf of Mexico development projects, Project Director for the Hydroxylon and Pyrenees developments in offshore Western Australia, and roles as the General Manager of the Gulf of Mexico Production Unit and as the General Manager of the Eagle Ford Production Unit. Prior to his current role, Steve served as President, Development.

Steve began his career with Chevron in 1982, working in facilities engineering, production operations and maintenance, drilling & completions, and development projects. He worked on Chevron’s first and second deepwater projects (Statoil and Tampico, respectively).

BA, Mechanical Engineering, University of New Orleans
MBA, Tulane University

TECHNICAL LEADERSHIP: EXPERIENCE

Senior leaders in core technical and operational functions within the BHP Billiton Petroleum business average more than 27 years of experience. For a few, most of that tenure came at BHP Billiton, most, however, logged between one and three decades of experience at supermajors before joining BHP Billiton.
PETROLEUM RESOURCES

The estimates of petroleum reserves and contingent resources contained in this presentation are based on, and fairly represent, information and supporting documentation prepared under the supervision of Mr.
A.G. Gadgil, who is employed by BHP Billiton. Mr. Gadgil is a member of the Society of Petroleum Engineers and has the required qualifications and experience to act as a qualified petroleum reserves and resources
evaluator under the ASX Listing Rules. This presentation is issued with the prior written consent of Mr. Gadgil, who agrees with the form and context in which the petroleum reserves and contingent resources are
presented. Aggregates of reserves and contingent resources estimates contained in this presentation have been calculated by arithmetic summation of field/project estimates by category. The aggregate 1P reserves
may be conservative due to the portfolio effects of arithmetic summation. Reserves and contingent resources estimates contained in this presentation have been estimated using deterministic methodology with
the exception of the North West Shelf gas asset in Australia, where probabilistic methodology has been utilized to estimate and aggregate reserves and contingent resources for the reserves dedicated to the gas
project only. The probabilistic based portion of these reserves totals 38 MMboe (total boe conversion is based on the following: 6,000 scf of natural gas equals 1 boe) and represents approximately two per cent of
our total reported proved reserves. The reserves and contingent resources contained in this presentation are inclusive of fuel required for operations. The respective amounts of fuel for each category are: 1P reserves
91 MMboe, 2P reserves 180 MMboe, 2C contingent resources 213 MMboe. The custody transfer point(s) / point(s) of sale applicable for each field or project are the reference point for reserves and contingent
resources. Reserves and contingent resources estimates contained in this presentation have not been adjusted for risk. Unless noted otherwise, reserves and contingent resources are as at 30 June 2015.

BHP Billiton estimates proved reserve volumes according to SEC disclosure regulations and files these in our annual 20F report with the SEC. All unproved volumes are estimated using SPE-PRMS guidelines, which
allow escalations to prices and costs, and as such would be on a different basis than that prescribed by the SEC, and are therefore excluded from our SEC filings. Non-proved estimates are inherently more uncertain
than proved.