

NEWS RELEASE

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UPDATE: SAMARCO

BHP Billiton today provided an update on the recovery and response effort following the breach of the Fundão tailings dam and Santarém water dam at Samarco's iron ore operations in Minas Gerais, Brazil, in November 2015.

Dean Dalla Valle, BHP Billiton's Chief Commercial Officer is responsible for overseeing BHP Billiton's response in Brazil. Mr Dalla Valle said while considerable work remains over the long term, six months on substantial progress was being made in the response effort.

"While we cannot bring back the lives that were lost, we continue to focus on ensuring that the families and communities impacted by this tragedy are supported," he said.

"The response has been comprehensive and swift. BHP Billiton Brasil is working with Vale and Samarco to rebuild and restore the environment and communities and ensure compensation where restoration is impossible," he said.

"Through BHP Billiton Brasil, we are establishing a long-term presence in Brazil and helping to build capacity in the team on the ground to support the commitments set out in the Framework Agreement with the Brazilian authorities."

Framework Agreement and community relocation

On 5 May 2016, the Federal Court of Appeal in Brasilia ratified an Agreement to provide a framework that Samarco, its shareholders and the Brazilian Authorities agree is the best way of managing the ongoing response to the Samarco tragedy.

The Agreement will create an independent Foundation that will put in place a comprehensive range of programs to address the social, economic and environmental consequences of the dam failure. Its programs will be informed by science and reflect the needs of the community. The results will be transparently reported.

The recruitment process for a CEO to lead the foundation is well underway ahead of the organisation's launch in July.

The relocation of the most heavily impacted communities, including Bento Rodrigues and Paracatu de Baixo, is one of the critical elements of the agreement. To this end, the Bento Rodrigues community will soon vote on where to rebuild their town, selecting one of three locations shortlisted based on community-elected criteria such as accessibility, proximity to the regional centre of Mariana and agricultural productivity.

Socio-economic and environment

Restoration of community infrastructure continues and all impacted bridges have been rebuilt with further clean-up and reconstruction work progressing in Barra Longa, Paracatu de Baixo and Gesteira. More than 60 per cent of the residential, commercial and public buildings have been rebuilt or restored in the Mariana region.

People affected by the dam failure are receiving financial support with more than 5,200 people receiving emergency support cards in Mariana, Barra Longa and Rio Doce as well as fishermen along the river in the states of Minas Gerais and Espírito Santo.

In terms of environmental remediation, areas affected by flooding are being progressively revegetated, including 760 of the 800 hectares requiring short-term revegetation along the Doce, Carmo and Gualaxo rivers. This planting will protect the riverbank and reduce the amount of sediment carried into the riverbed through rainfall. A full program to restore biodiversity will be implemented over time.

Tailings containment

Samarco reports that of the tailings released as a result of the event, approximately 85 per cent was retained within 85 kilometres of the Fundão dam. Samarco has built three containment dykes (S1, S2 and S3) which are working effectively to contain tailings that have left the dam facility and prevent them from entering the Doce, Carmo and Gualaxo rivers. As a result, the quality of water leaving the site meets Brazilian national standards for turbidity. The Samarco team continues to work on solutions to address sediment runoff further downstream.

Recommencement of Samarco operations

Samarco has confirmed it has begun the process of seeking approvals from the relevant authorities to progress options that would enable restart of its operations. Samarco is an important contributor to the national economy and the livelihoods of thousands of people. Samarco's operations will restart only when it is safe to do so, and when all regulatory approvals are granted and accepted by the relevant authorities.

Samarco continues to provide regular updates on the response and remediation efforts outlined above which can be found online in <u>English</u> and <u>Portuguese</u>.

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

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