Petroleum Financial Year 2002

Revenue: US$2.9 billion
EBIT: US$1.1 billion
Total reserves: 1.4 billion boe
Average daily production: 366,000 boe/d
Total production: 134 MMboe
No. of staff & contractors: 1,600
Main centres: Melbourne, London, Houston, Perth
Petroleum Relative to the Industry Players

**Annual Production**

1. ExxonMobil
2. Shell
3. BP
4. ChevronTexaco
5. TotalFina Elf
6. ConocoPhillips
7. ENI
8. Repsol-YPf
9. Encana
10. Anadarko
11. Unocal
12. Occidental
13. Amerada Hess
14. Marathon
15. Talisman Energy
16. Burlington
17. Devon
19. BHP Billiton
20. Apache
21. BG
22. Kerr-McGee
23. Nexen
24. Enterprise Oil
25. Husky
26. Wintershall
27. Petro-Canada
28. EOG
29. Woodside
30. Suncor

19th in terms of production

**Proven Reserves**

1. ExxonMobil
2. Shell
3. BP
4. ChevronTexaco
5. TotalFina Elf
6. ConocoPhillips
7. ENI
8. Repsol-YPf
9. Anadarko
10. Occidental
11. Burlington
12. Unocal
13. Devon
14. Kerr-McGee
15. Talisman
16. BG
17. Amerada Hess
18. BHP Billiton
19. Apache
21. Marathon
22. Enterprise
23. Santos
24. Wintershall
25. Woodside
26. Nexen
27. Petro-Canada
28. Husky
29. EOG
30. Ocean

18th in terms of reserves

*Excludes companies with significant state ownership*

*BHPB shown with FY01 production*

*Other companies are CY01 data except CY00 where not available*

*Source: Evaluate Energy*
BHP Billiton
- is a small-medium player in a huge energy industry

Market Capitalization of the Top 50 Energy Companies (PFC Energy 50)
April 2002 (US$ Billion)

Source: The Petroleum Finance Company
The Energy Industry
-maturing but global demand looks robust, particularly for gas

Demand mmbbls/d

- Crude Oil
- Natural Gas
- Solid Fuels
- Hydro
- Nuclear

Source: PEL, June 2001

Market Share %

- Crude Oil maintaining market share
- Natural Gas growing market share

Source: PEL, June 2001
Long-Term Production View
-increasing liquids demand to be met largely through OPEC production

Future Production Requirements

OPEC market Share 2001 ~ 38%
OPEC market Share 2020 ~ 50%

CERA estimate of future non-OPEC growth

Slow (~1%pa) growth in non-OPEC production since 1986

Increasing call on OPEC crude

Non -OPEC Existing
Non -OPEC New
OPEC Existing
OPEC New
Oil Price-Key Determinant of Profitability

There has been a positive and widening spread between oil price and marginal cost since 1995.

Prices seemingly driven by cost of marginal supply

1998 Oil price anomaly

Positive spread between price and marginal cost

“Marginal Cost” is the oil price required for the 3/4th quartile producer to meet his cost of capital (Source: Goldman Sachs)
Peer Group Benchmarking

BHP Billiton's Peer Group Ranking – change in industry position over 4 years
Performance based upon 3 year averages to 1996/7 and 2000/2001
Petroleum EBIT FY 2002  US$million

US$1073 million

* Includes exploration expenditure and overhead

- Other *
- NWS (Australia)
- Bass Strait (Australia)
- LBD (UK)
Petroleum Production FY 02 – 134 MMboe

- Bass Strait - Australia
- North West Shelf - Australia
- Laminaria/Corallina - Australia
- Griffin - Australia
- Liverpool Bay - United Kingdom
- Bruce/Keith - United Kingdom
- Gulf of Mexico - United States
- Mamore - Bolivia
- Zamzama - Pakistan
Petroleum Complementary Growth Strategies

High Margin Oil Exploration & Production
- High-margin vs subsurface/technological risk
- Price upside

Low Risk Resources (Discovered)
- Positioning in resource-rich countries
- Low risk resources vs political risk

Global Portfolio

Cash Generation
- Maximize returns
- Limited growth or capability contribution

Gas
- High-growth
- Environmental/greenhouse driver
High Margin Exploration

- Gulf of Mexico
- Trinidad
- Australia, Brunei, Africa
- Other opportunities
  - access, position long term
  - deepwater and others
Green Canyon Area
Gulf of Mexico Exploration - Program Result FY94 - FY02

- 21% commercial success to date
- 33% if opportunities under evaluation are included

**Discoveries**
- Typhoon
- Atlantis
- Mad Dog
- Pluto
- Boris
- Neptune
- Bass Lite
- Cascade

**Projects**
- 1 sanctioned in FY00
- 2 sanctioned in FY02
- 1 sold

**Drilling Leverage**
30% of wells promoted
(6 of last 9 exploration wells drilled)

- 36 Wells
- 24 Exploration
- 12 Appraisal
- 30% of wells promoted
Mad Dog SPAR Facility

- Reserve Range (gross)
  - 200 - 450 (operator estimate 350) MMboe
- BHPB share 23.9%
- Gross capex US$ 1.4 billion
- Investor in transportation
- Wells
  - 16 well slots, 13 producers
- Capacity
  - ~80 mbbl/d, 40 MMcf/d
  - ~50 mbbl/d produced water
- Drill Rig
  - ~5250 ton rig payload
- Accommodation
  - 130 (drilling & operations)
- Subsea System
  - 3 - 4 wells
Host Facility - Semi FPS

- One of Gulf of Mexico’s largest fields
- Water depths in excess of 6,000 feet
- Gross capacity 150,000 bbl/d
- Gross reserves 575 MMboe
- BHPB share 44%
- FEED studies underway
- Gross capex >US$2 billion
Previous gas discoveries - Aripo and Angostura
Recent drilling success - Canteen, Kairi
Oil development sanction 2003
Exploration acreage extended
Core exploration potential
Trinidad – Basis of Development

1999 Angostura-1
Gas discovery tested at 30 MMcf/d

2000 Aripo-1
Gas discovery tested at 21.6 MMcf/d

2001 Canteen-1
Oil and Gas discovery. 179’ net gas pay, 200’ net oil pay

2000 Kairi-1 & 2002 Kairi-2
Oil and Gas discovery, 435’ net gas pay, 235’ net oil pay
Gas Commercialisation

- North West Shelf Train 4  
  (gross capex A$2.4 billion)
- Pakistan
- Bass Strait
  - Eastern States 
    Australia/Minerva  
    (gross capex US$137 million)
- Other LNG
  - China supply deal
  - Korea potential
  - Taiwan potential
Zamzama - Pakistan

- Good prospectivity and growing domestic gas demand
- Brownfield development based on existing production asset
- Further gas sales agreements completed
- Full field development of 300 MMcf/d gross with first gas in 2003
- BHPB share 38.5% and Operator
- Gross capex ~ US$100 million
Low Risk Discovered Resources

Algeria

- ROD and Ohanet

Other Middle East

- evaluation of opportunities
Algeria

- BHP Billiton entry 1989
- Successful exploration
- ROD oil development sanctioned June 2000
- Excellent relationship with SONATRACH
- Successful bid for Ohanet wet gas field development
- Algeria’s first Risk Service Contract
- Total investment US$1.5 billion
**Algerian Projects**

### ROD oil field
- Central process facility at BRN
- Production 80,000 bbl/d
- First oil: 2004
- Capital Expenditure: US$500M
- Partners:
  - BHP Billiton 35% (45% in 401/402)
  - AGIP/ENI
  - SONATRACH

### Ohanet
- Wet gas development
- 700 MMcf/d processing facility
- First gas target: FY 2004
- Capital Expenditure: US$1,030M
- JV partners:
  - BHP Billiton (45%)
  - JOOG
  - Petrofac
  - Woodside*

*subject to government approval
Petroleum Production Forecast

...excluding exploration success

- Liquids
- Gas

- Actual
- Forecast


- 0 50 100 150 200 MMboe

- Zamzama FFD
- Ohanet
- Minerva
- NWS 4 Train
- Bream P/L
- Rod
- Atlantis
- Mad Dog
- Trinidad
- Bream P/L

- Trinidad
- Mad Dog
- Atlantis
- Rod
- NWS 4 Train
- Minerva
- Ohanet
- Bream P/L

- Liquids

- Gas
The existing focused asset portfolio

Liverpool Bay, Bruce/Keith
Algeria
Gabon Angola S.A.
North West Shelf/AOAT
Pakistan
Brunei
Bass Strait/East Australia
Gulf of Mexico
Trinidad
Brazil
Bolivia
Summary: Business Focus

- Maximize existing value (now)
- Deliver projects in progress (1-3 years)
- Sanction and develop (3-4 years)
- Create new opportunities (4+ years)
Summary

• BHP Billiton is a significant global resources company

• BHP Billiton Petroleum is a well established oil and gas business with:
  – strong producing assets; and
  – substantial growth opportunities

• BHP Billiton Petroleum is a significant contributor to BHP Billiton