

Petroleum Business Briefing

Houston

May 29, 2003



Overview of Today's Briefing

- Introduction, Overview of Petroleum Strategy

Philip Aiken, President & Chief Executive Officer, Petroleum

- Global Exploration

Steven Bell, President of Exploration & Business Development, Petroleum

- Americas Development and Production

Michael Weill, President of Operations & Technology, Petroleum

- Gulf of Mexico's Future and Our Position

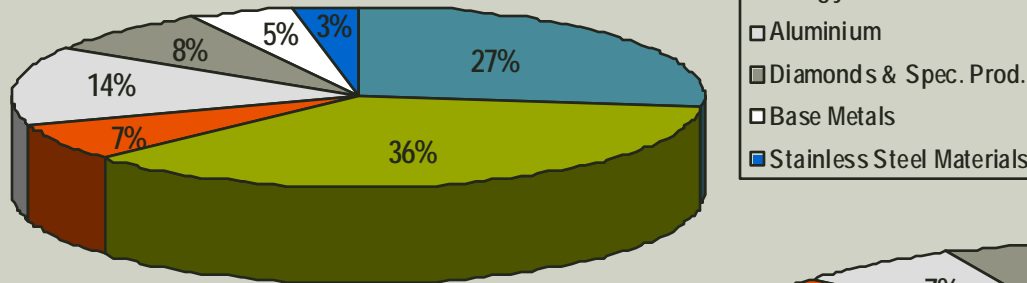
Bernie Wirth, Vice President of Gulf of Mexico Exploration & Appraisal, Petroleum

- Conclusion & Questions

BHP Billiton – outstanding diversification - stable cash flows

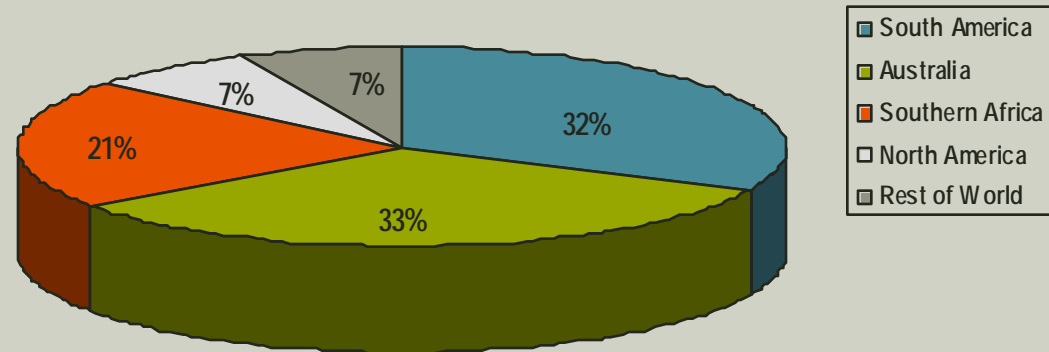
By Commodity

Customer Sector Group EBIT:



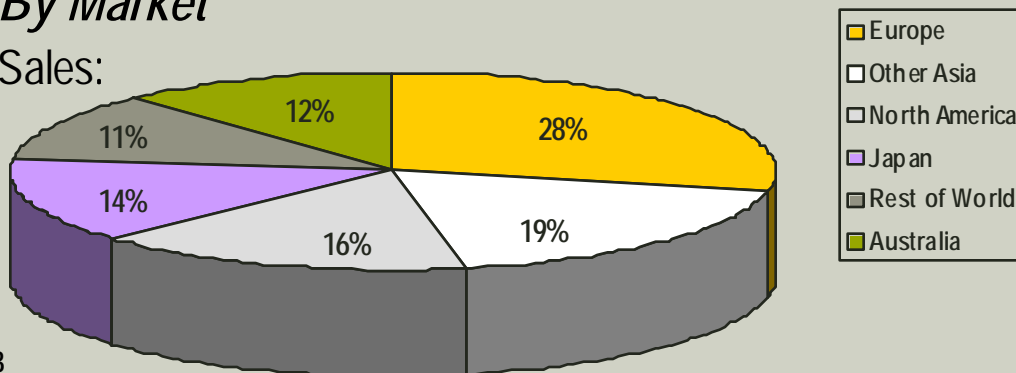
By Geography

Net Operating Assets:



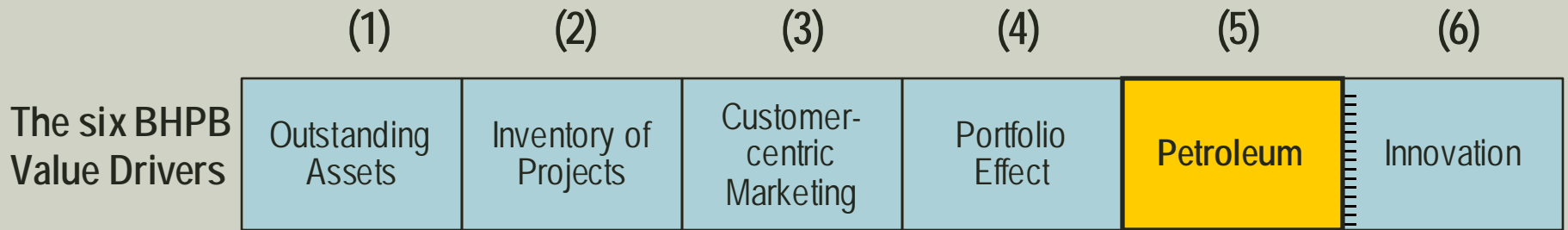
By Market

Sales:

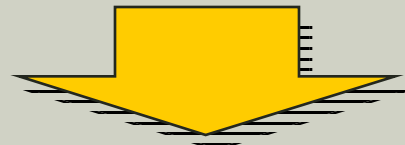


Data for 6 months ended 30 Dec 2002

Petroleum – our role in BHP Billiton



Petroleum is one of the key **Value Drivers**



Petroleum:

Outstanding Assets	Innovation	Customer-centric Marketing	Inventory of Projects	Portfolio
Bass Strait North West Shelf	GoM Deepwater Contract Creativity	LNG LPG Domestic Gas Oil/Condensate	Mad Dog/Atlantis Angostura Zamzama Ohanet/ROD	Geographical spread Portfolio spread

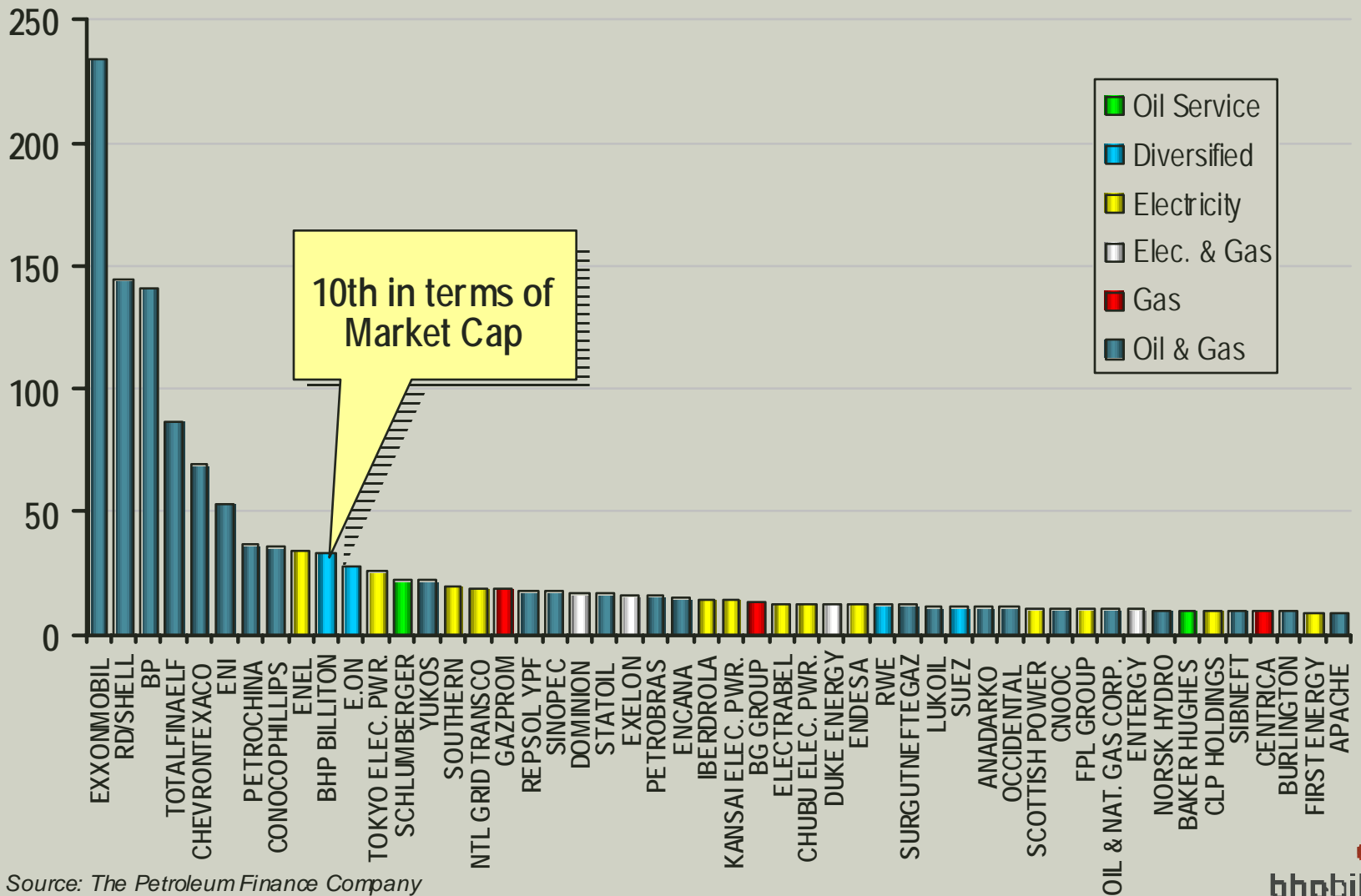
Efficiency:

- Top quartile Net Income/boe
- Top quartile Return on Capital
- Second quartile Finding Costs
- Second quartile Finding & Development Costs

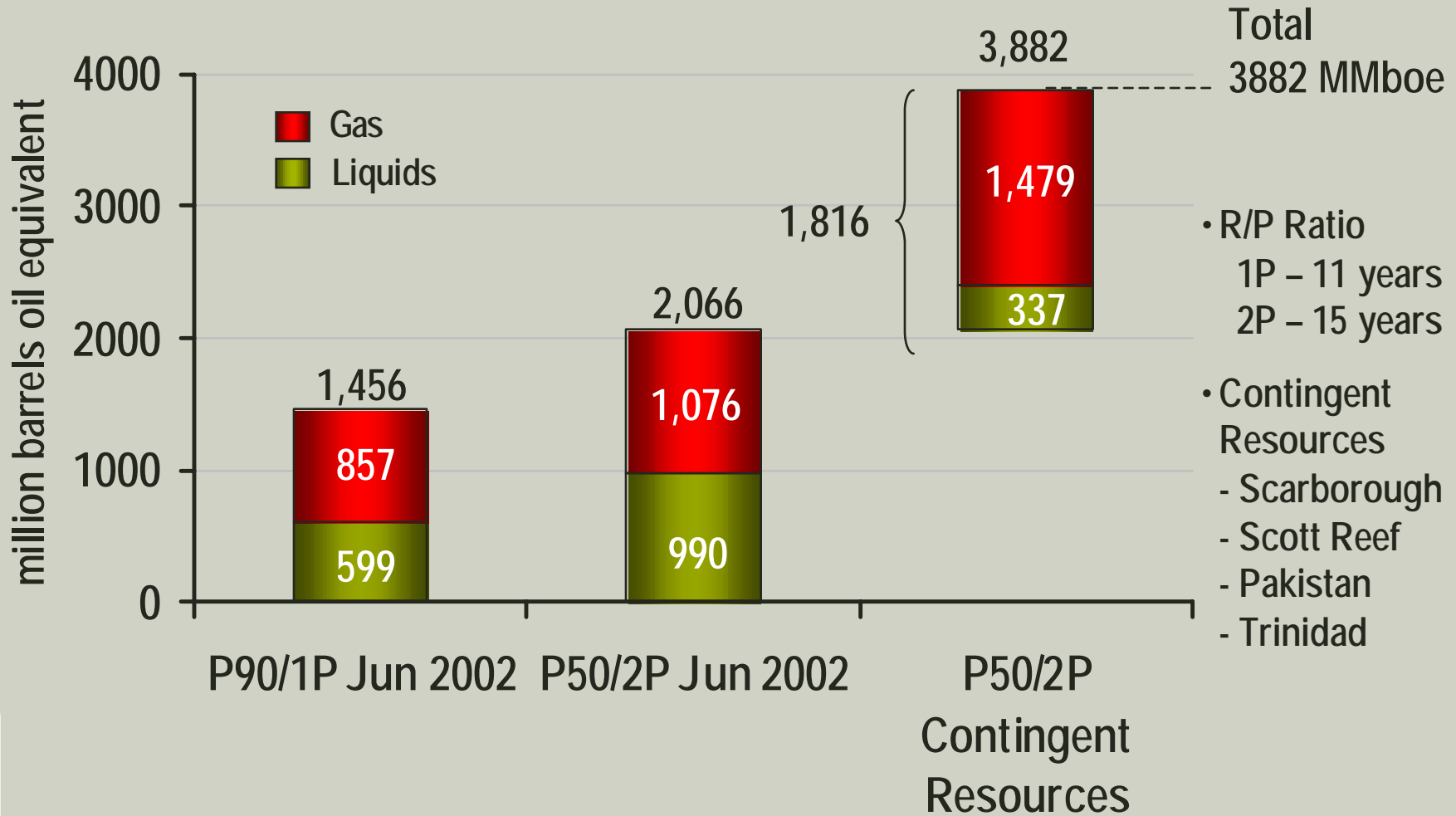
BHP Billiton – a small to medium player in a huge energy industry

Market Capitalization of the Top 50 Energy Companies (PFC Energy 50)

March 2003 (US\$ Billion)



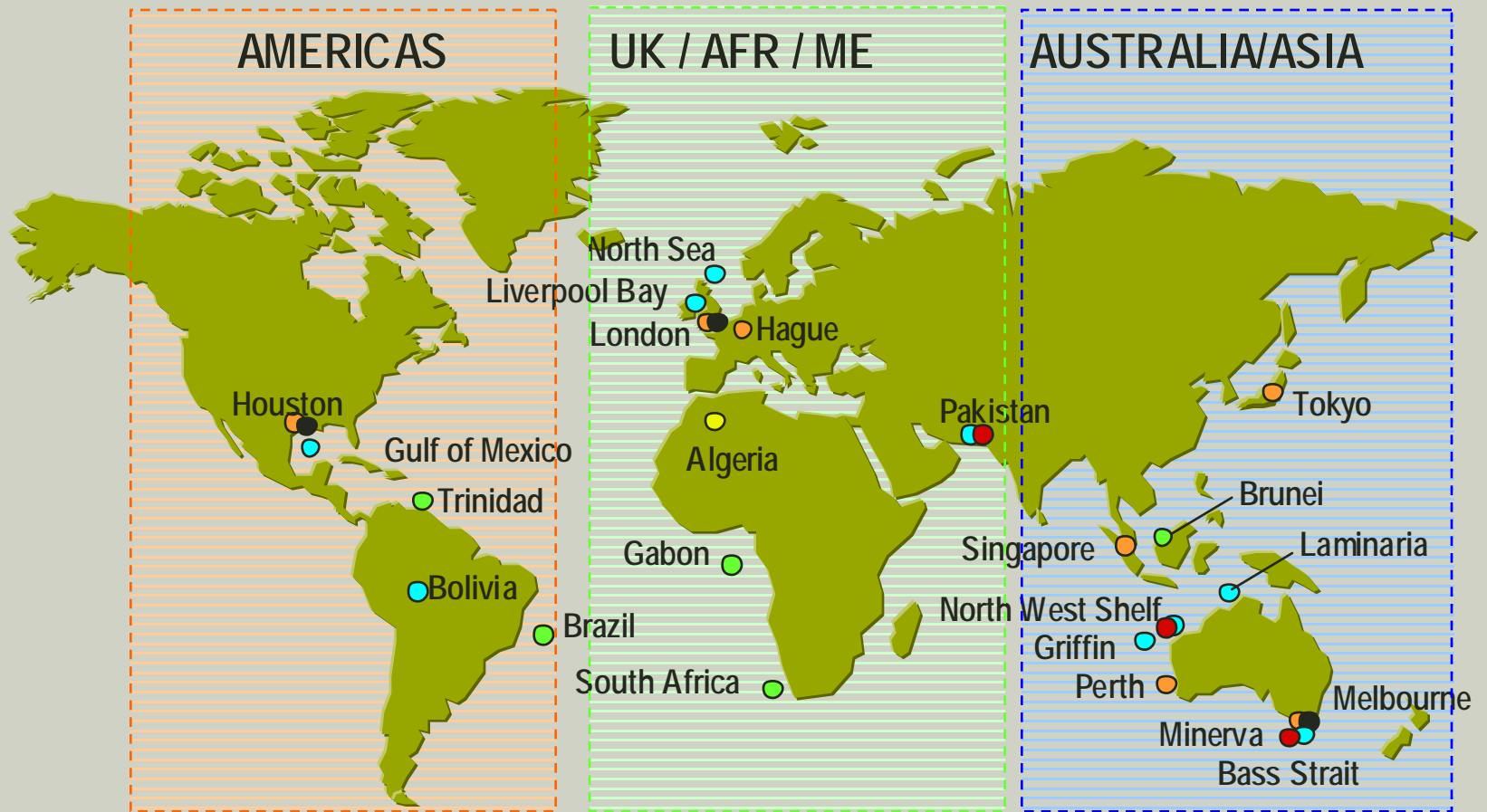
Our FY 2002 Reserves and Contingent Resources



Petroleum – Overview

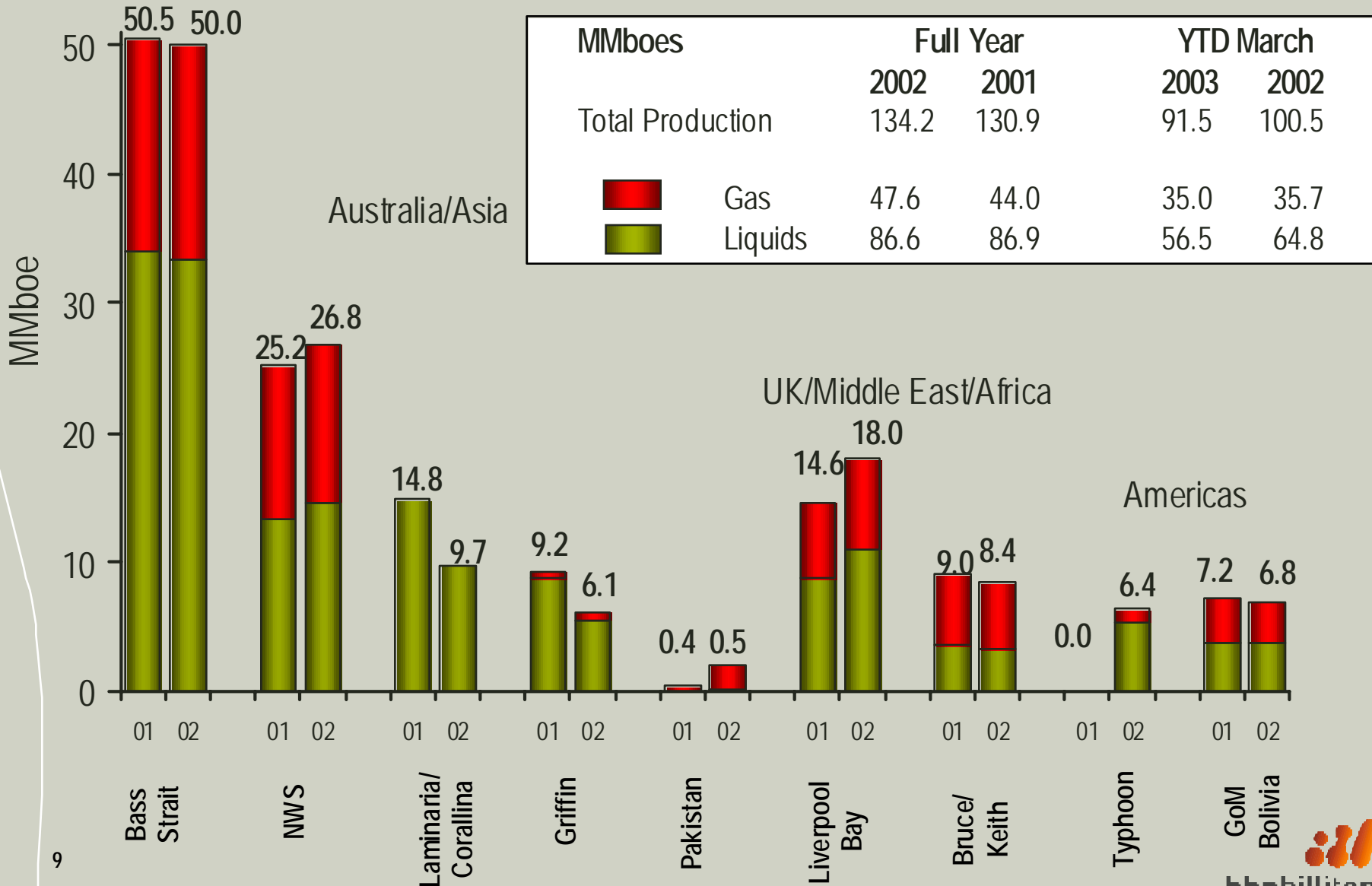
	March 2003 Year to Date	FY 2002 Full Year
Turnover	\$2.4 billion	\$2.8 billion
EBIT	\$1.0 billion	\$1.1 billion
Operating capital employed	\$3.1 billion	\$2.9 billion
Total production	91.5 million boe	134 million boe
Average daily production	334,000 boe per day	367,000 boe per day
Total proved reserves	1.38 billion boe	1.46 billion boe
Staff and direct contractors	1,575	1,600
Main centers	Melbourne, Perth, Houston, London	

Petroleum – our current operations and exploration



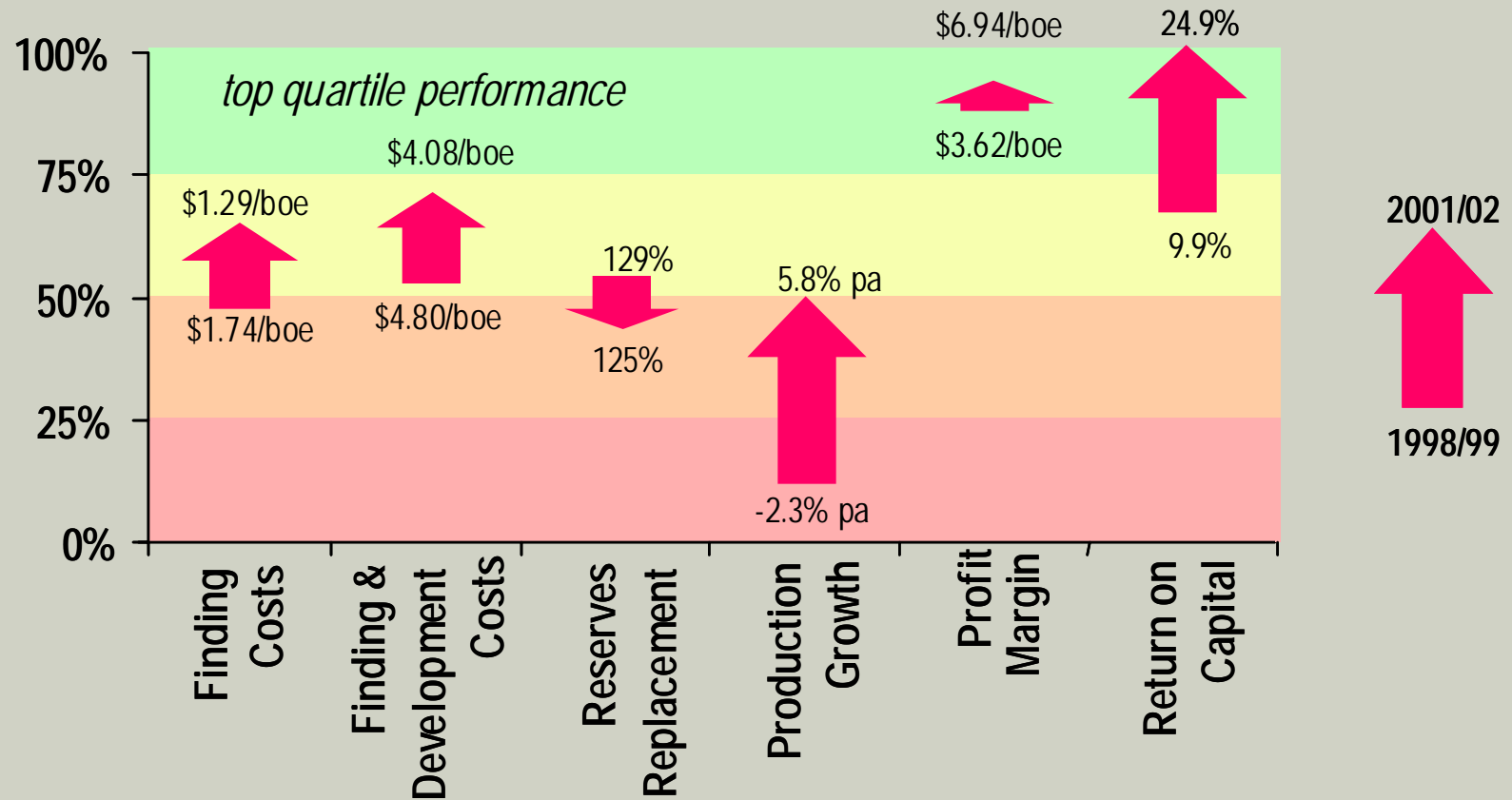
- Main Offices
- Marketing Offices
- Production
- High margin oil exploration & production
- Gas Commercialization
- Access to Discovered Resources

Petroleum FY02 Production by Asset

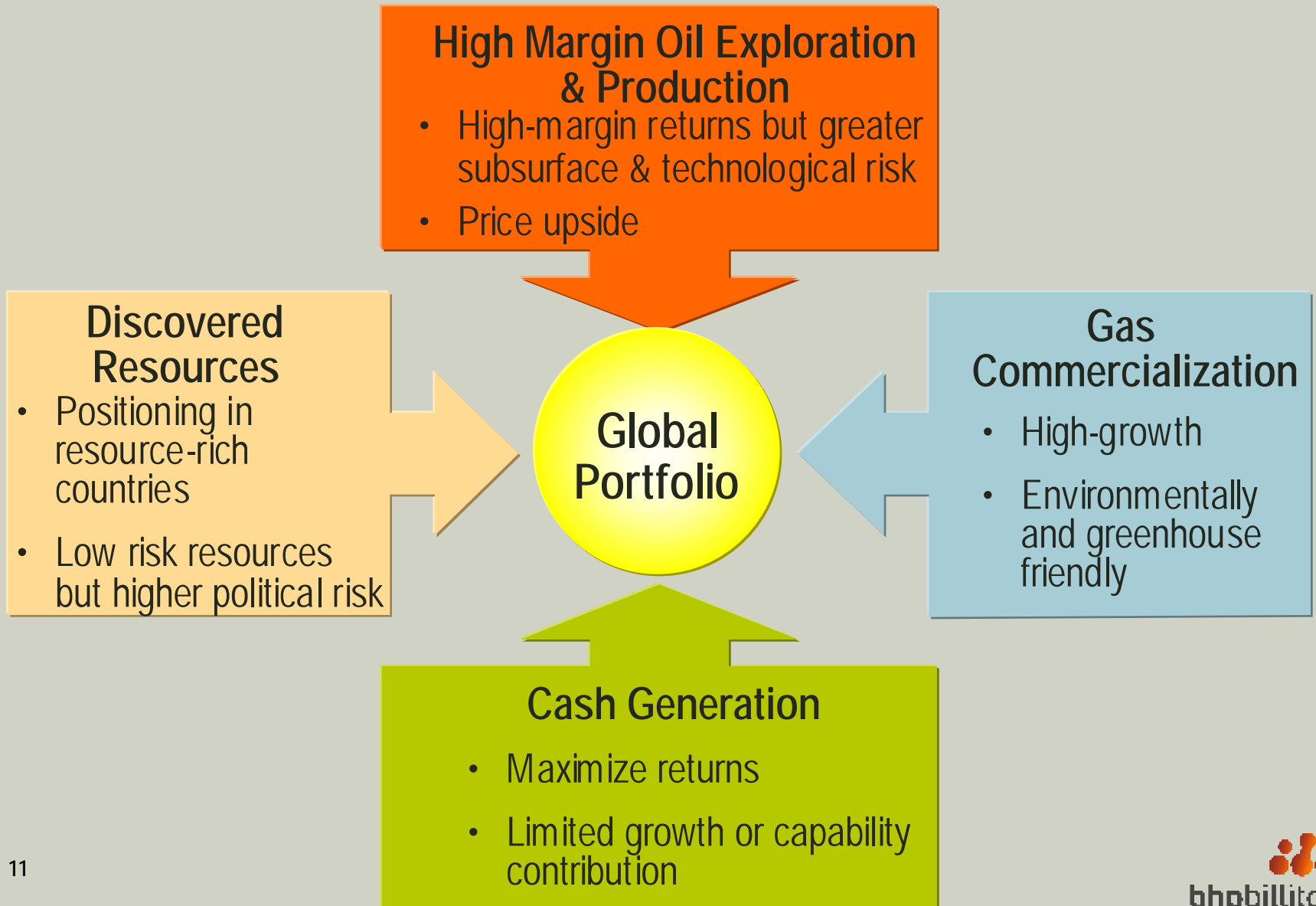


Peer Group Benchmarking

BHP Billiton Petroleum's Peer Group Ranking 3 year averages to 1998/99 and 2001/02



Petroleum Growth Strategies Overview



Growth Area – Recent Highlights

- **High Margin Exploration**

- Atlantis, Mad Dog and Angostura fully sanctioned and in development
- Significant acreage acquisitions (deepwater and deep gas in GoM)
- Promising exploration and appraisal well results (Shenzi, Vortex, Atlantis-6)

- **Commercialization of Gas Resources**

- Fourth train progressing, and China LNG Sale & Purchase and Equity agreements signed
- Zamzama and Minerva developments progressing

- **Discovered Resources**

- Ohanet & ROD developments progressing

High Margin Oil Exploration and Production Overview



- Gulf of Mexico
- Trinidad
- Australia, Africa, Brazil
- Other opportunities
 - access, position long term
 - deepwater and others

Gas Commercialization Overview



- North West Shelf
 - Train 4 progress
 - China SPA & Equity Agreements
- Other LNG
 - Korea potential
 - Taiwan potential
- Pakistan – Zamzama
- Eastern Gas
 - Bass Strait
 - Minerva

Discovered Resources Overview



- North Africa
 - Algeria: Ohanet wet gas development
 - Algeria: ROD oil fields
- Middle East
 - Evaluation of opportunities

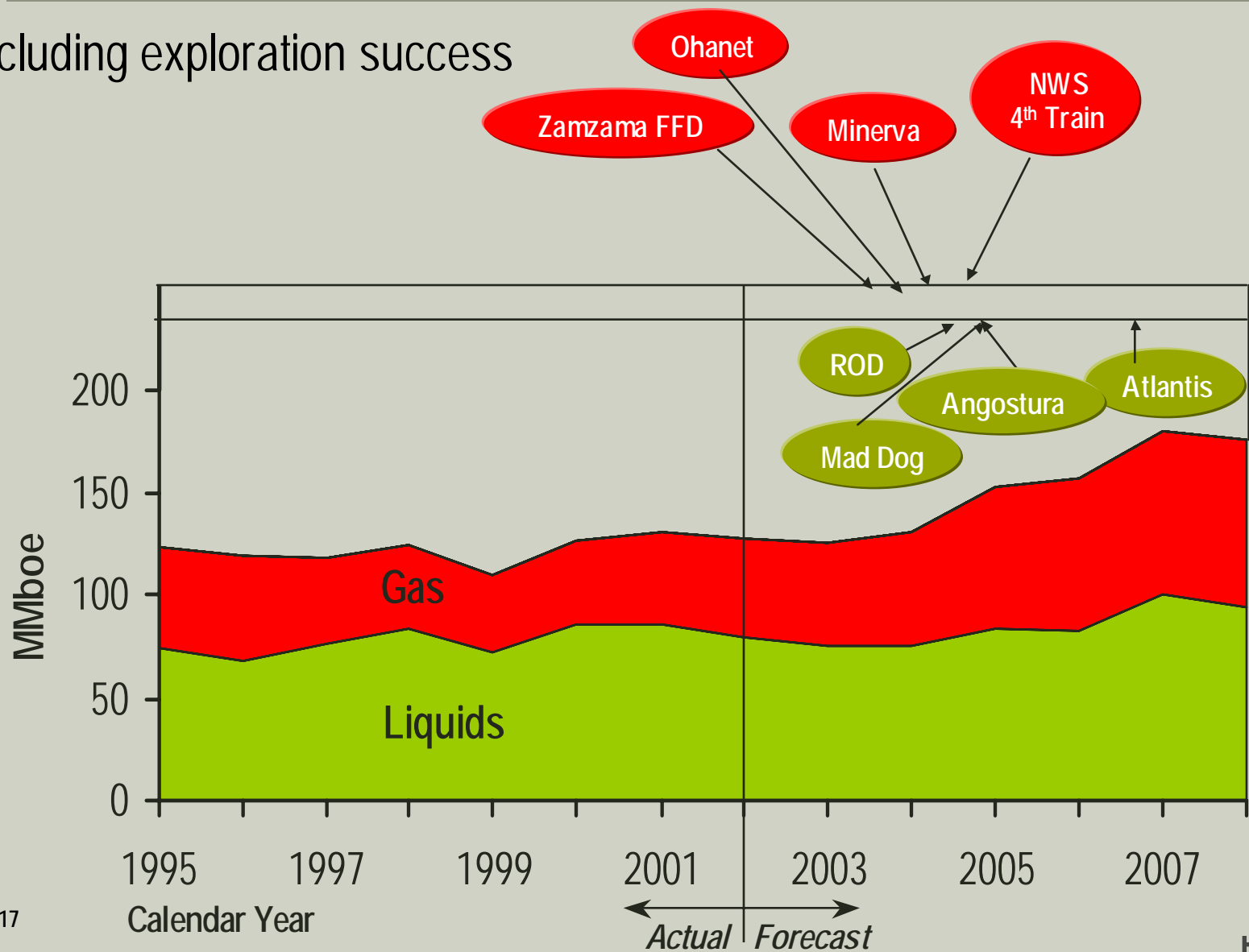
Growth Overview – Projected Capital for Sanctioned Projects

Total sanctioned projects – US\$2.9 billion

Project	BHPB share US\$M	Product
Zamzama	40	gas
Bream pipeline	50	gas
GoM Infrastructure	100	oil/gas transport
Minerva	123	gas
ROD	192	oil
NWS LNG 4 th train	235	gas
Mad Dog	335	oil
Ohanet	464	gas/condensate
Atlantis	1100	oil
Angostura	327	oil
TOTAL	2,867	

Petroleum Production Forecast

...excluding exploration success



Next presenter...

Global Exploration

Steve Bell

President – Exploration and Business Development

BHP Billiton Petroleum

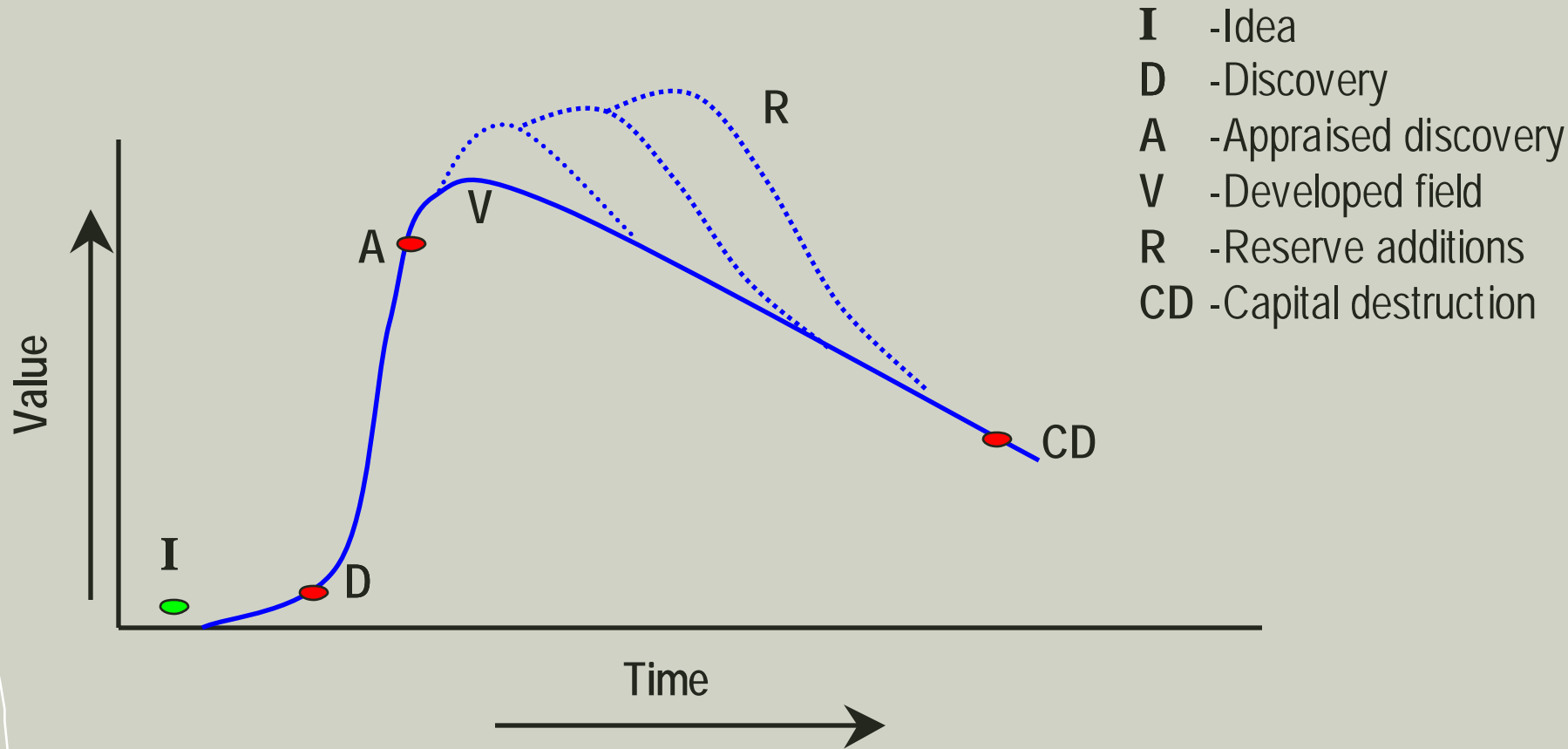


bhpbilliton

Overview: Worldwide Exploration and Appraisal

- How petroleum exploration creates value for shareholders
- BHP Billiton's exploration results and performance
- Near-term drilling activities
- Review of the global portfolio

Exploration Turns Ideas into Money



- The greatest leap in value is to turn an idea into an appraised discovery
- We are in the business of turning ideas into money

Current Exploration Acreage Portfolio



Challenges unique to our portfolio

- Different kind of wildcatter – not a drilling program focused company
- Heavily weighted to deepwater exploration
- Longer lead times between discovery/appraisal wells
- Lumpy portfolio for booking reserves

Value Creation Through Exploration: 1996 – 2002(1H)

The WoodMac study group:

- 25 companies
 - ... exploring in nearly 80 countries ...
 - ... spending \$50 billion ...

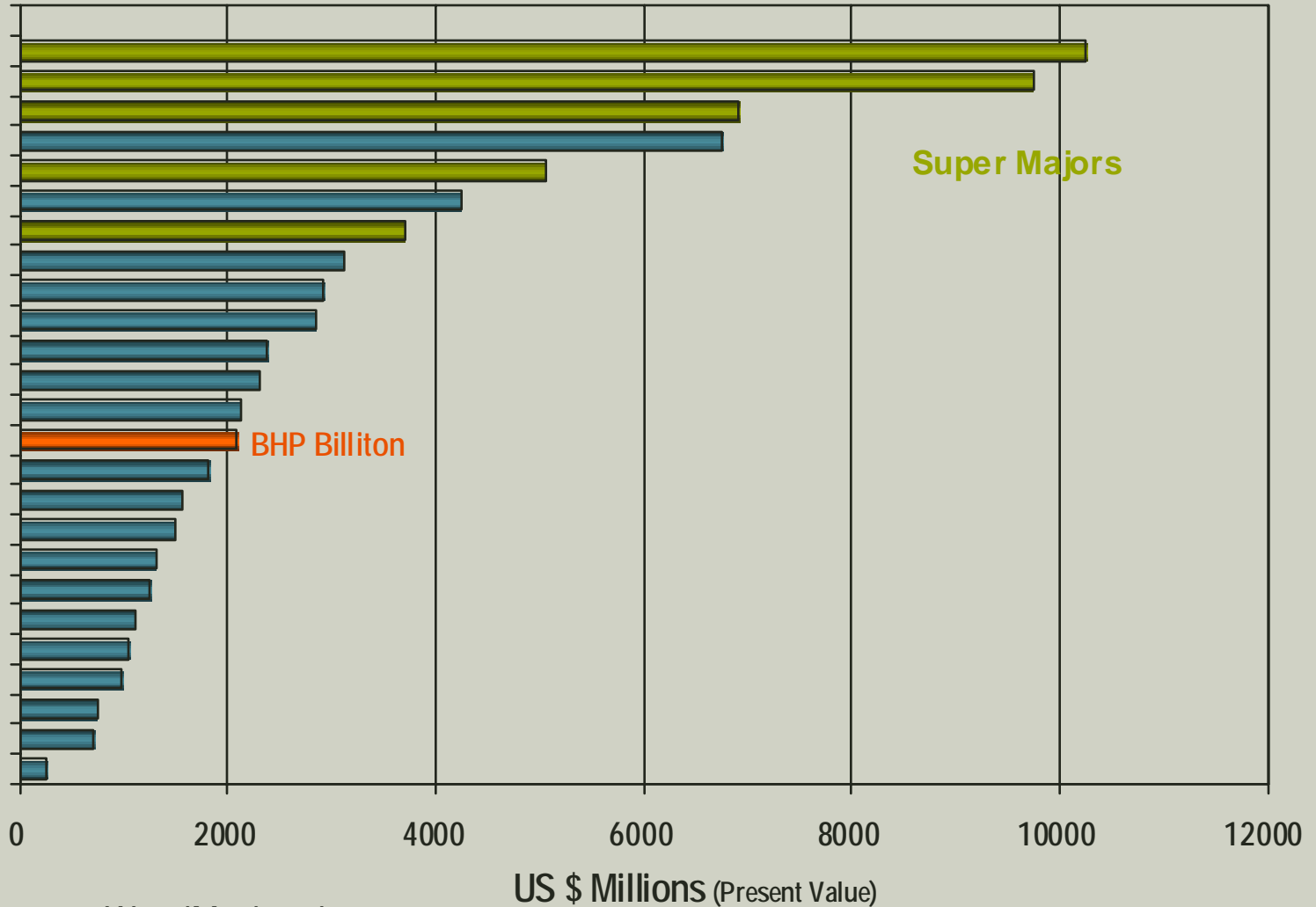
Have:

- created \$23 billion in value through exploration ...
 - ... through discovering 45 billion boe of commercial reserves ...
 - ... with an 11% return on the exploration investment

But:

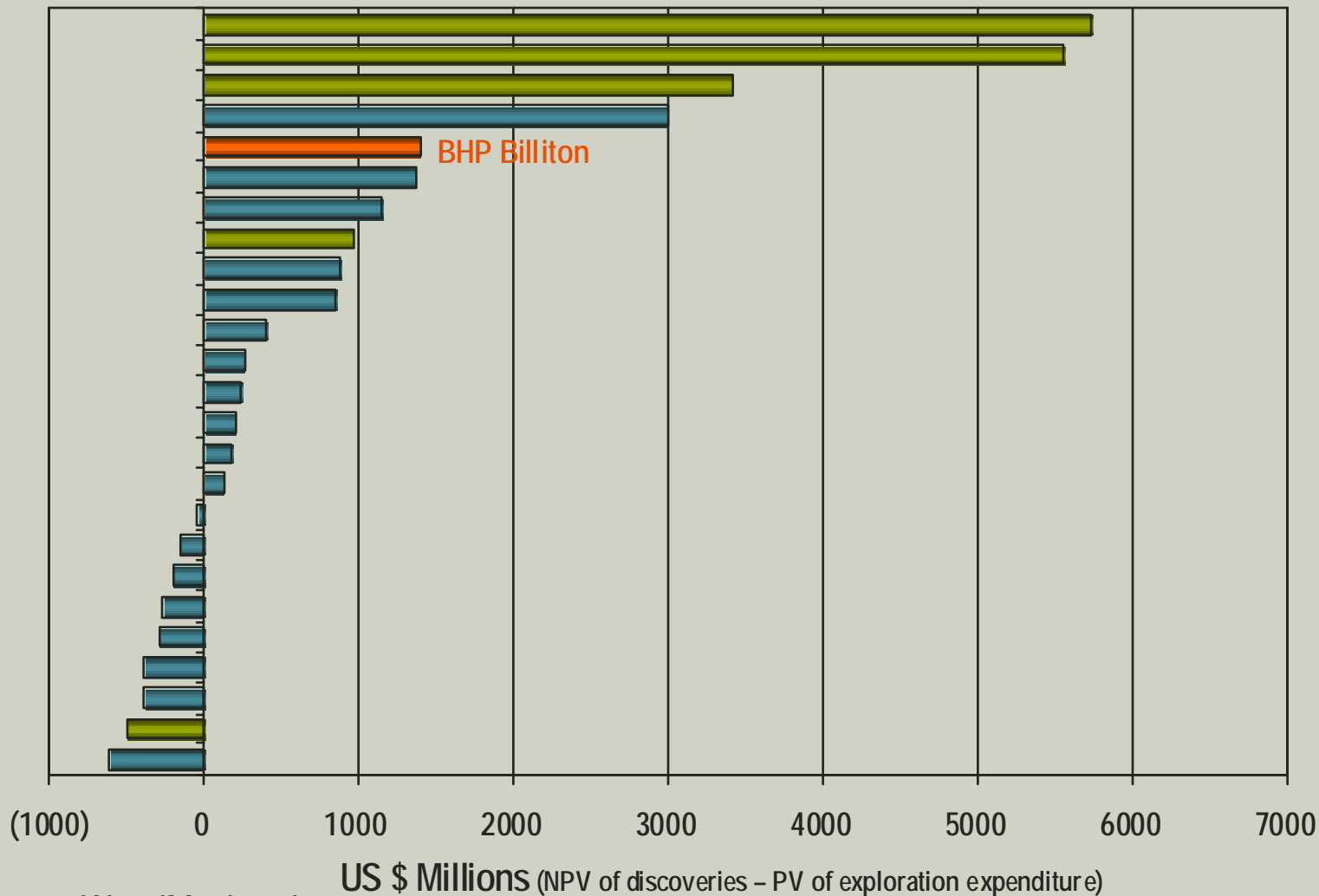
- only 16 (out of 25) companies have created value through exploration
 - ... and 9 companies have failed to replace production from exploration

Exploration Expenditure (BHPB 14th)



Source: WoodMackenzie
Value Creation Study – 1996-2002

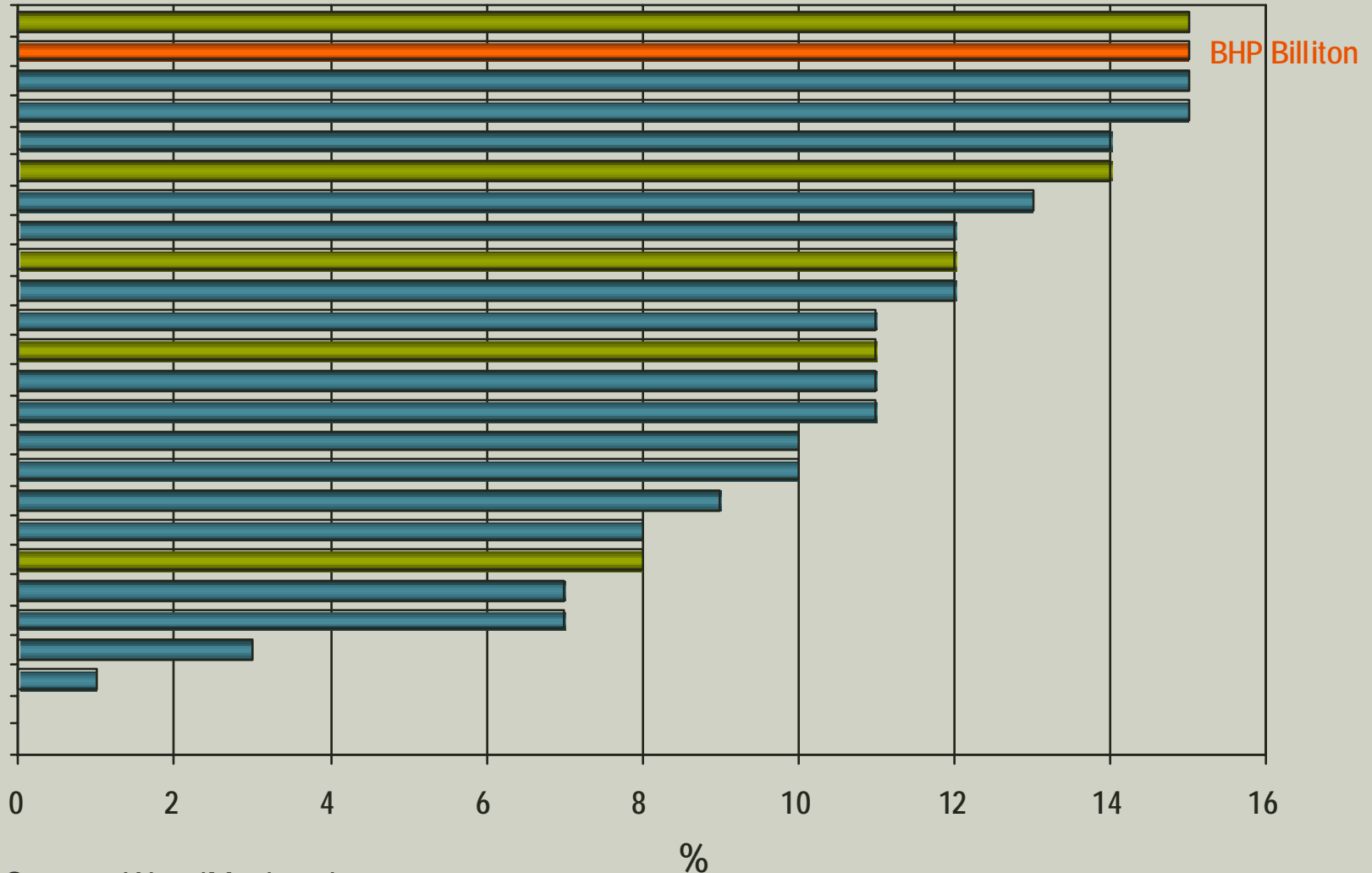
Value Creation (BHPB 5th)



Source: WoodMackenzie

25 Value Creation Study – 1996-2002

Returns on Exploration Investment (BHPB tied for 1st)

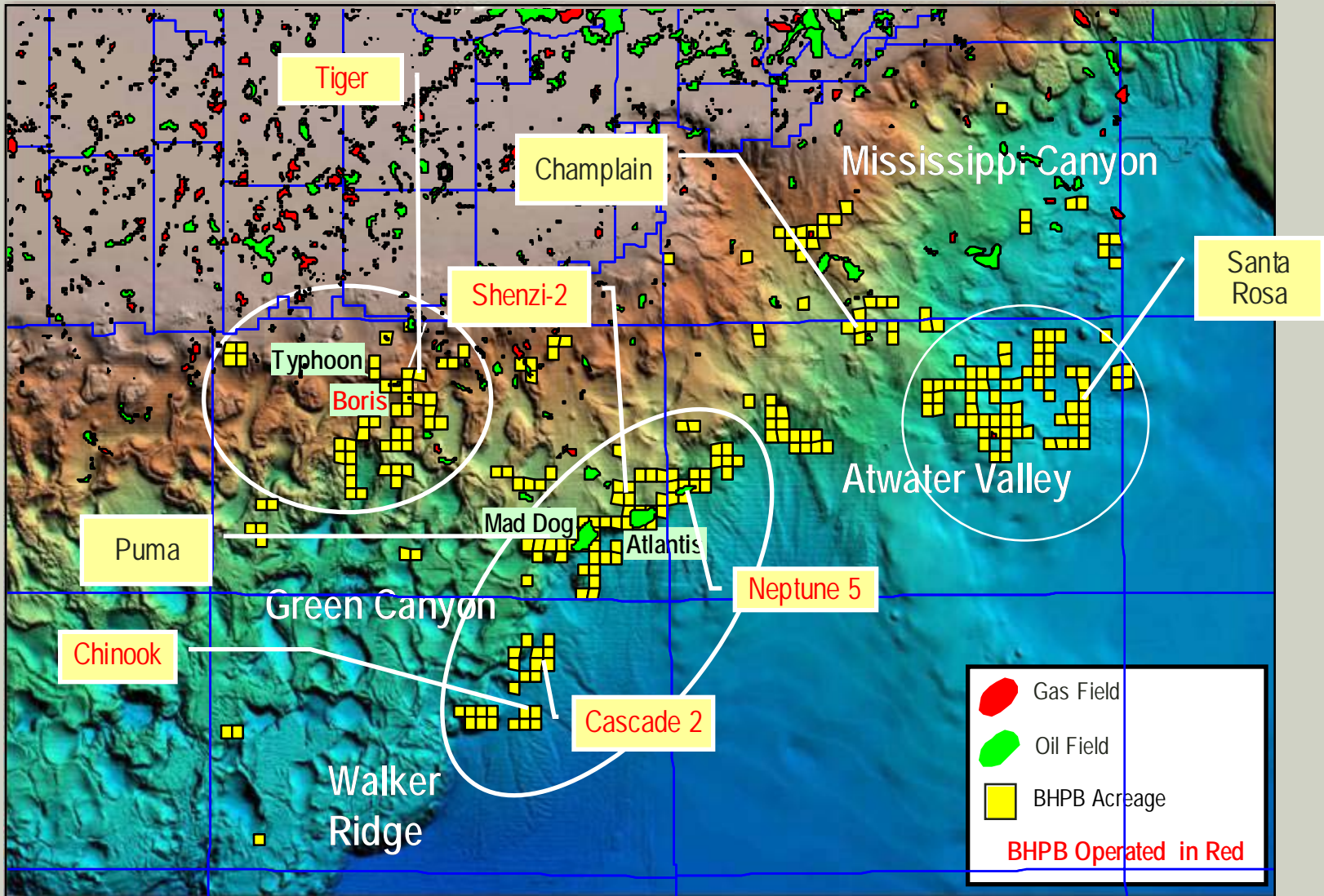


Source: WoodMackenzie

Value Creation Study – 1996-2002

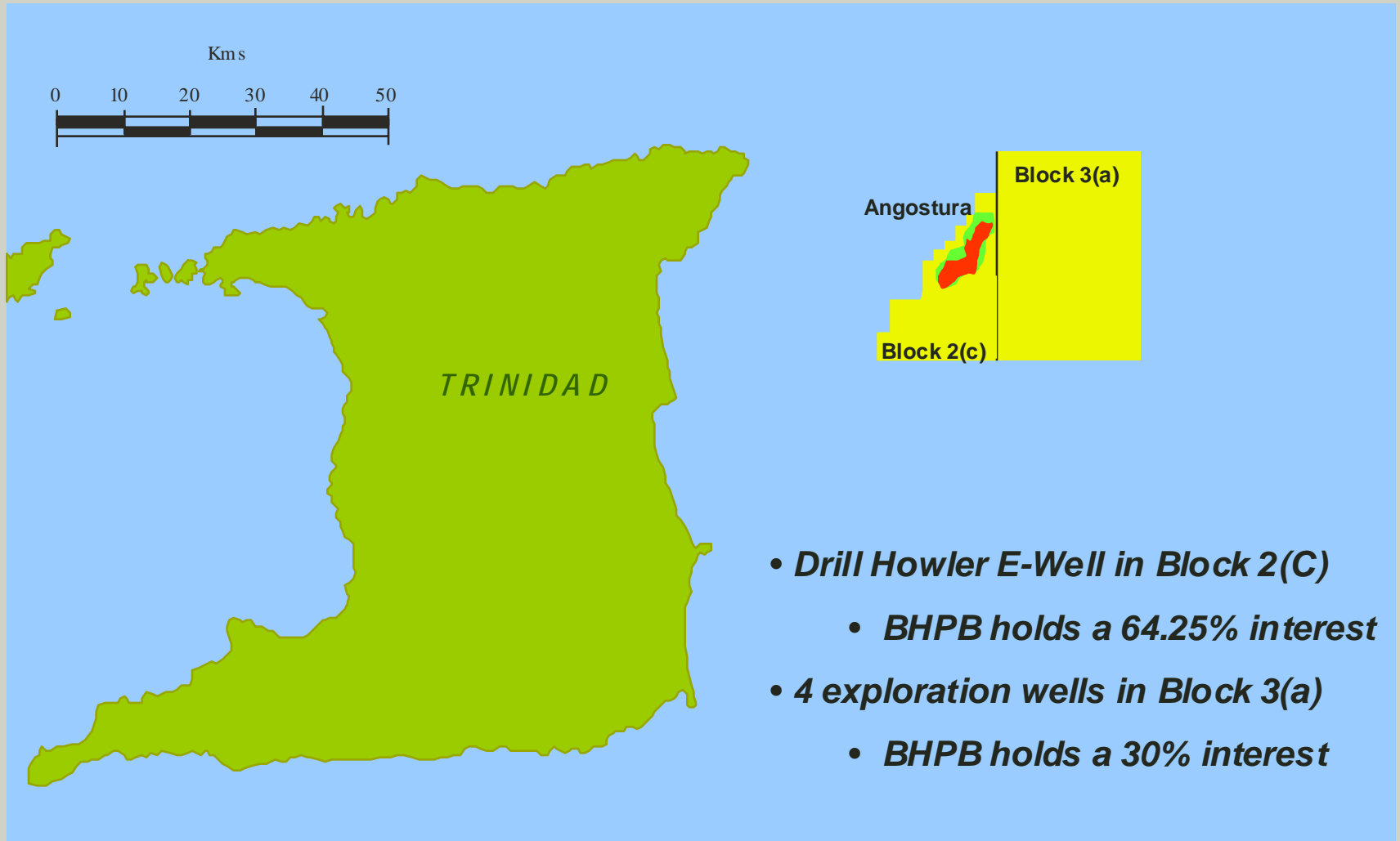
Drilling Activities in the next 12-18 months

Gulf of Mexico



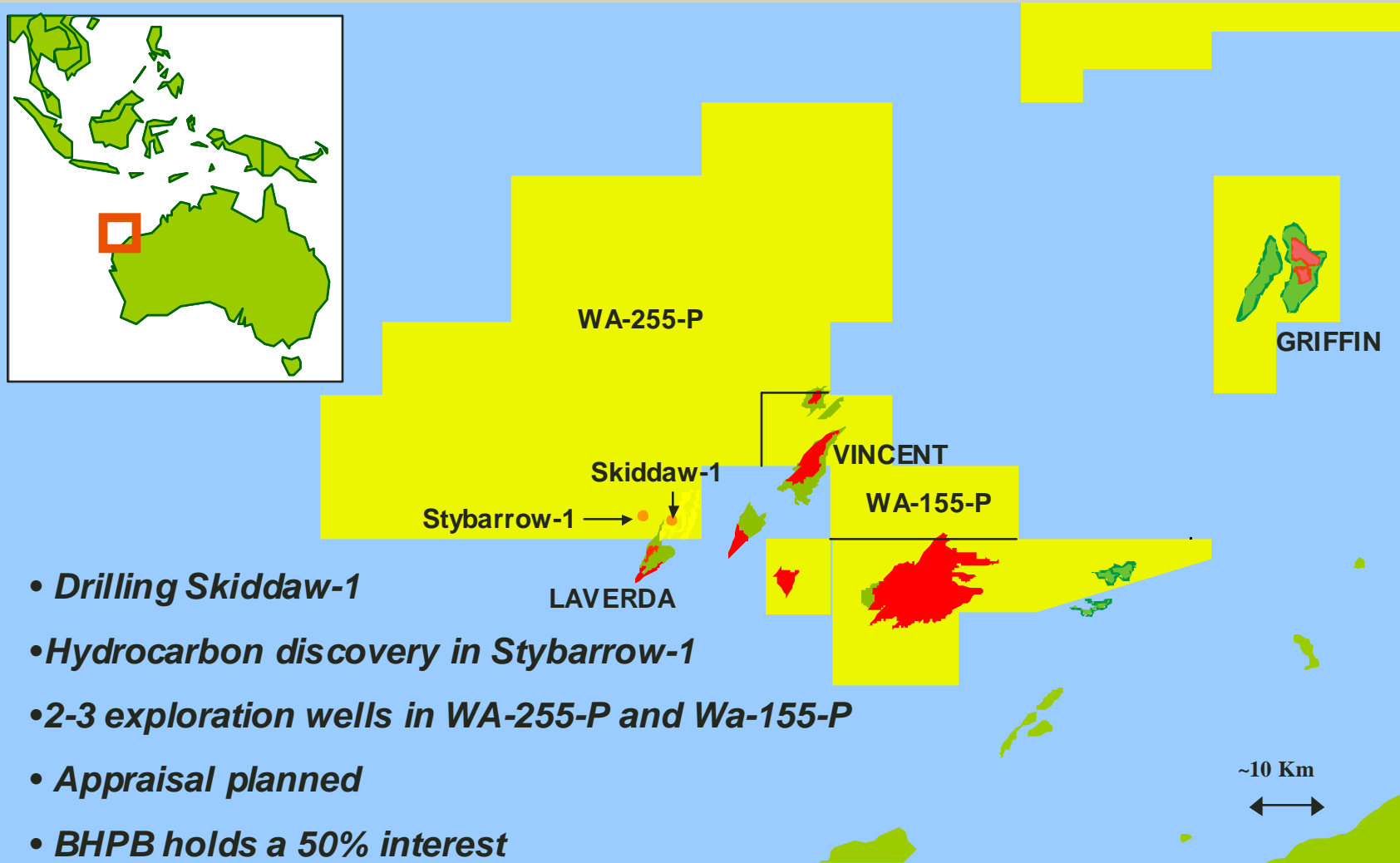
Drilling Activities in the next 12-18 months

Trinidad Offshore Acreage



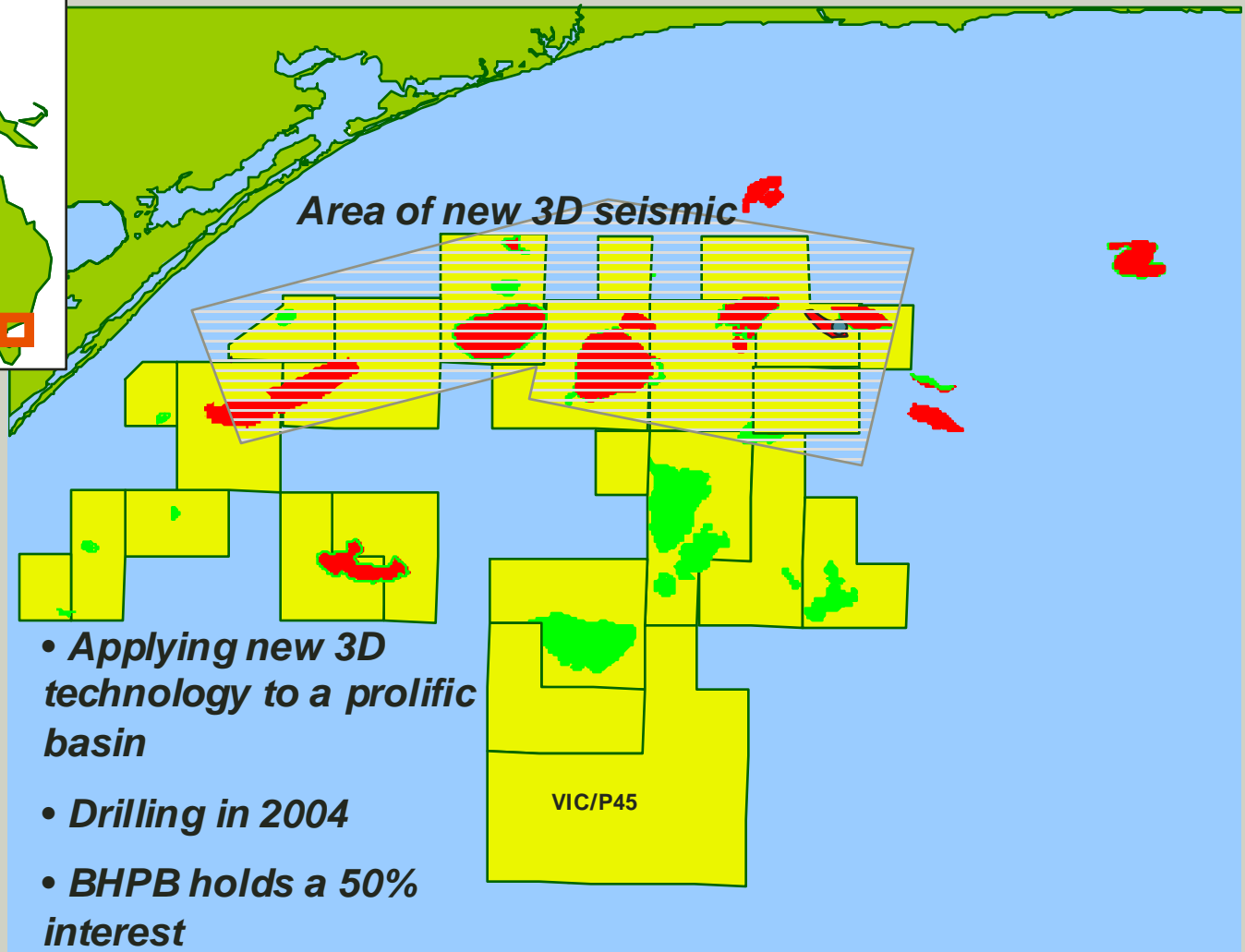
Our Drilling Activities in the next 12-18 months

NW Australia Offshore Acreage



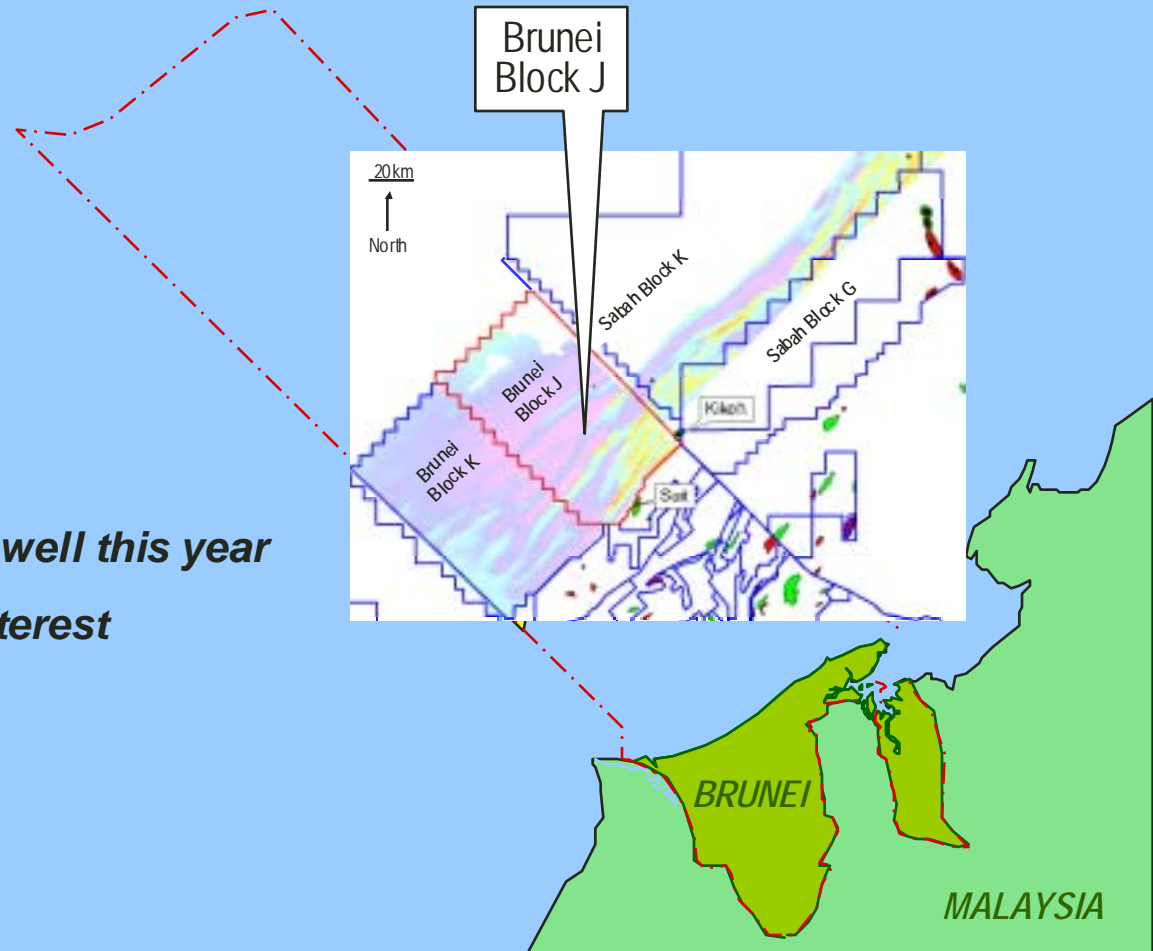
Our Drilling Activities in the next 12-18 months

Bass Strait Offshore Acreage

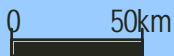


Our Drilling Activities in the next 12-18 months

Brunei Block J Offshore Acreage

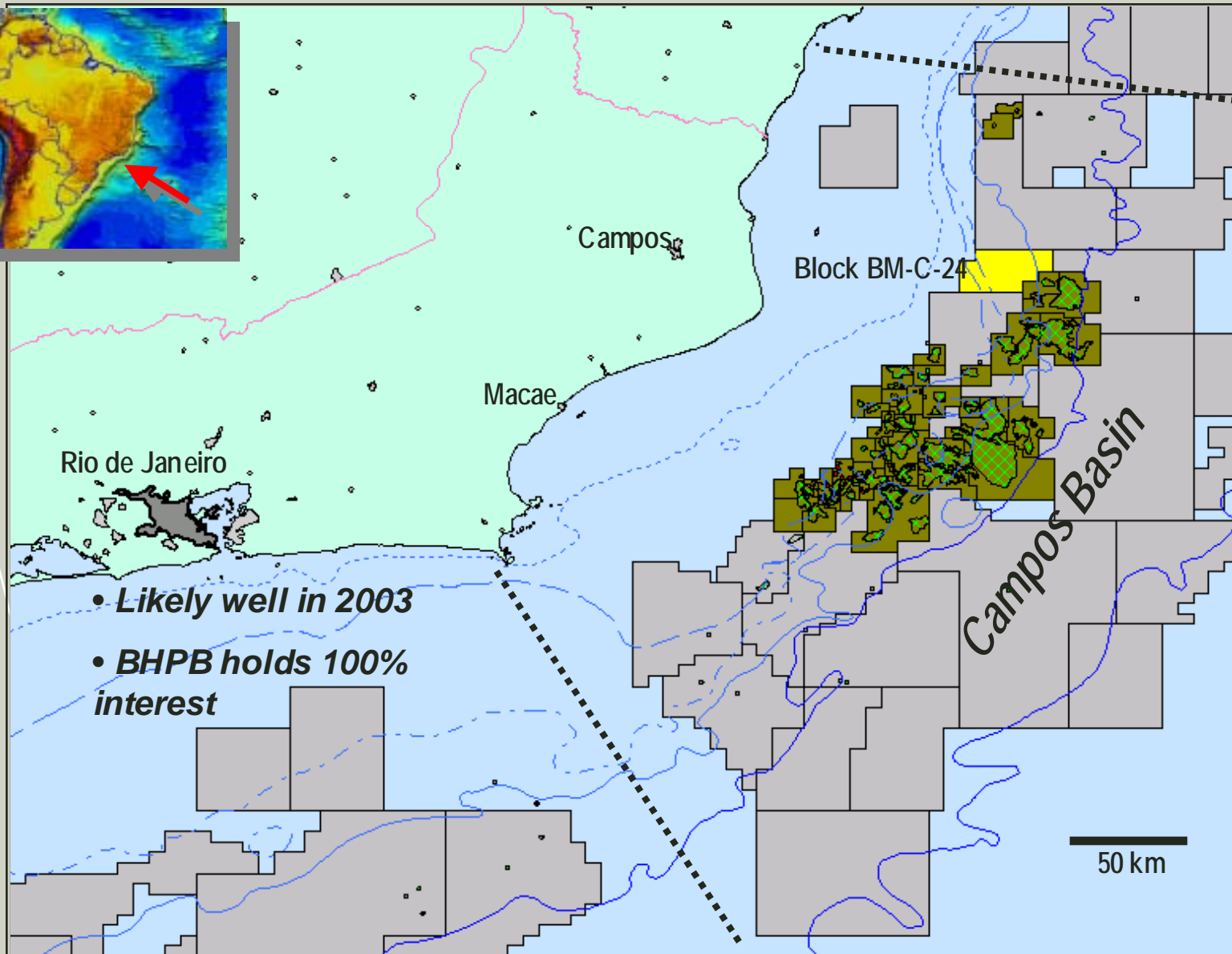
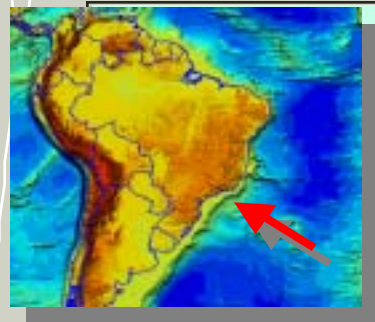


- ***Looking to spud first well this year***
- ***BHPB holds a 25% interest***



Our Drilling Activities in the next 12-18 months

Brazil Offshore Acreage

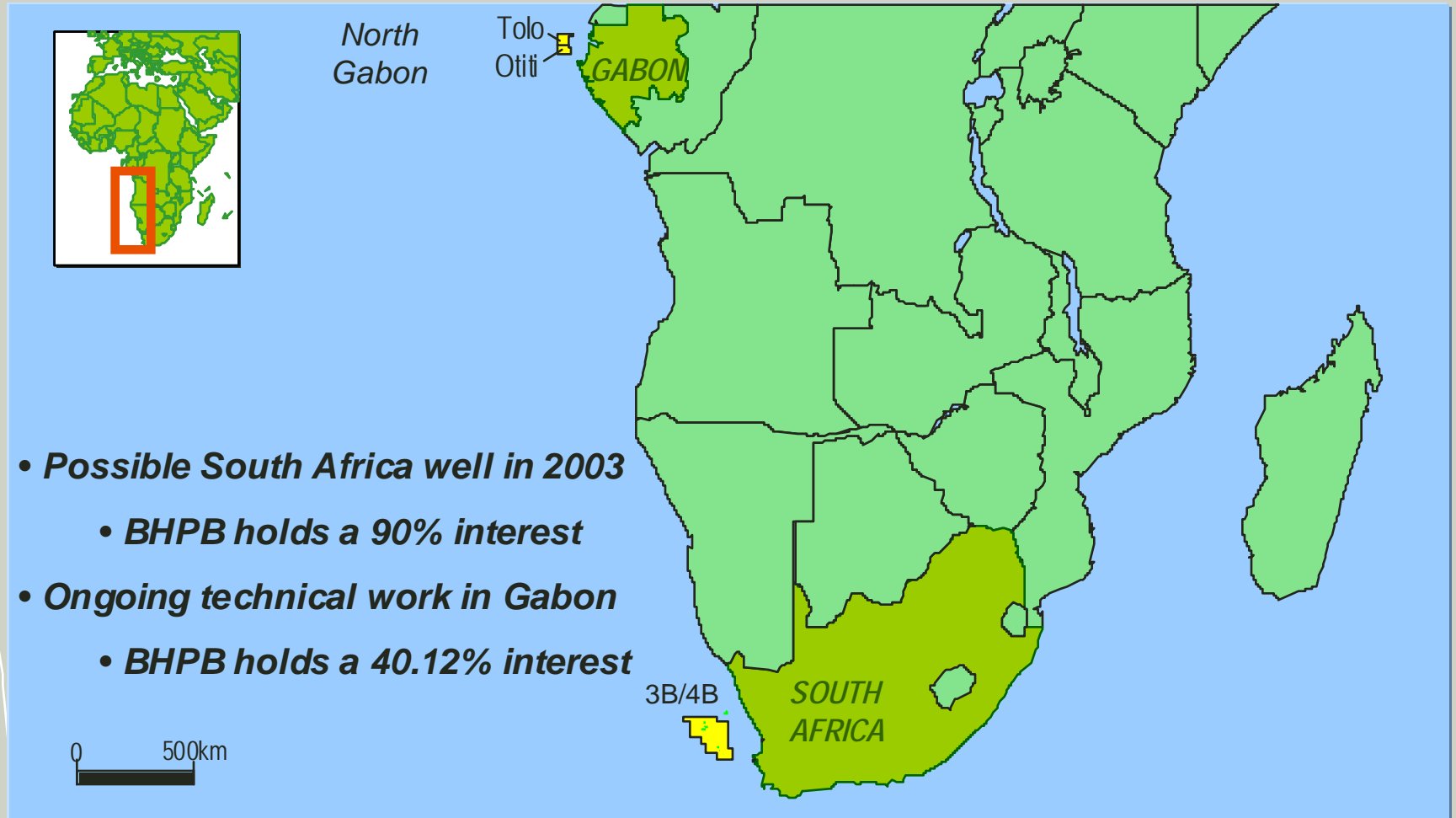


- **Likely well in 2003**
- **BHPB holds 100% interest**

50 km

Our Drilling Activities in the next 12-18 months

West Africa / South Africa Offshore Acreage



Summary – We have added value and can continue

- External analysis rates our exploration business very highly amongst peers and supermajors.
- We have a strong inventory of drilling prospects for the next financial year
- We will continue to be a focused, dominantly deepwater player.

Next presenter...

Americas Development and Production

Mike Weill

President – Operations & Technology

BHP Billiton Petroleum



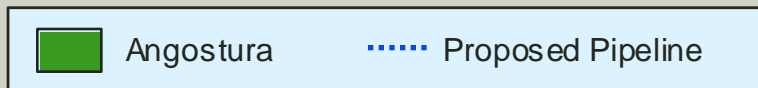
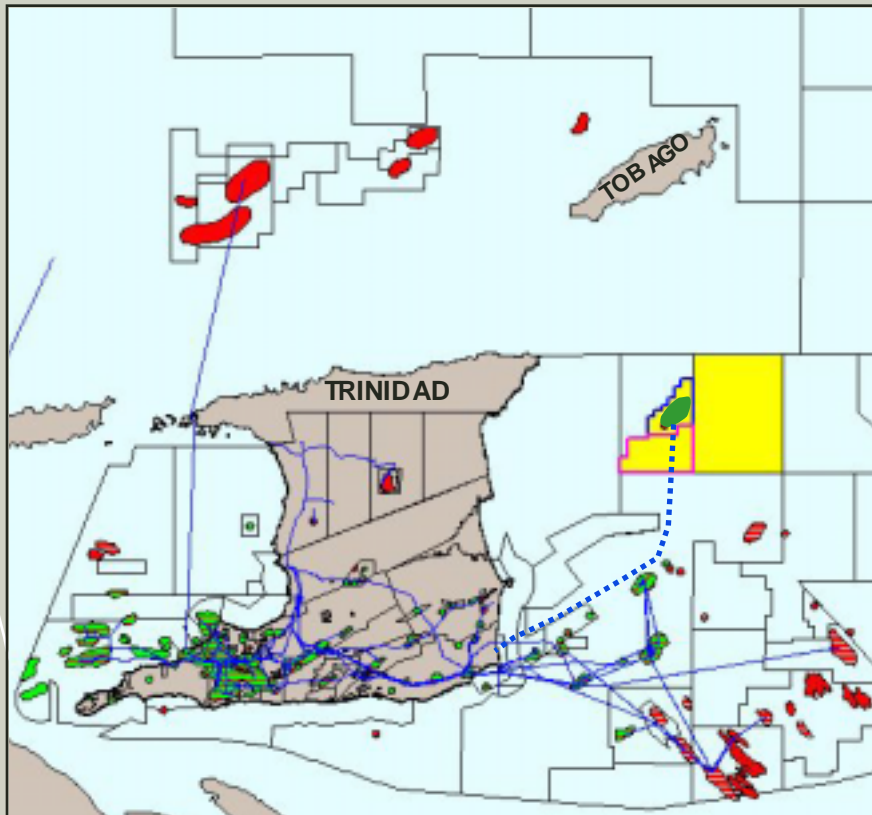
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Overview: Development and Production in the Americas

- Petroleum is in transition, with increasing focus in the GoM and Trinidad as an operator of oil and gas fields
- BHP Billiton production from deepwater fields is increasing, and significant, material projects are in development
 - Genesis, Typhoon, Boris
 - Angostura, Mad Dog, Atlantis, Operated Appraisal
- BHP Billiton has the talent, technology, and resources to execute these projects on time and on budget

Trinidad and Tobago

Strategic Context – A Unique Opportunity



High Margin E&P

- Competitive fiscal terms
- Attractive development potential, e.g., shallow water depths, off-the-shelf production technology

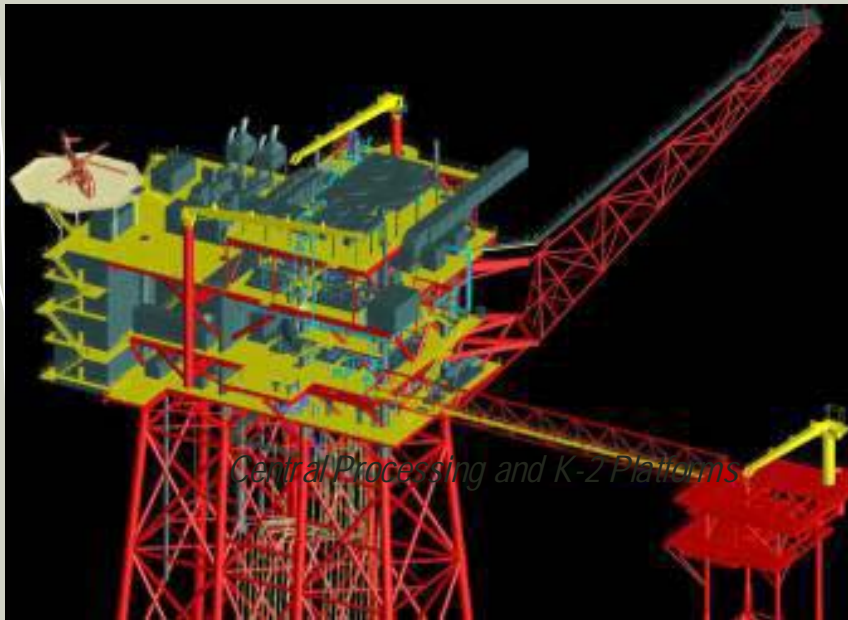
BHPB Dominates Fairway

- BHPB operates
- Exploration upside
- Early infrastructure advantage

Access to Robust Markets

- Excellent regional oil markets
- Large and growing gas market
 - Domestic
 - Export via LNG

Angostura Project



- BHPB interest 45%
- Capex (BHPB share) US\$327million
- Project sanction March 2003
- First production December 2004

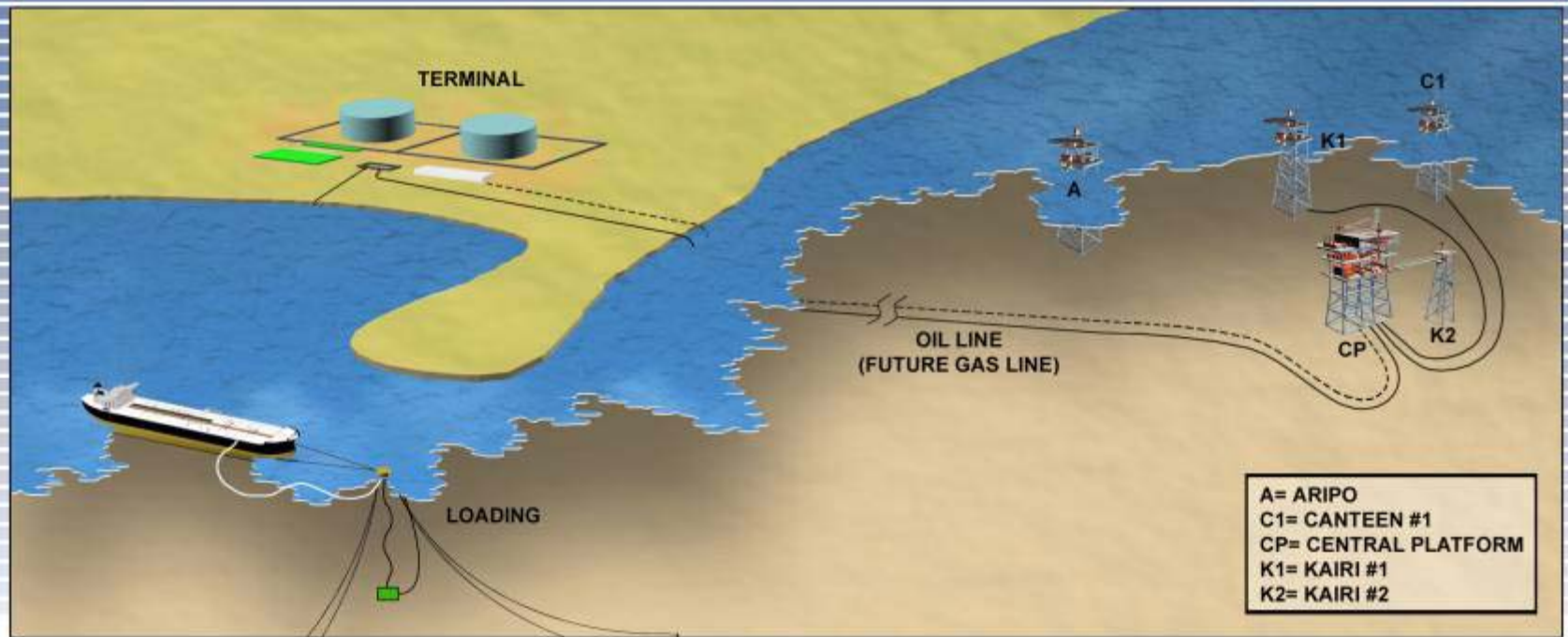
- Gross reserves 450 MMboe
- Gross capacity 100 Mbbbl/d

- Central Processing Platform with 3 Wellhead Protector Platforms

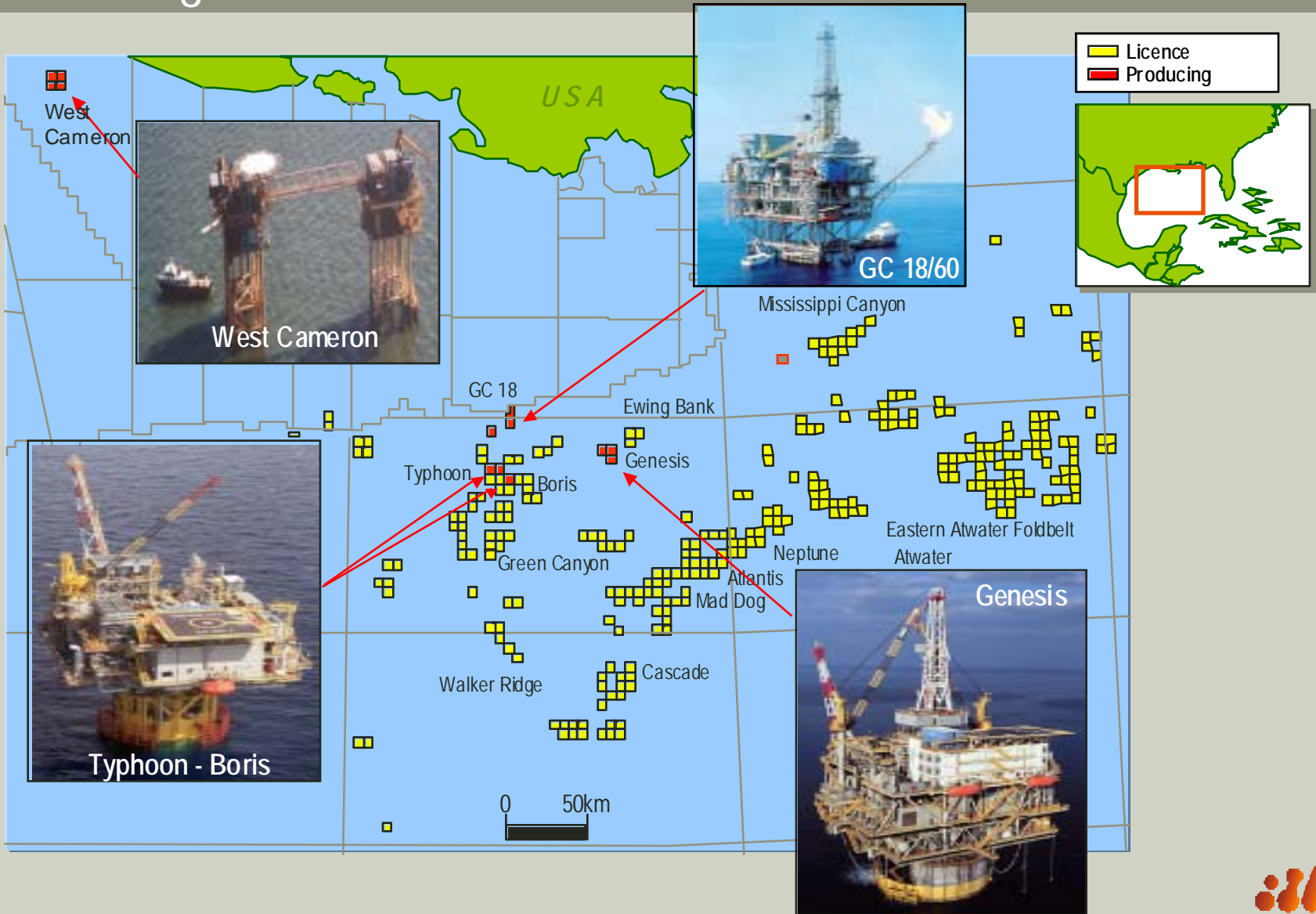
- Phase 1 of the development includes oil production only. Gas will be re-injected to enhance reservoir performance, with gas production expected 3 to 9 years after first oil.

Angostura Project, Phase 1 Development Overview

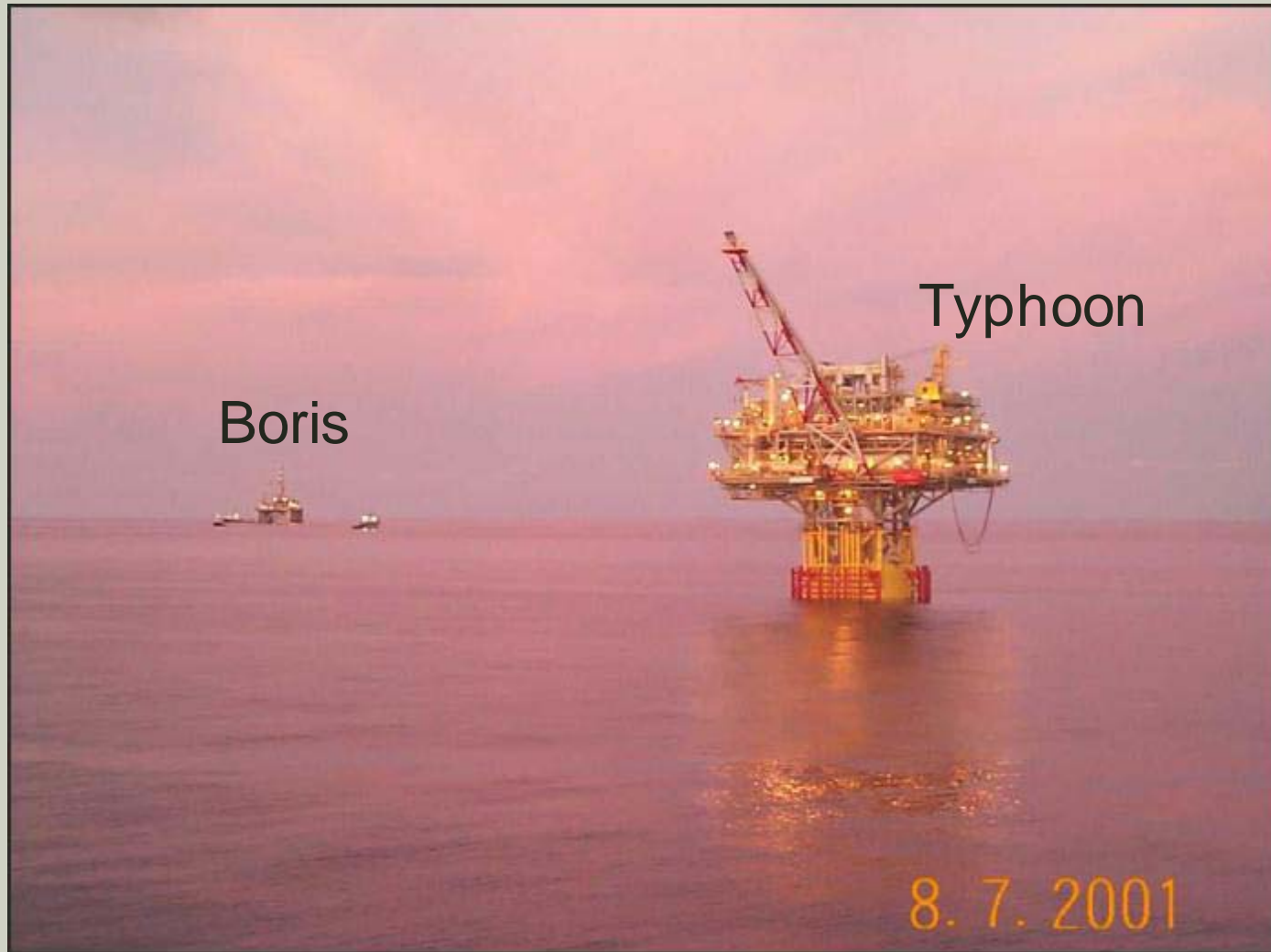
ANGOSTURA FIELD DEVELOPMENT



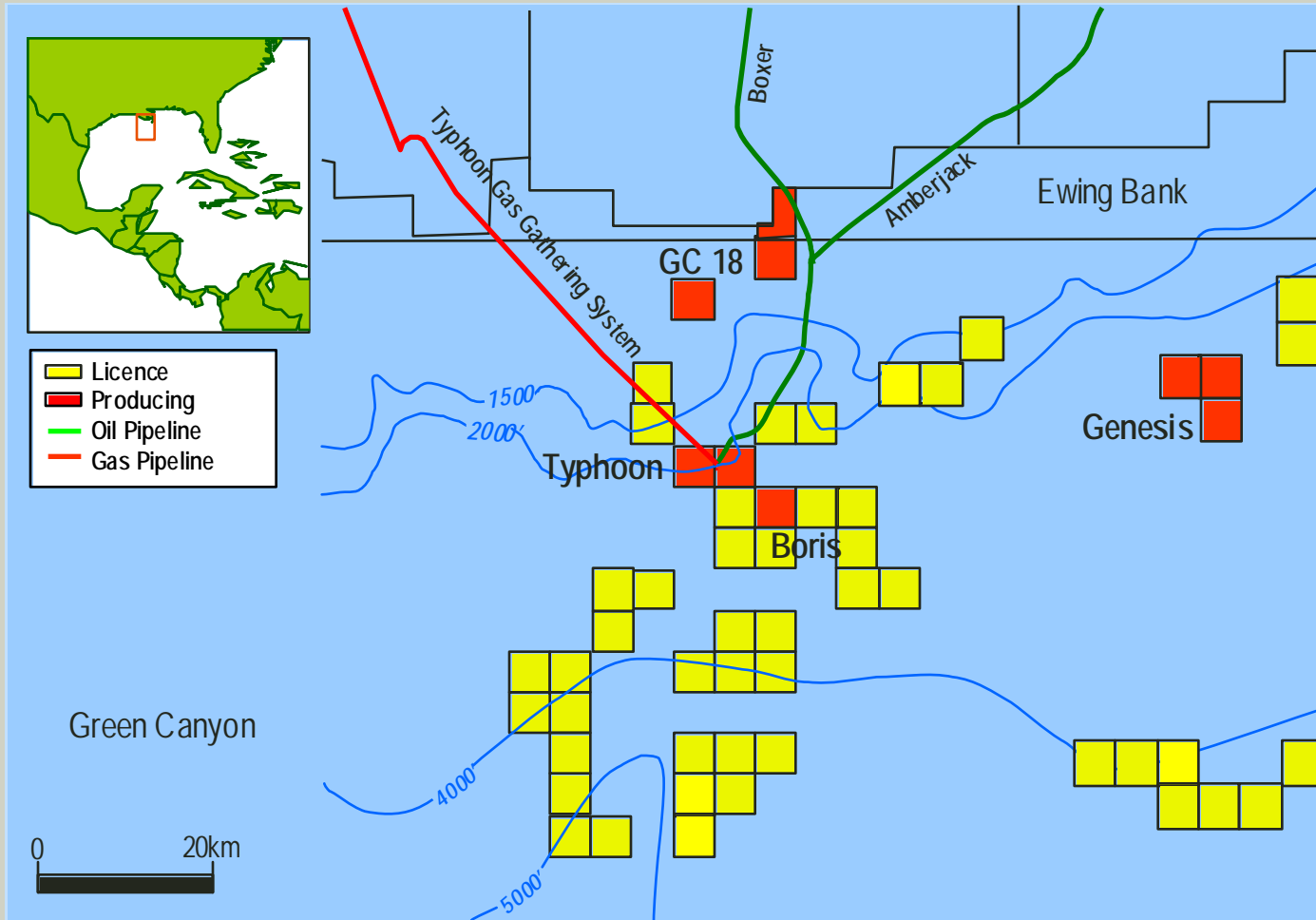
Producing Assets in the Gulf of Mexico



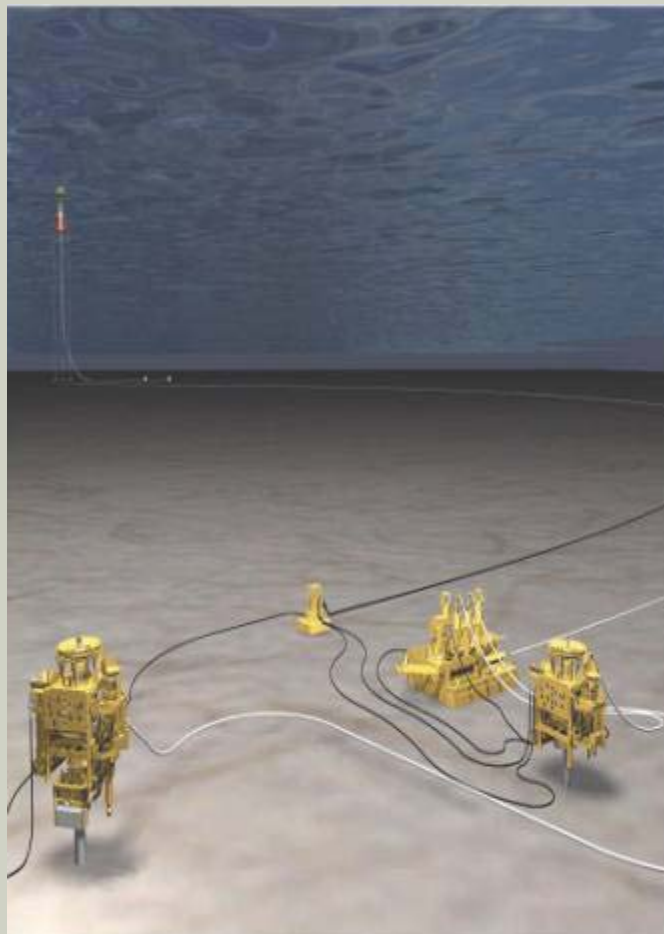
Typhoon (Green Canyon 236 and 237)



Typhoon Mini-Basin

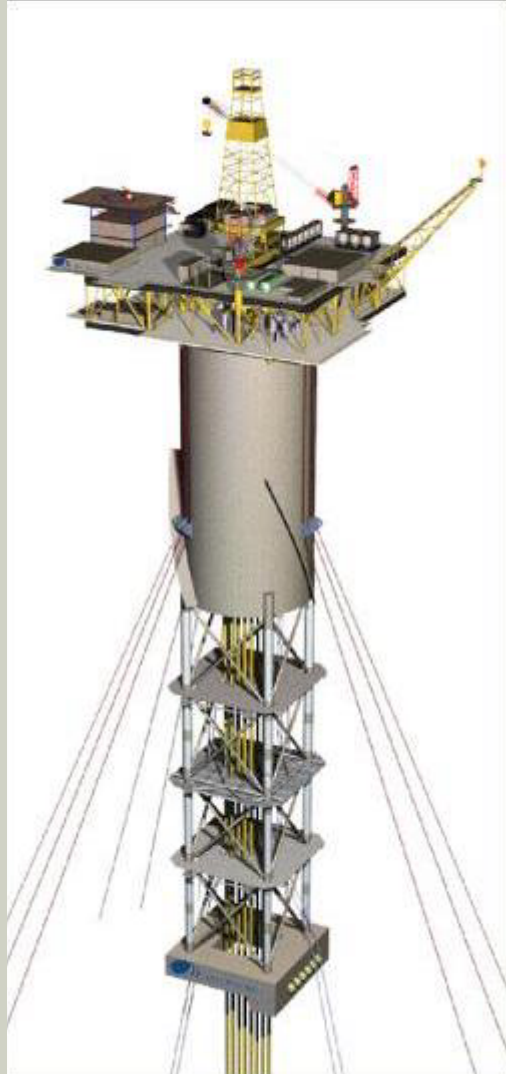


Boris Development (Green Canyon 282)



- BHPB interest 50%
 - Capex (BHPB share) US\$25 million
 - Field discovery October 2001
 - Project sanction July 2002
 - First production February 2003
 - Gross reserves 10-35 MMboe
 - Gross capacity 18 Mbbbl/d
-
- Developed with a 3-slot subsea manifold tied back via single production flowline to the production facility at Typhoon
-
- Boris-2 producer to come on-line in second second half of 2003

Mad Dog Development



- BHPB interest 23.9%
- Capex (BHPB share) US\$335 million
- First production December 2004
- Gross reserves 200-450 MMboe
- Gross capacity 80 Mbbbl/d -- 40 MMcf/d

- Truss Spar facility
- Hull fabrication started July 2002
- Topside fabrication started August 2002
- Predrill wells commenced in 2002

- Wells 12 initial producers
- Accommodation 130 (drilling & operations)

Mad Dog Development - On track for first oil FY2005

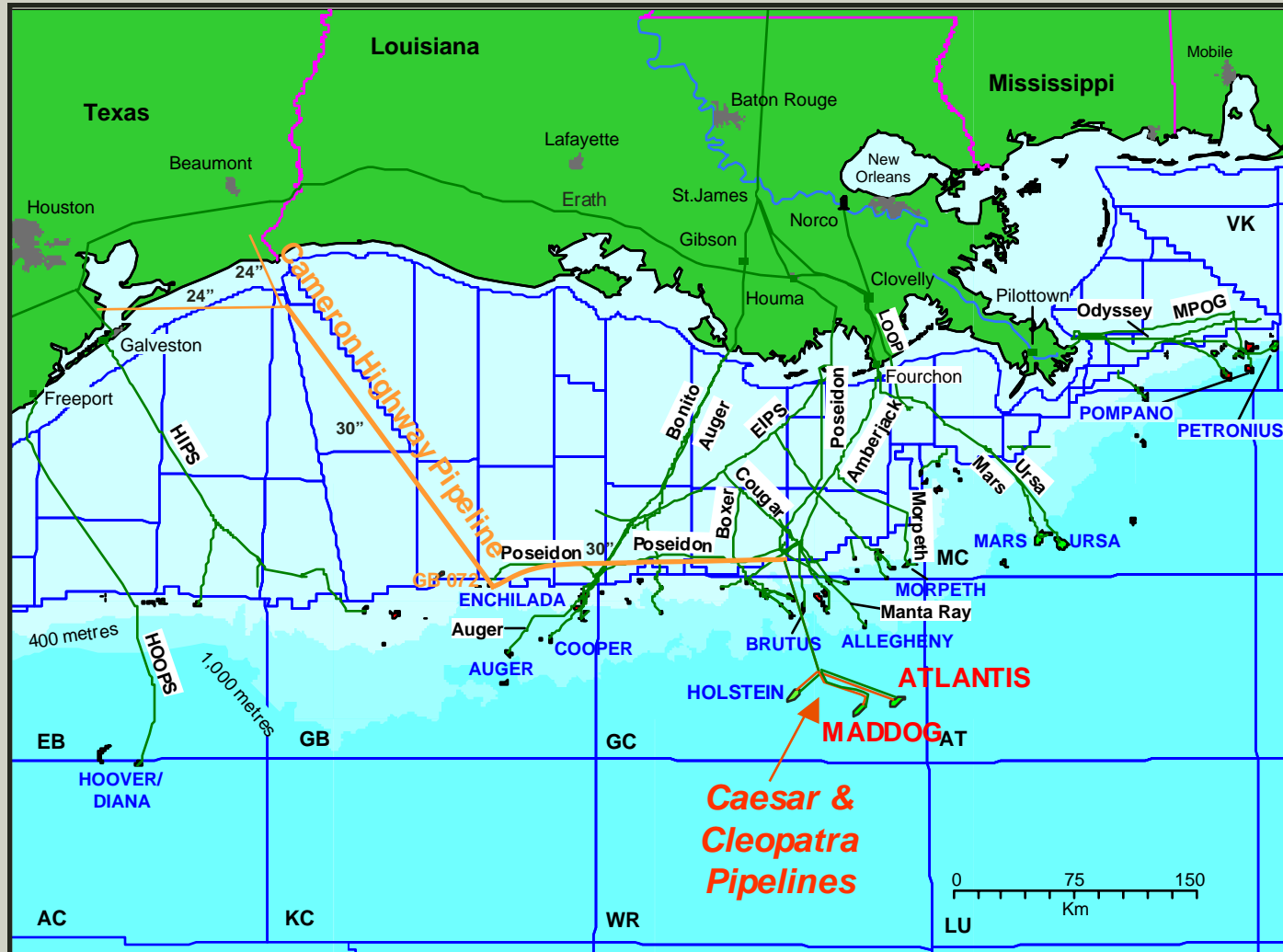


Spar Construction



Topsides Construction

Gulf of Mexico – Transportation Infrastructure



GoM Infrastructure – Caesar and Cleopatra Pipelines



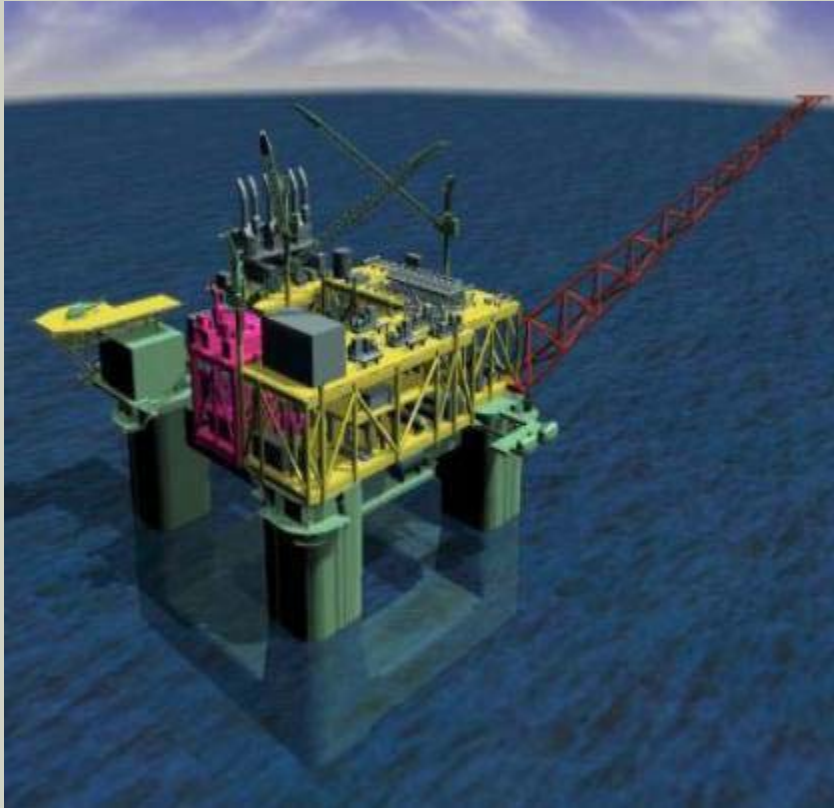
- BHPB interest 25% (Caesar)
22% (Cleopatra)
- Capex (BHPB share) US\$100 million
- First production 2004

- Caesar is a new 28-inch diameter oil pipeline in the Southern Green Canyon area with 450 Mbbbl/d capacity

- Cleopatra is a new 20-inch gas pipeline with 500 mmcf/d capacity

- Approximately 50% complete – on-schedule for operation to coincide by first production from Mad Dog field.

Atlantis Development



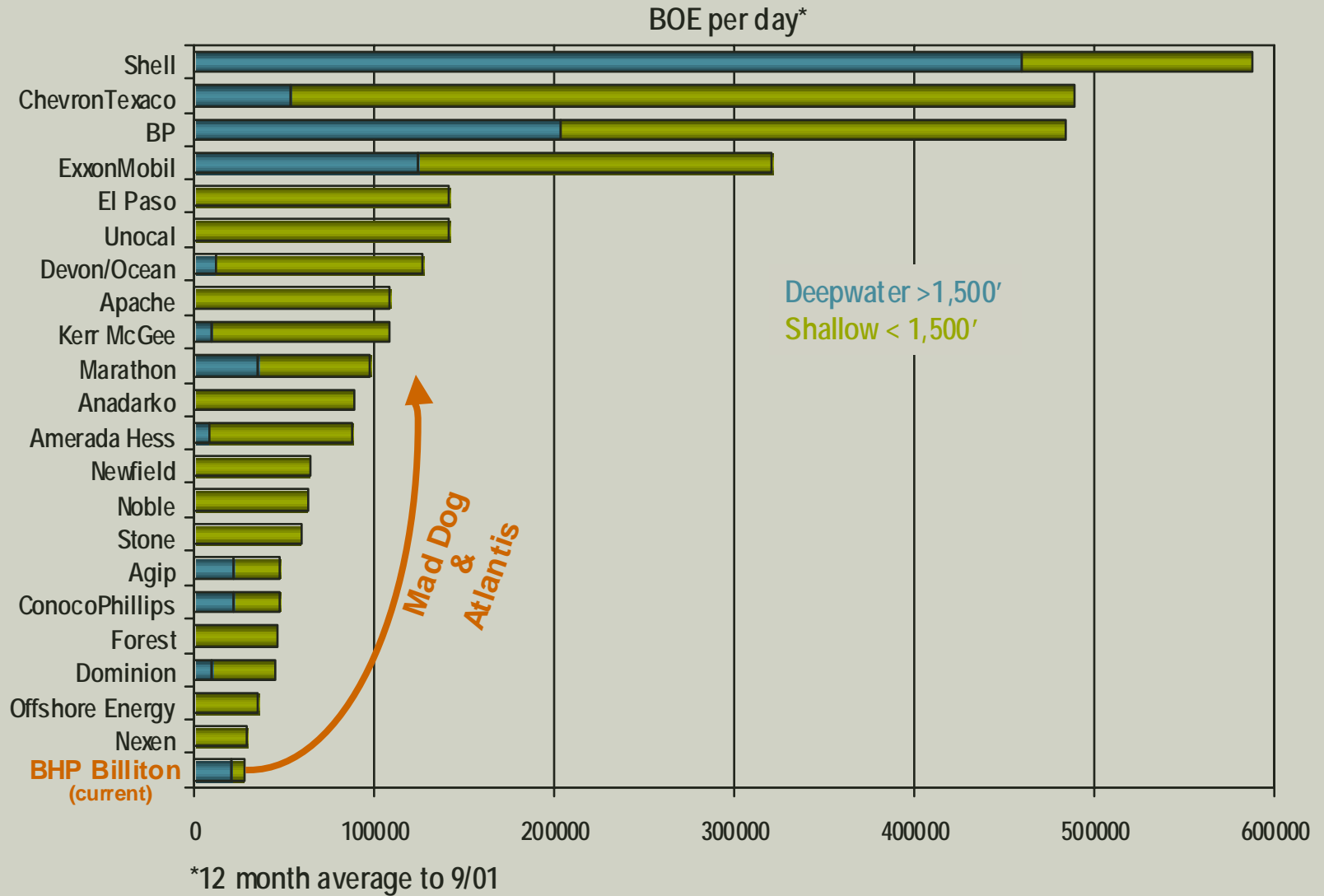
- BHPB interest 44%
- Capex (BHPB share) US\$1.1 billion
- First production Third-quarter 2006

- Gross reserves 635 MMboe
- Gross capacity 150 Mbbbl/d
180 MMcf/d

- Moored semi-submersible production facility with provisions for future capacity expansions
- Atlantis is the third-largest field discovered to date in the GoM

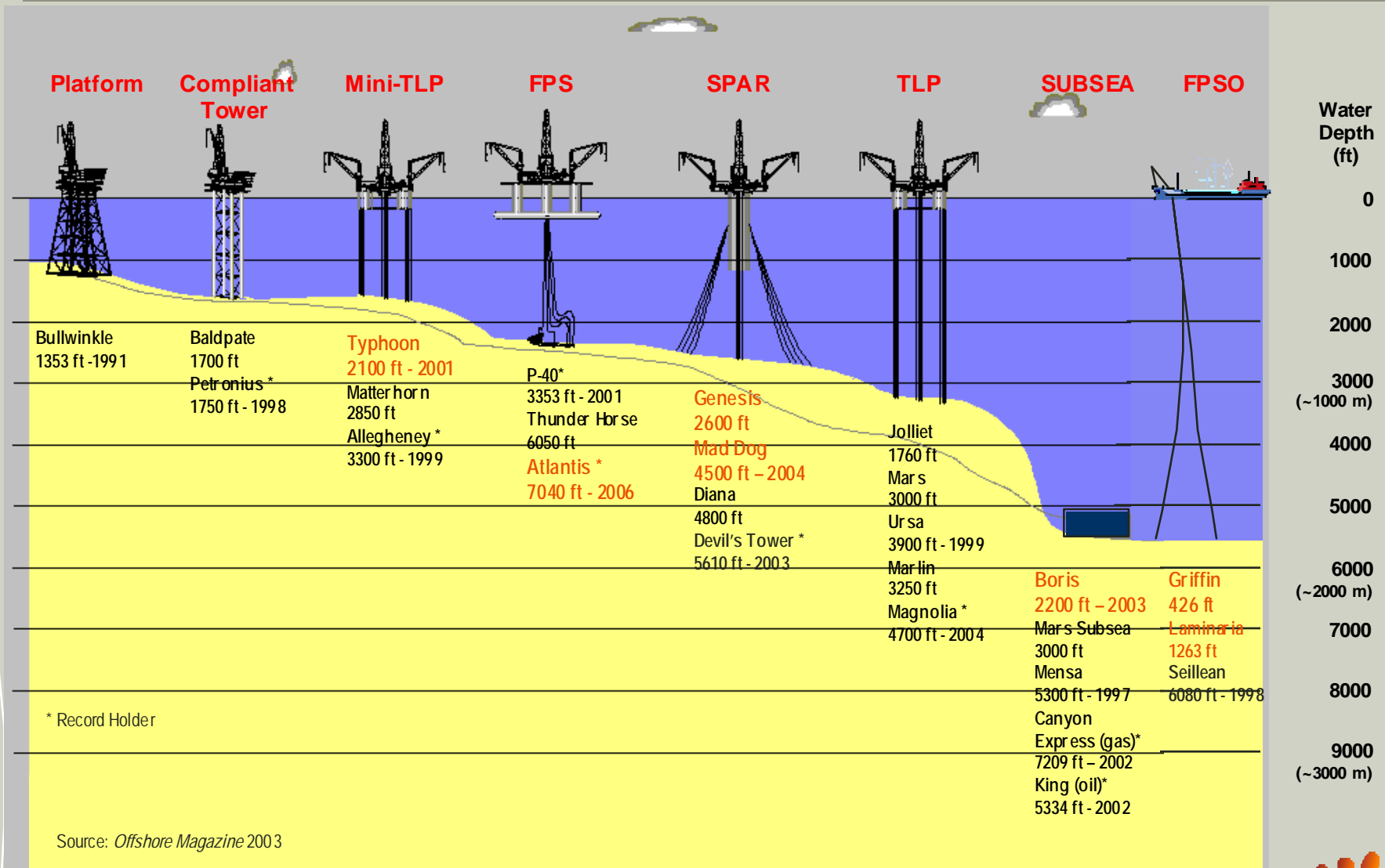
What's ahead

Gulf of Mexico Production by Company



Deepwater production systems

Progression 1989 - 2003



Capability Development – People

- Cultivate the experience and expertise to exert influence as non-operated partner and assume larger roles as operator
- Source company staff in key positions on Integrated Project Teams
- *Typhoon – Lead Facility, Lead Subsea, Lead Commercial Positions*
- *Mad Dog – Spar Construction Superintendent, Operations Manager*
- *Atlantis – Hull Delivery Manager*
- *Trinidad – Entire Team*
- *Boris – Entire Team*

Capability Development

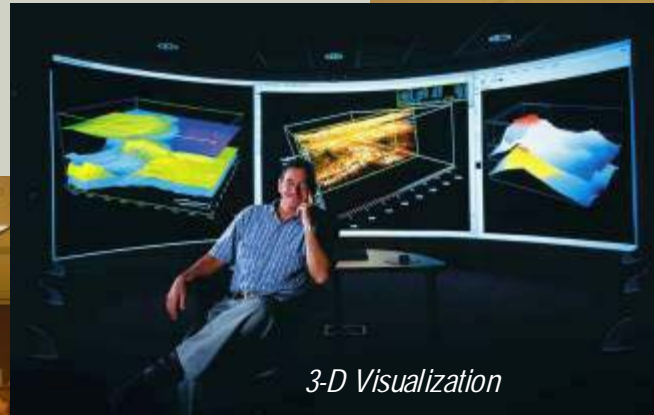
- People
- Technology
- Funding



Griffin FPSO



Boris Project Team



3-D Visualization



Knowledge Sharing Programs



West Cam Operations Crew

Next presenter...

Gulf of Mexico Exploration and Appraisal Update

Bernie Wirth

Vice President, Gulf of Mexico Exploration and Appraisal

BHP Billiton Petroleum

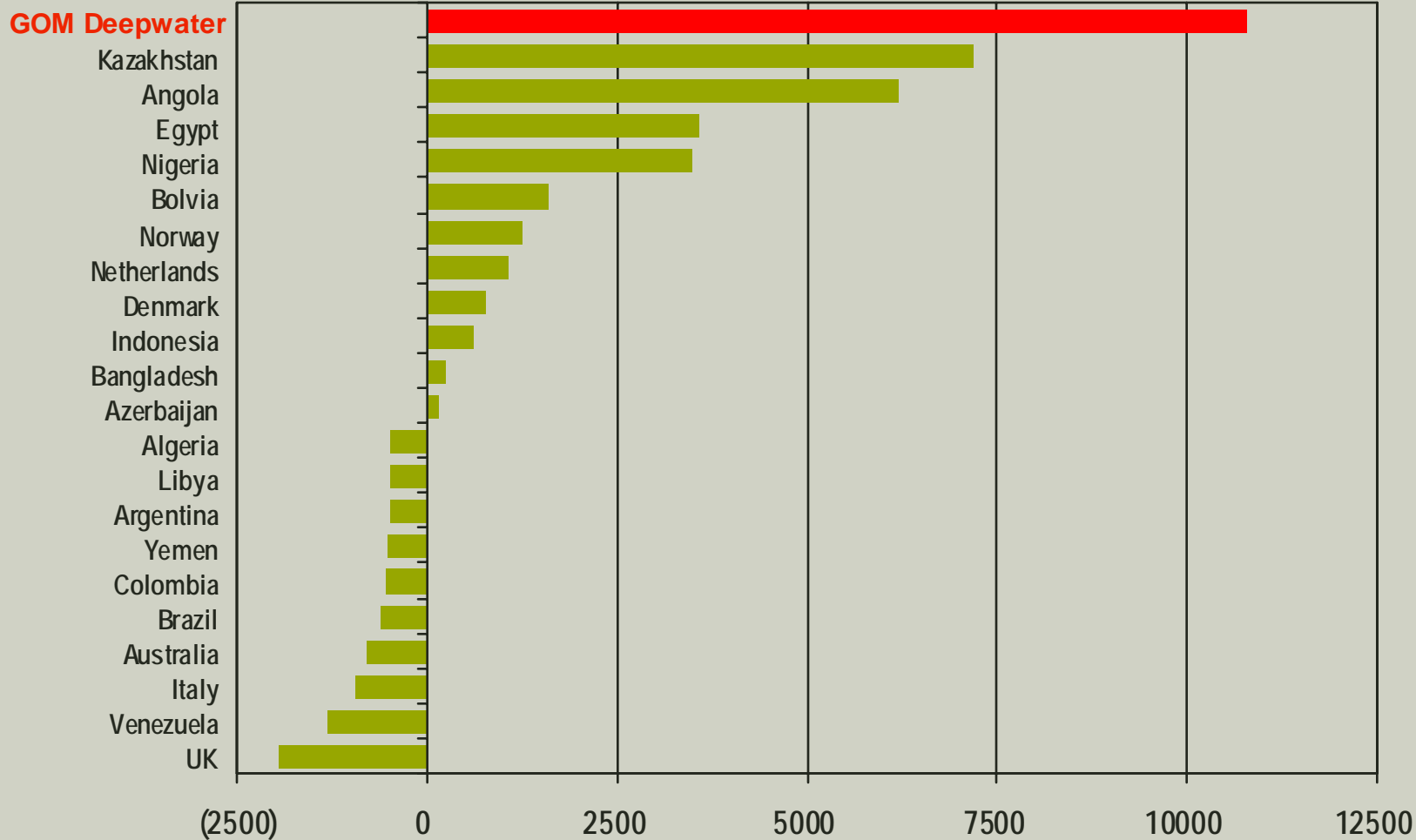


bhpbilliton

Overview

- Explain why the GOM remains an attractive basin for investment
- Update the status of BHP Billiton appraisal projects
- Provide overview of future BHP Billiton exploration activities

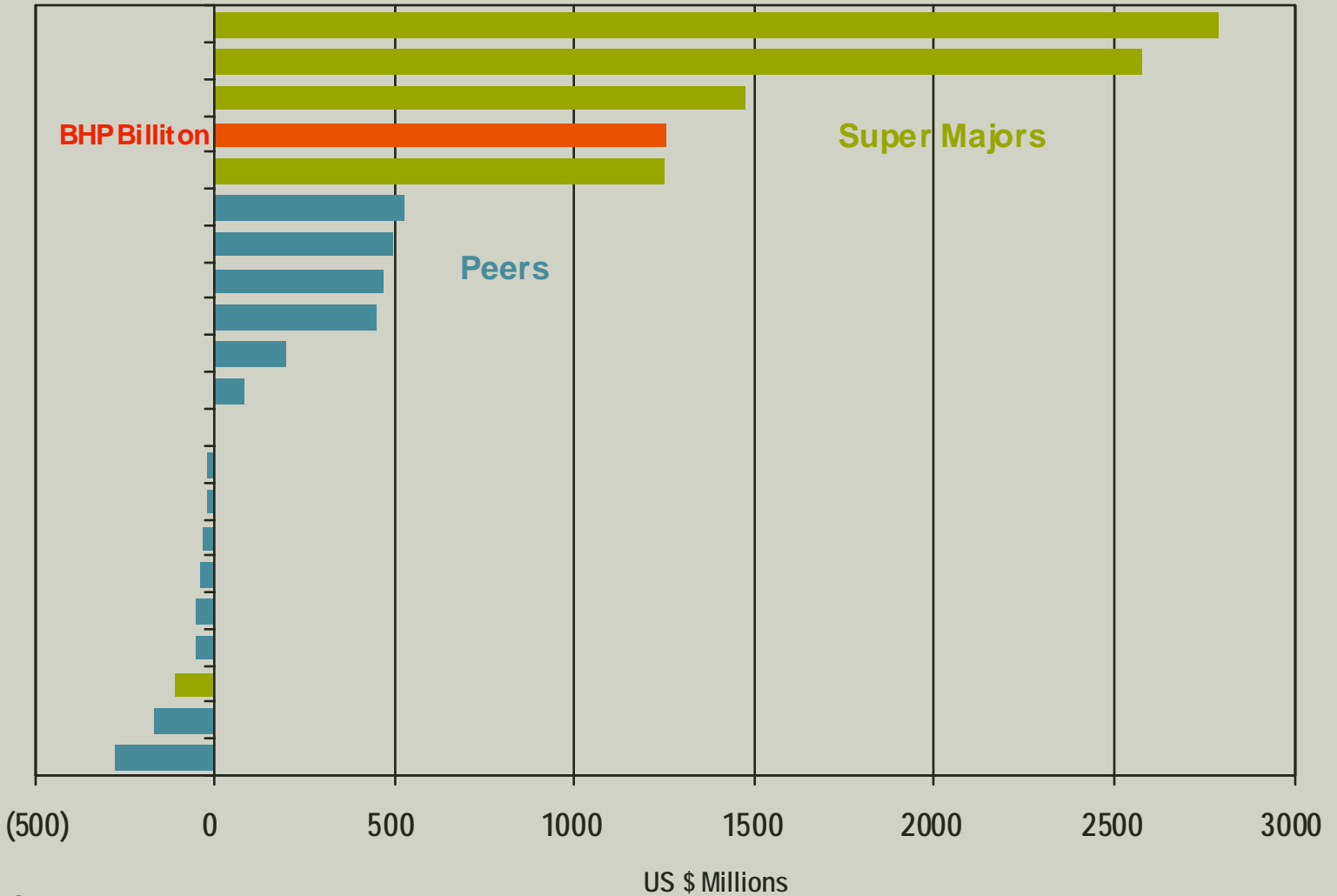
Value Creation through Exploration: 1996 – 2002 (1H)



Source: WoodMackenzie

US \$ Millions

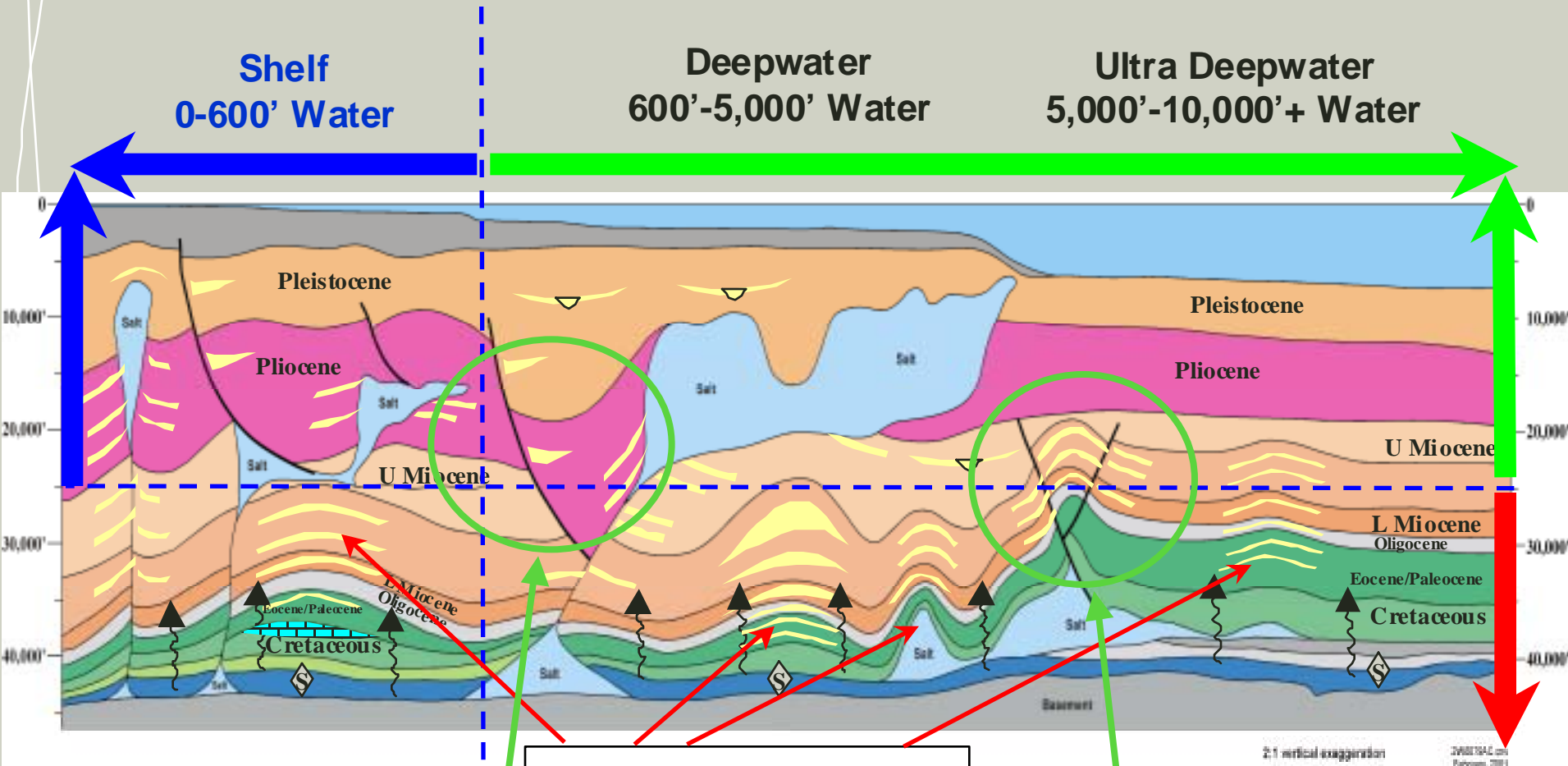
GOM Value Creation by Company: 1996 – 2002 (1H)



Source: WoodMackenzie



Gulf of Mexico – Multi Play and Multi Trap



Emerging New Plays

GC Mini-Basin Play

Atwater Foldbelt

Gulf of Mexico Deepwater Resource Distribution

Stratigraphy	# of Discoveries	Discovered Resource Bboe*	BHPB Examples
Plio-Pleistocene	▶ 56	5.0	Typhoon, Genesis, Boris
Miocene	▶ 51	8.0	Mad Dog, Atlantis, Shenzi
Oligocene Carbonate			
Eocene-Paleocene	▶ 3 (7 wells)	>1.0 ??	Cascade
MCU			
Cretaceous	▶	?	

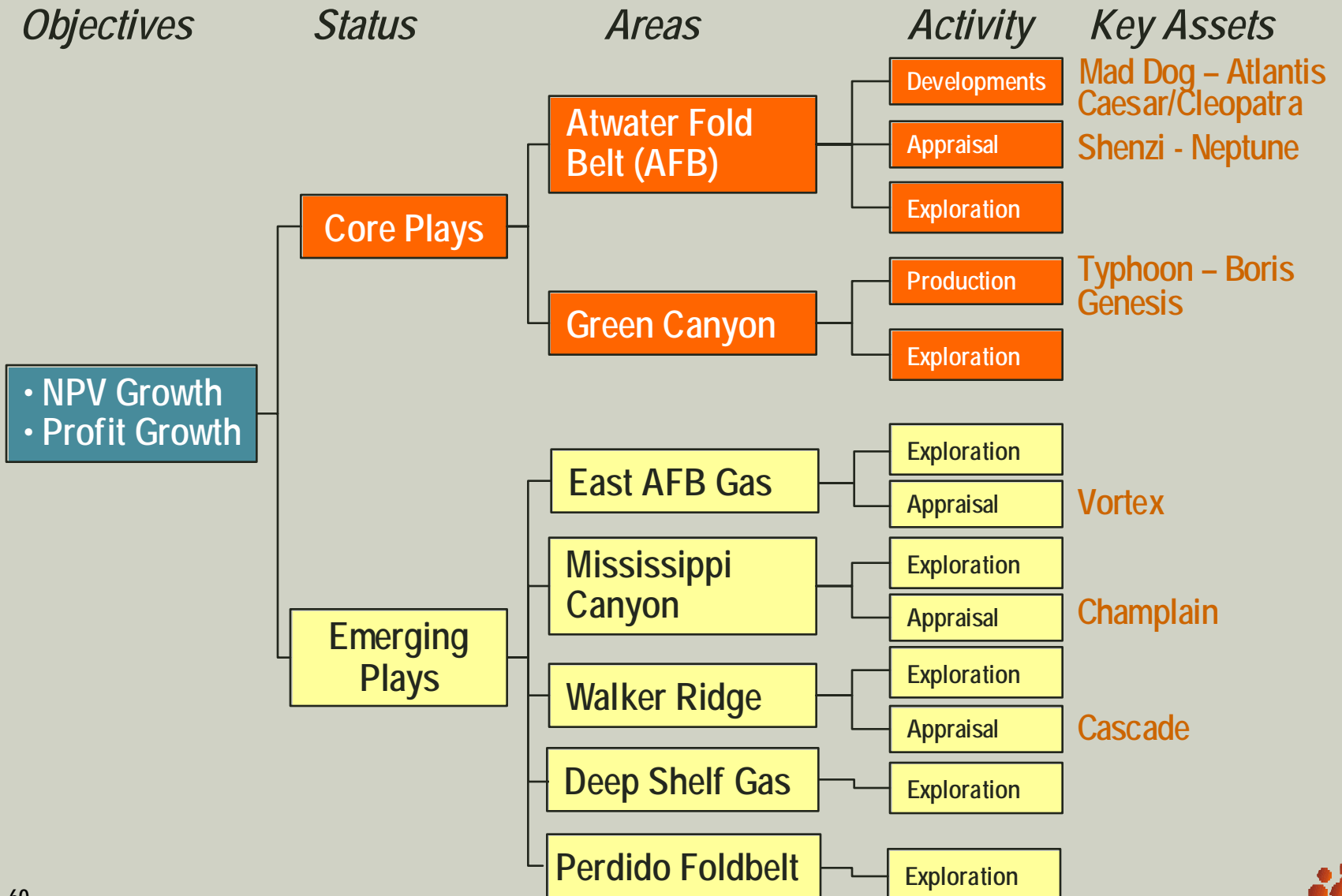
Source: Wood Mackenzie, BHP Billiton analysis

* Excludes approximately 1.2 Bboe not classified

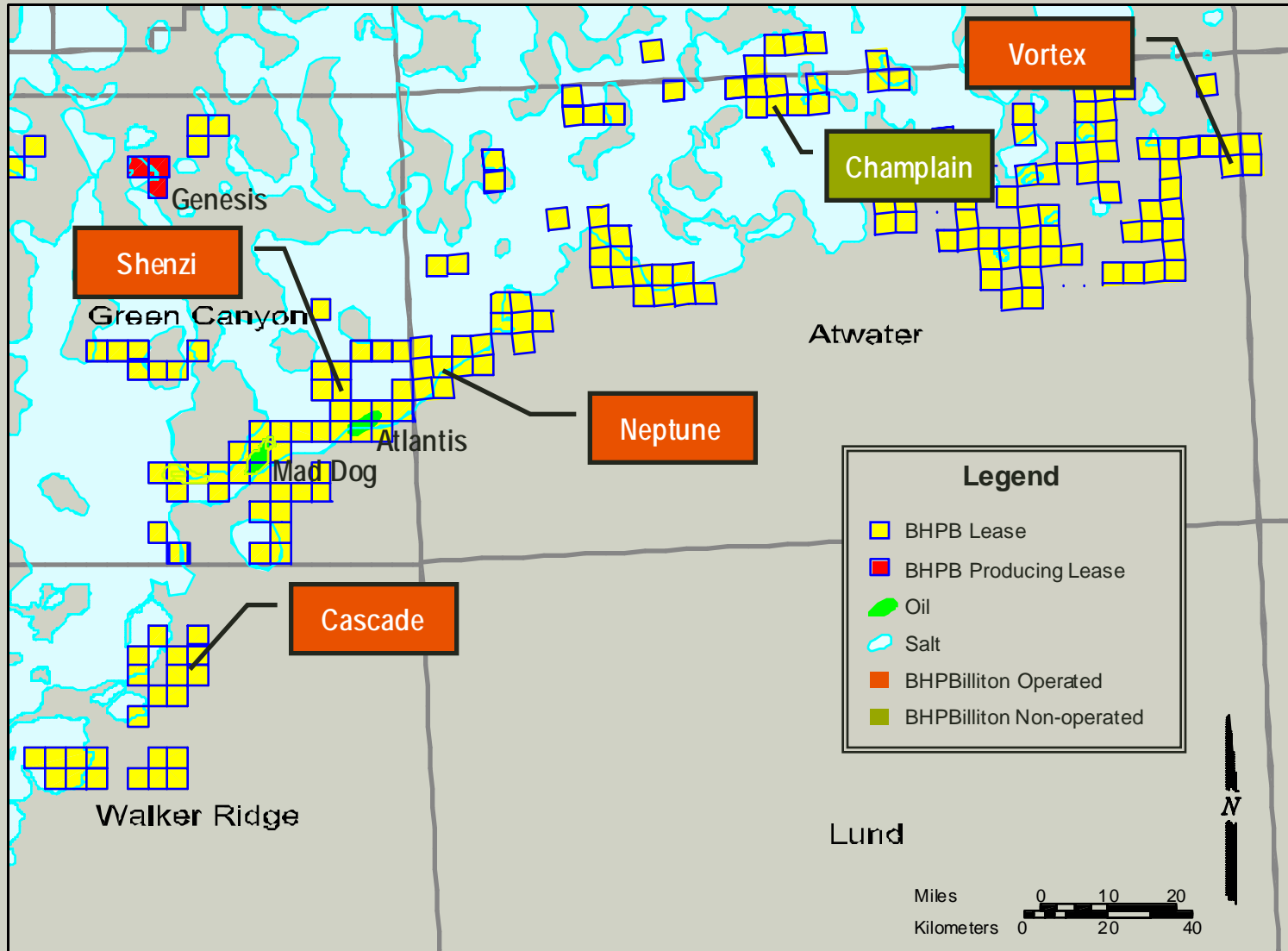
Keys to Past & Future Success

- Favourable geologic, fiscal environment
- World Class Team
- Petroleum systems approach
- Commercial flexibility
- Cost control
- Cycle time shortening

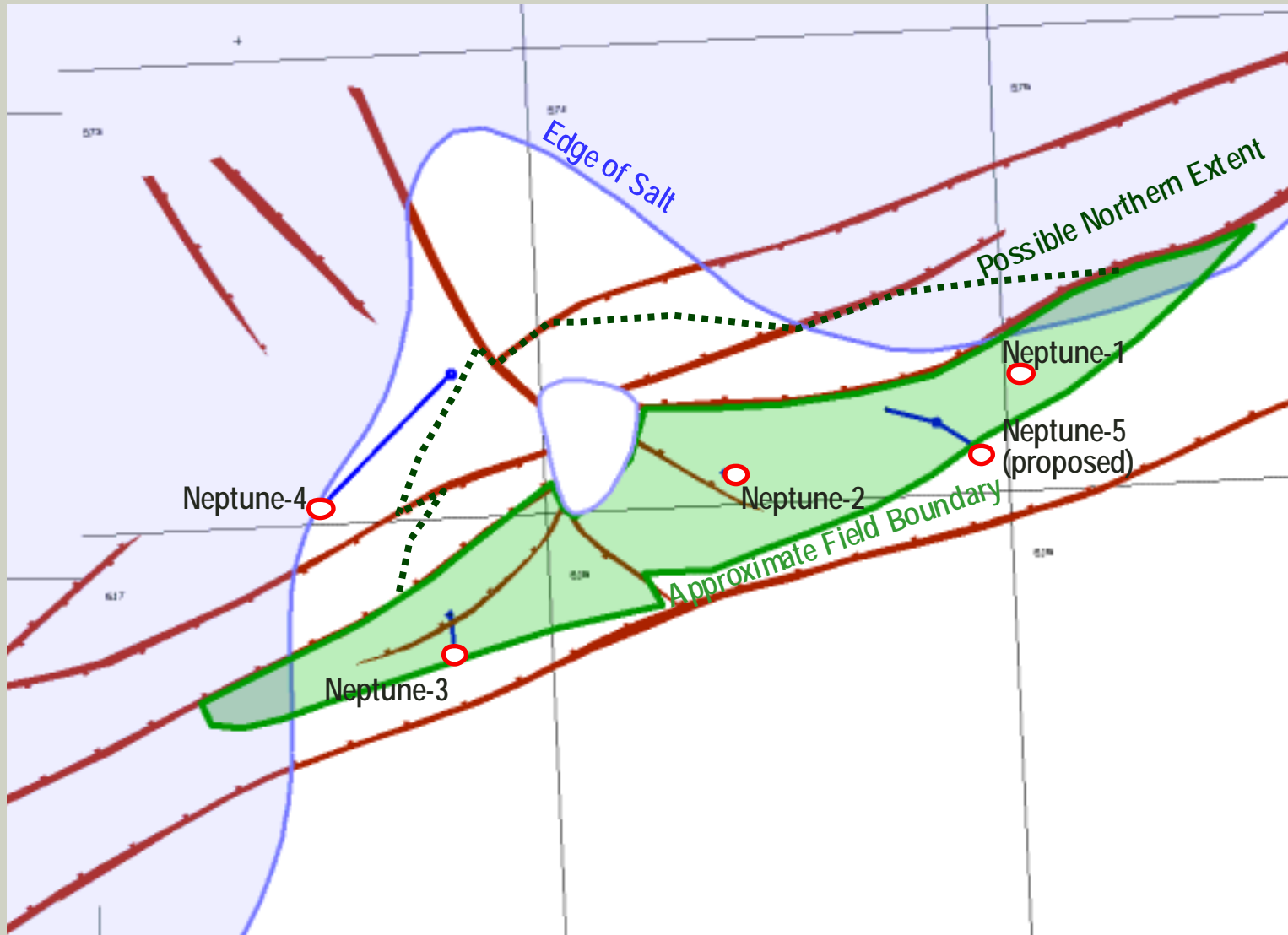
BHP Billiton Gulf of Mexico Summary



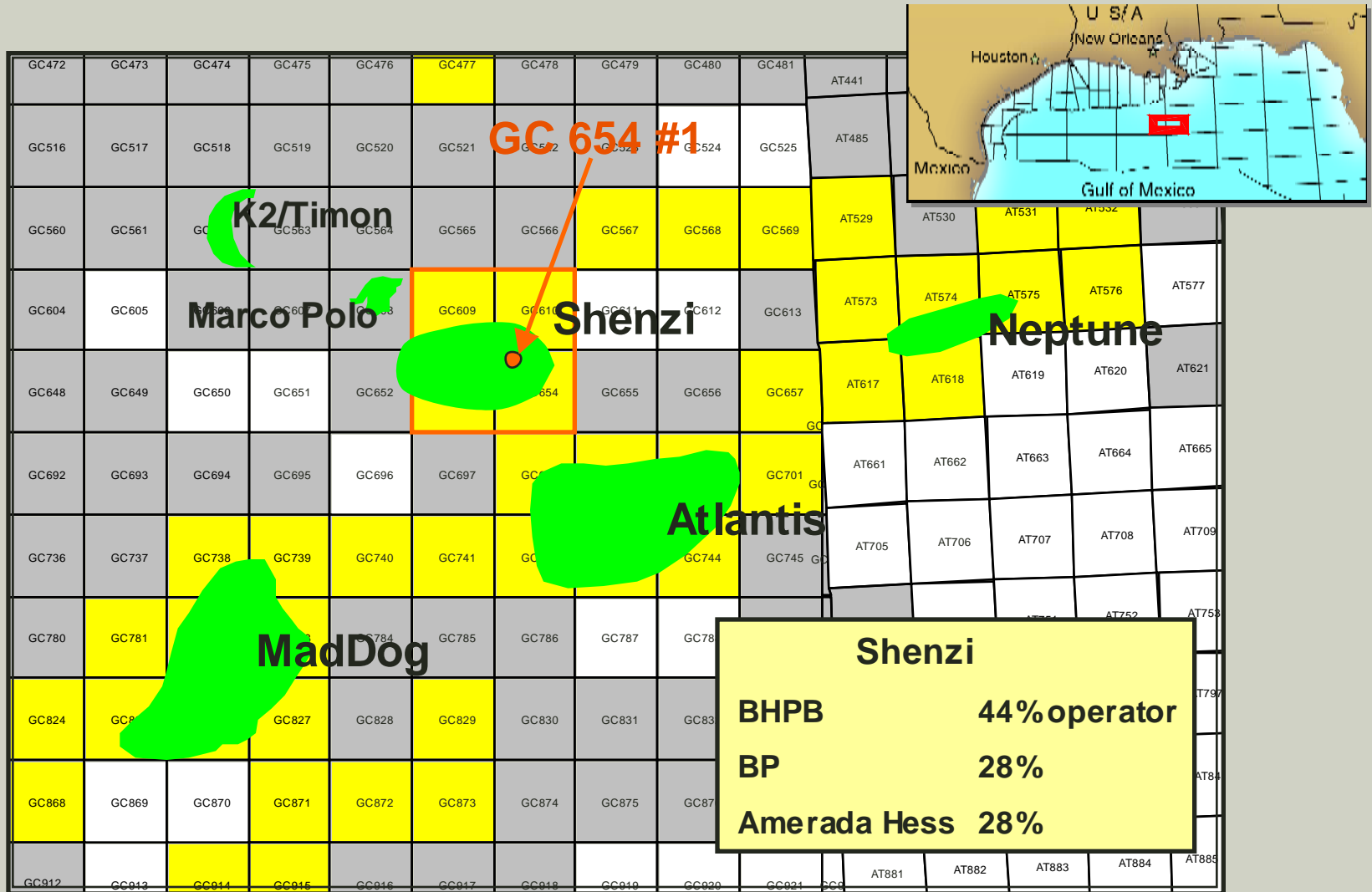
Discoveries: 5 under Appraisal



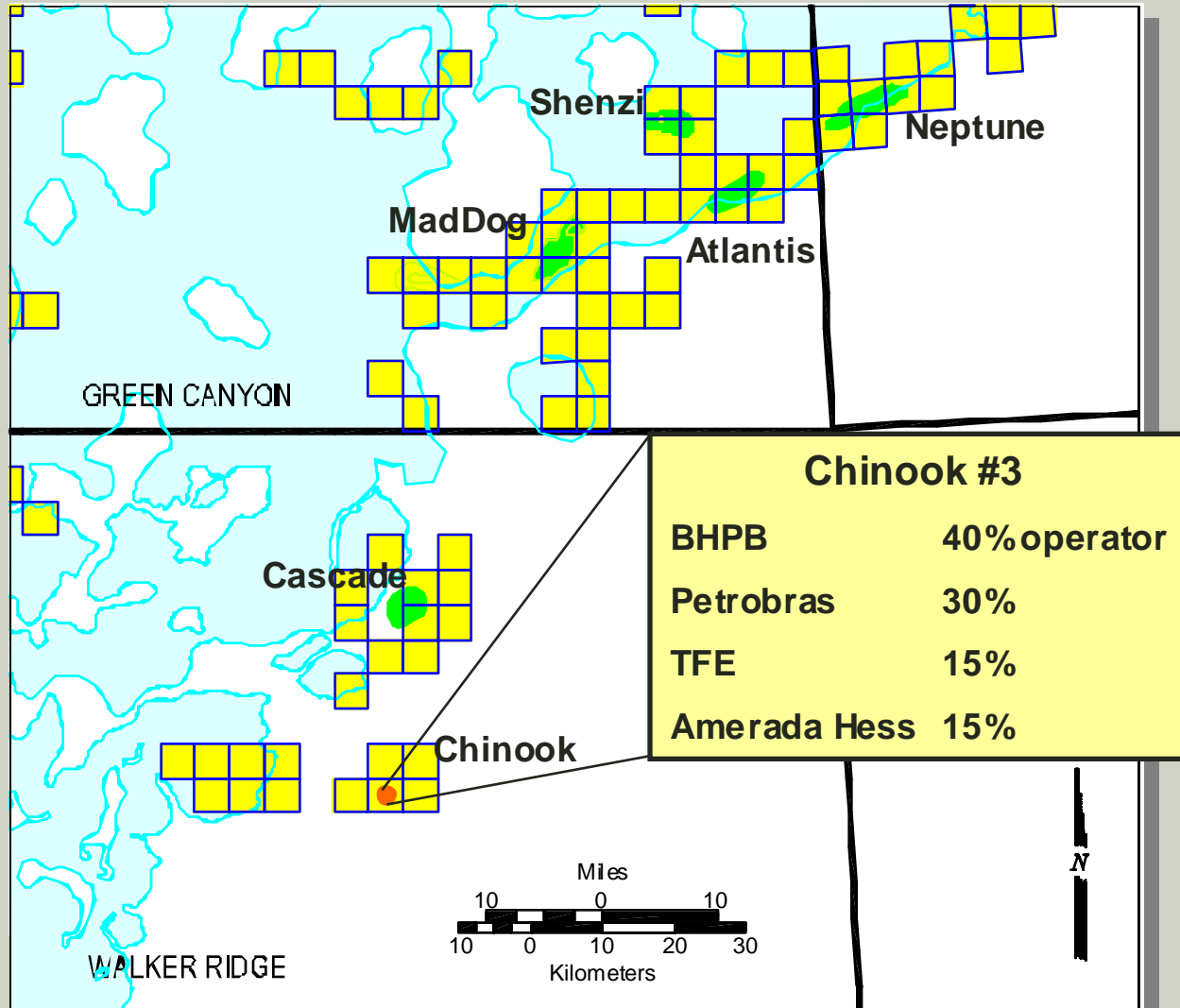
Neptune



Shenzi

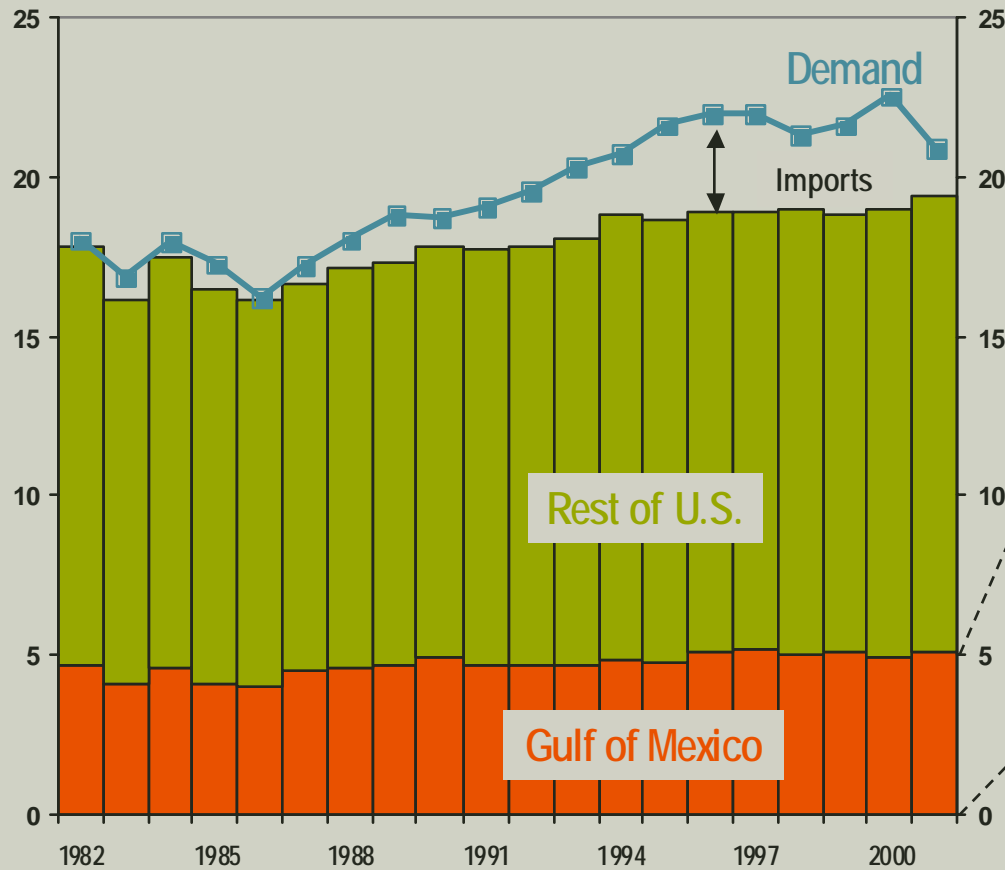


Cascade & Chinook



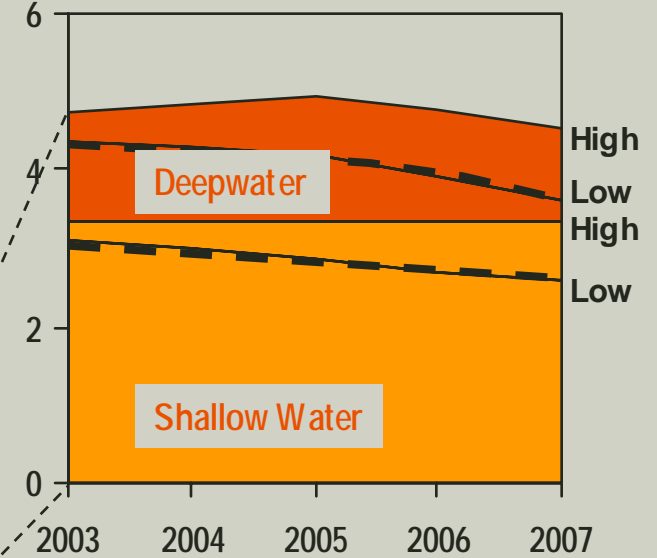
U. S. Natural Gas Supply / Demand

Tcf / year



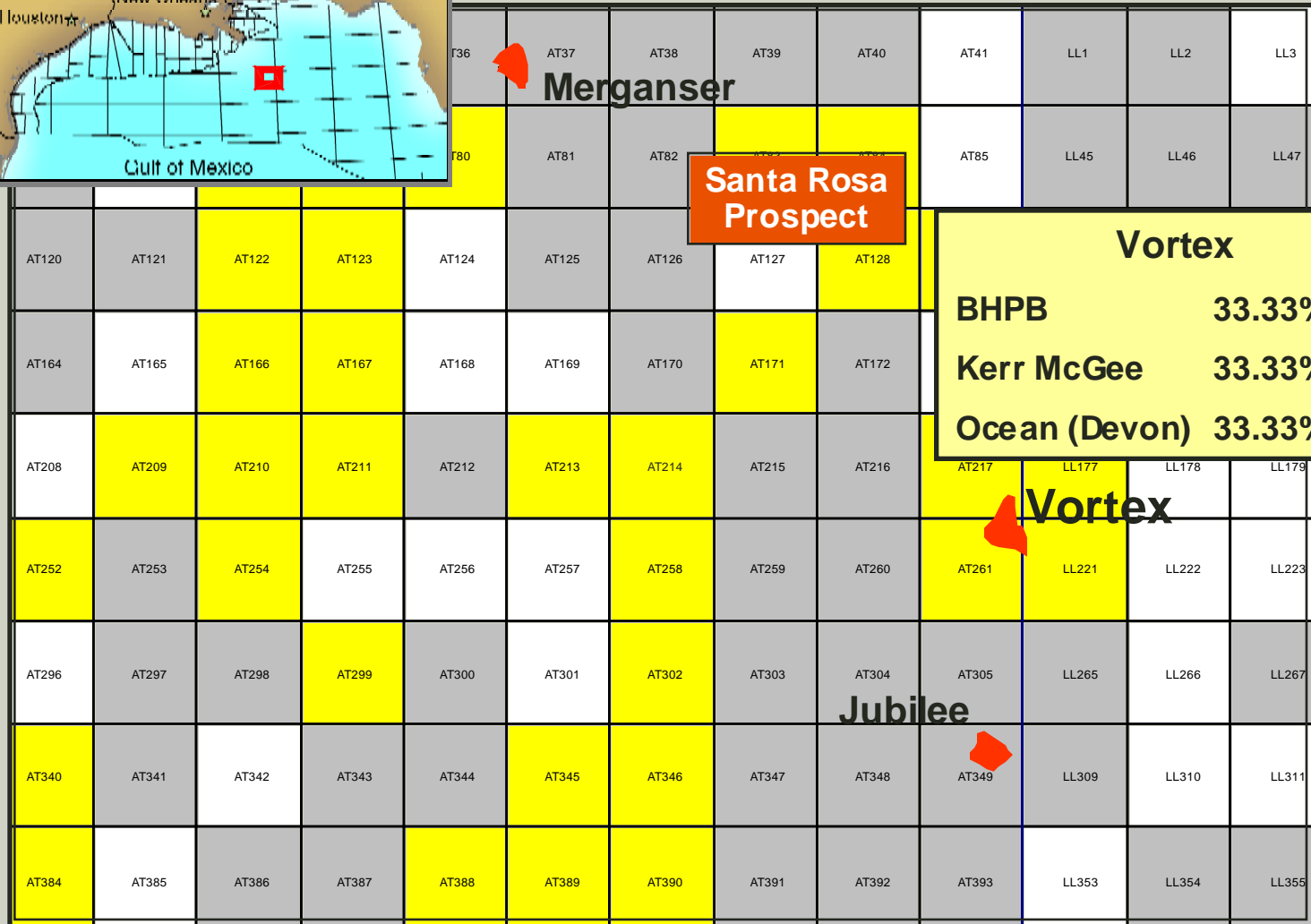
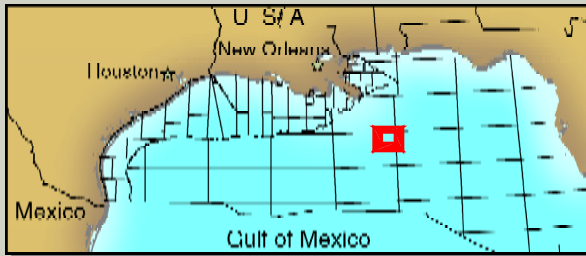
Source: Energy Information Administration

Tcf / year



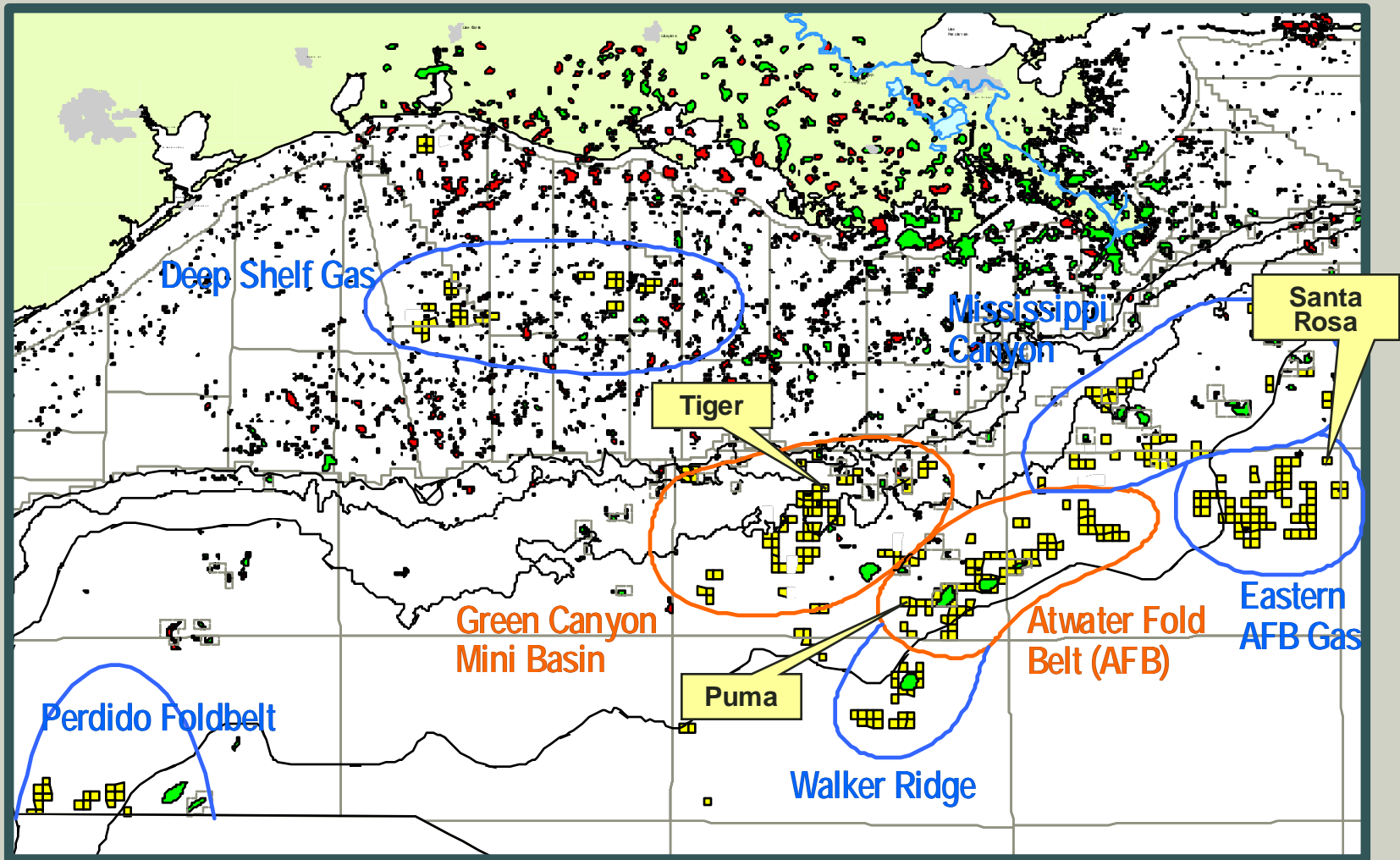
Source: MMS

Eastern Atwater Foldbelt



Jubilee

Exploration: Focus in Play Fairways



4 to 5 Deepwater Exploration wells planned in next 12 months

01.01.0167

Next presenter...

Conclusion & Questions

Philip Aiken

President & Chief Executive Officer

BHP Billiton Petroleum



bhpbilliton

Our Business Priorities

- Maximize existing value from current portfolio
- Deliver projects in progress
- Create new opportunities through our three growth strategies
- Continue to improve our HSEC performance

Conclusion

- Petroleum is a value driver for BHP Billiton
- Petroleum is a differentiating factor for BHP Billiton
- BHP Billiton Petroleum is a well established oil and gas business with:
 - solid performance
 - strong producing assets
 - value adding growth opportunities
 - consistent strategic direction.